

Persistent Systems France SAS
BALANCE SHEET AS AT MARCH 31, 2025

	Note	As at March 31, 2025 (In ₹ 000)	As at March 31, 2024 (In ₹ 000)
ASSETS			
Non current assets			
Property, Plant and Equipment	5.1	50,844.24	53,829.67
Capital work-in-progress		-	-
Other Intangible assets	5.2	-	1.96
Right-of-Use	5.3	-	18,588.54
		50,844.24	72,420.17
Non current financial assets			
Other non-current assets	6	435.41	1,807.50
Deferred tax assets	7	106,237.33	68,953.10
	(A)	157,516.98	143,180.77
Current assets			
Financial assets			
-Trade receivables	8	410,013.95	229,900.82
-Cash and cash equivalents	9	93,214.52	80,274.93
Other current financial assets	10	3,686.02	3,385.17
Other current assets	11	13,159.99	19,686.39
Current Tax Assets (net)		-	-
	(B)	520,074.48	333,247.31
TOTAL	(A)+(B)	677,591.46	476,428.08
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	97,467.00	97,467.00
Other equity		(201,093.06)	(106,700.30)
	(A)	(103,626.06)	(9,233.30)
LIABILITIES			
Non Current liabilities			
Financial liabilities			
-Other financial liabilities	12	-	17,035.37
-Borrowings	13	222,335.59	139,521.08
Current liabilities			
Financial liabilities			
-Borrowings	14	6,299.42	6,146.85
-Trade payables	15	399,601.81	145,654.89
Other current liabilities	16	64,203.42	76,089.15
Provisions	17	88,777.28	101,214.04
Current Tax Liabilities (Net)		-	-
	(B)	781,217.52	485,661.38
TOTAL	(A)+(B)	677,591.46	476,428.08
Summary of material accounting policy information	3		

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

As per our report of even date

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

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems France SAS

Anand Deshpande

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Arnaud Pierrel (Apr 21, 2025 12:58 GMT+2)

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

Persistent Systems France SAS**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**

	Note	For the year ended March 31, 2025 (In ₹ 000)	For the year ended March 31, 2024 (In ₹ 000)
Income			
Revenue from operations	18	559,577.22	731,325.91
Other income	19	8,635.72	20,894.89
Total Income (A)		568,212.94	752,220.80
Expenses			
Employee benefits expense	20.1	560,313.31	689,864.44
Cost of technical professionals	20.2	55,317.60	89,590.25
Finance costs		11,744.53	12,987.83
Depreciation and amortization expense	5.4	6,207.80	9,593.61
Other expenses	21	60,008.10	102,775.72
Total expense (B)		693,591.34	904,811.85
Profit / (loss) before tax (A - B)		(125,378.40)	(152,591.05)
Tax expense			
Current tax		-	-
Tax charge / (Credit) in respect of earlier years		1,487.52	-
Deferred tax charge / (credit)		(35,631.40)	(40,974.48)
Total tax expense		(34,143.88)	(40,974.48)
Net profit / (loss) for the year		(91,234.52)	(111,616.57)
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / (asset)		-	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-
		-	-
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements		(3,158.24)	305.03
		(3,158.24)	305.03
Total comprehensive income for the year (C) + (D) + (E)		(94,392.76)	(111,311.54)
Earnings per equity share	22		
[nominal value of share Euro 1 (Corresponding period and previous year : Euro 1)]			
Basic (in ₹)		(60.82)	(74.41)
Diluted (in ₹)		(60.82)	(74.41)
Summary of material accounting policy information	3		

The accompanying notes are an integral part of the 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 France SAS**

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

Anand Deshpande

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel

Arnaud Pierrel (Apr 21, 2025 12:58 GMT+2)

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

Persistent Systems France SAS
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

	For the year ended March 31, 2025 (In ₹ 000)	For the year ended March 31, 2024 (In ₹ 000)
Cash flow from operating activities		
Profit before tax	(125,378.40)	(152,591.05)
Adjustments for:		
Depreciation and amortization expense	6,207.80	9,593.61
Interest income	(1,924.39)	(2,622.19)
Profit on sale of Asset	(1,175.07)	-
Excess provision written back	(1,793.91)	(3,166.21)
Provision for doubtful debts (including reversal)	(2,770.04)	5,275.92
Finance costs	11,744.53	12,987.83
Unrealised exchange loss/ (gain) (net)	2,872.92	(5,881.56)
Foreign currency translation reserve	(3,158.24)	(614.05)
Operating profit before working capital changes	(115,374.80)	(137,017.70)
Movements in working capital :		
(Increase) / Decrease in trade receivables	(177,509.52)	138,345.74
(Increase) / Decrease in other current assets (including other current financial assets)	7,898.49	(33,716.65)
Decrease / (Increase) in loans and advances	-	(944.60)
Decrease / (Increase) in other non-current assets	(300.85)	(1,751.83)
Increase / (Decrease) in trade payables and current liabilities (including short term borrowings)	246,144.09	16,738.07
Increase / (Decrease) in provisions	(12,436.76)	(34,830.49)
Operating profit after working capital changes	(51,579.35)	(53,177.46)
Direct taxes paid (net of refunds)	(1,487.52)	-
Net cash generated from / (used in) operating activities	(A) (53,066.87)	(53,177.46)
Cash flow from investing activities		
Payment towards capital expenditure	(393.46)	(752.64)
Sale of Asset	359.85	-
Net cash generated from / (used in) investing activities	(B) (33.61)	(752.64)
Cash flow from financing activities		
Payment of lease liabilities	(1,888.62)	(2,332.23)
Proceeds from issuance of intercorporate deposits	169,694.60	188,773.76
Repayment of inter corporate deposits	(92,272.18)	(116,235.00)
Interest repaid on Inter corporate deposit	(9,493.73)	(9,421.04)
Net cash generated from / (used in) financing activities	(C) 66,040.07	60,785.49
Net increase in cash and cash equivalents (A + B + C)	12,939.59	6,855.39
Cash and cash equivalents at the beginning of the year	80,274.93	73,419.54
Cash and cash equivalents at the end of the year	93,214.52	80,274.93
Components of cash and cash equivalents		
Balances with banks		
- on current account	93,214.52	80,274.93
Cash and cash equivalents in cash flow statement as per note 9	93,214.52	80,274.93

Summary of material accounting policy information (refer note 3)

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

As per our report of even date

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

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems France SAS

Anand Deshpande

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel

Arnaud Pierrel (Apr 21, 2025 12:58 GMT+2)

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

Persistent Systems France SAS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. Equity share capital

(Refer Note: 4) (In ₹ 000)

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2025
97,467.00	-	-	97,467.00

(In ₹ 000)

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2024
97,467.00	-	-	97,467.00

(This space is intentionally left blank)

Persistent Systems France SAS**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025****B. Other equity****(In ₹ 000)**

Particulars	<u>Reserves and surplus</u>		<u>Items of other comprehensive income</u>	Total
	General Reserve	Retained earnings	Exchange differences on translating the	
Balance as at April 1, 2024	(12,115.27)	(133,993.07)	39,408.04	(106,700.30)
Net profit for the year		(91,234.52)	-	(91,234.52)
Dividend		-	-	-
Transfer of balance from retained earning to General	-	-		-
Other comprehensive income for the period		-	(3,158.24)	(3,158.24)
Balance at March 31, 2025	(12,115.27)	(225,227.59)	36,249.80	(201,093.06)

(In ₹ 000)

Particulars	<u>Reserves and surplus</u>		<u>Items of other comprehensive income</u>	Total
	General Reserve	Retained earnings	Exchange differences on translating the	
Balance as at April 1, 2023		(34,491.77)	39,103.01	4,611.24
Net profit for the year		(111,616.57)	-	(111,616.57)
Transfer of balance from retained earning to General Reserve	(12,115.27)	12,115.27		-
Other comprehensive income for the year		-	305.03	305.03
Balance at March 31, 2024		(133,993.07)	39,408.04	(106,700.30)

Nature and purpose of reserves**a) Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

b) As per France law, General Reserve is created out of accumulated profit amounting to ₹ 12,115.27 thousand.

Summary of material accounting policy information

The accompanying notes are an integral part of the 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 France SAS

per Tejashree Joshi
Partner
Membership No. 139807
Place: India
Date : April 21, 2025

Anand Deshpande
Dr. Anand Deshpande
Director
Place: USA
Date : April 21, 2025

Arnaud Pierrel
Arnaud Pierrel (Apr 21, 2025 12:58 GMT+2)
Arnaud Pierrel
Director General
Place: France
Date : April 21, 2025

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Nature of operations

Persistent Systems France SAS ("the Company") is a wholly owned subsidiary of Persistent Systems Ltd. The Company is specialised in software products, services and technology innovation.

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 where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

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. These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 for the year ended March 31, 2025.

The accompanying financial statements have been prepared solely to assist the management of Persistent Systems Limited in preparation of its consolidated financial statements for the year ended 31 March 2025

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 Euro. To facilitate consolidation in holding company, these financial statements are presented in INR, which is the presentation currency. The results and balances are translated from functional currency to presentation currency using the following procedure:

- i. All assets and liabilities are translated at the closing rate as at the date of the balance sheet;
- ii. All income and expense items are translated at the average exchange rates for the period/year;
- iii. The equity share capital is translated on the date of transaction;
- iv. The exchange differences arising out of the year end conversion are recognised in Other Comprehensive Income and the said amount is shown under the head "Other Equity".

(C) Use of estimates

The preparation of the 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 assets and liabilities at the end of reporting period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of accounting assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as per management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material their effects are disclosed in the notes to the financial statements.

(D) Critical accounting estimates

i) Revenue recognition

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

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

In respect of the contracts where the transaction price is payable as royalty at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from royalty on the basis of historical trends of customer revenue. In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

ii) Income taxes

The Company's tax jurisdictions is France. Significant judgements are involved in determining the provision for income taxes. A deferred tax is recognised to the extent that it is probable that future taxable profits are available against which deductible temporary differences and tax losses be utilised. The management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies. While the Management believes that the Company will realise the deferred tax assets, the amount of deferred tax asset realisable could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

iii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of

Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv) Provisions and contingent liabilities

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.

(E) Summary of significant accounting policies

(a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Act. Operating cycle is the time between the acquisition of resources / assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months.

(b) Property, Plant and Equipment

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

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

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

(c) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease periods relating to the existing lease contracts.

(d) Intangible assets

(i) Acquired Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Intangible assets are carried at cost less accumulated amortization and impairment losses, if any. Cost comprises the purchase price and any 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.

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

(i) 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 intangibles 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.

(e) Depreciation and amortization

Depreciation on tangible fixed assets 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 fixed assets as follows:

Assets	Useful lives
Acquired Contratual Rights	3 years
Buildings*	25 years
Computers	4 years
Computers - Servers and networks*	4 years
Plant and equipment*	5 years
Furniture and fixtures*	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.

(f) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

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

Derecognition

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

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

i) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortized cost**

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

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

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

Derecognition

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

(g) 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 months 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 unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the statement of profit and loss.

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.

(h) 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.

(i) Leases

The Company assesses at the inception of contract whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period
- the Company has the right to direct the use of the asset

Where the Company is a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments based on an index or rate, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease expenses associated with these leases are recognized in the statement of profit and loss on a straight line basis.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income over the lease term on a straight line basis.

(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

(i) Income from software licenses and services

The company derives revenues primarily from IT services comprising of software development and related services and from the licensing of software products.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services.

Arrangements with customers for software related services are either on a time-and-material or a fixed- price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

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

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the proportionate allocation of the discounts amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs.

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 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) Dividends

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.

(k) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

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

Conversion

The transactions are in Euro, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period.

Exchange Difference

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.

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

Translation of foreign operations

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

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

(l) Retirement and other employee benefits

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.

Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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

(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 French Inland Revenue Service (FIRS). The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

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.

(n) 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 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.

(o) 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.

(p) Contingent liabilities

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

(q) Cash and cash equivalents

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

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

4.Share capital

	As at March 31, 2025 (In ₹ 000)	As at March 31, 2024 (In ₹ 000)
Authorised		
1,500,000 (previous year 1,500,000) Equity shares of 1 Euro each (EUR)	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, subscribed and paid-up		
1,500,000 (previous year 1,500,000) Equity shares of 1 Euro each fully paid.	97,467.00	97,467.00
All Shares are held by the Holding Company viz : Persistent Systems Limited.		
	97,467.00	97,467.00

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

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

(In ₹ 000)				
	As at March 31, 2025		As at March 31, 2024	
	No of shares	Amount (In ₹ 000)	No of shares	Amount (In ₹ 000)
Number of shares at the beginning of the year	1,500.00	97,467.00	1,500.00	97,467.00
Add: Issued during the year	-	-	-	-
Number of shares at the end of the year	1,500.00	97,467.00	1,500.00	97,467.00

b) Details of shares held by promoters

As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Persistent Systems Limited	1,500	-	1,500	100%	-

As at March 31, 2024

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Persistent Systems Limited	1,500	-	1,500	100%	-

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

5.1 Property, Plant and Equipment

(In ₹ 000)

	Freehold Land	Building	Computers	Office Equipment	Plant & Machinery	Furniture & Fixtures	Total
Gross Block							
As at April 01, 2024	15,730.33	70,457.25	22,793.02	163.15	1,549.01	4,643.09	115,335.85
Additions	-	-	-	-	393.46	-	393.46
Disposals	-	-	-	-	-	769.51	769.51
Effect of foreign currency translation from functional currency to reporting currency	427.76	1,915.99	619.83	4.44	46.38	105.15	3,119.55
As at March 31, 2025	16,158.09	72,373.24	23,412.85	167.59	1,988.85	3,978.73	118,079.35
Depreciation and Amortization							
As at April 01, 2024	-	35,696.88	20,329.47	64.65	1,286.32	4,128.86	61,506.18
Charge for the period	-	2,840.04	1,289.24	32.88	106.54	123.09	4,391.79
Disposals	-	-	-	-	-	409.66	409.66
Effect of foreign currency translation from functional currency to reporting currency	-	1,025.62	577.82	2.39	37.21	103.76	1,746.80
As at March 31, 2025	-	39,562.54	22,196.53	99.92	1,430.07	3,946.05	67,235.11
Net Block							
As at March 31, 2025	16,158.09	32,810.70	1,216.32	67.67	558.78	32.68	50,844.24
As at March 31, 2024	15,730.33	34,760.37	2,463.55	98.50	262.69	514.23	53,829.67

(In ₹ 000)

	Freehold Land	Building	Computers	Office Equipment	Plant & Machinery	Furniture & Fixtures	Total
Gross Block							
As at April 01, 2023	15,616.09	69,945.57	22,122.83	161.97	1,731.17	4,967.25	114,544.88
Additions	-	-	509.99	44.25	19.02	-	573.26
Disposals	-	-	-	-	255.88	356.61	612.49
Effect of foreign currency translation from functional currency to reporting currency	114.24	511.68	160.20	(43.07)	54.70	32.45	830.20
As at March 31, 2024	15,730.33	70,457.25	22,793.02	163.15	1,549.01	4,643.09	115,335.85
Depreciation and Amortization							
As at April 01, 2023	-	32,639.82	16,396.38	31.79	1,459.12	4,284.95	54,812.06
Charge for the year	-	2,807.18	3,797.90	32.50	74.84	172.29	6,884.71
Disposals	-	-	-	-	255.88	356.61	612.49
Effect of foreign currency translation from functional currency to reporting currency	-	249.88	135.19	0.36	8.24	28.23	421.90
As at March 31, 2024	-	35,696.88	20,329.47	64.65	1,286.32	4,128.86	61,506.18
Net Block							
As at March 31, 2024	15,730.33	34,760.37	2,463.55	98.50	262.69	514.23	53,829.67
As at March 31, 2023	15,616.09	37,305.75	5,726.45	130.18	402.23	682.30	59,732.82

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

5.2 Other Intangible assets

	(In ₹ 000)		
	Intangible Software	Software	Total
Gross Block			
As at April 01, 2024	5,040.76	431.56	5,472.32
Additions	-	-	-
Disposals	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	137.08	11.73	148.81
As at March 31, 2025	5,177.84	443.29	5,621.13
Amortization			
As at April 01, 2024	5,040.76	429.60	5,470.36
Charge for the period	-	1.95	1.95
Disposals	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	137.08	11.74	148.82
As at March 31, 2025	5,177.84	443.29	5,621.13
Net Block			
As at March 31, 2025	-	-	-
As at March 31, 2024	-	1.96	1.96

	(In ₹ 000)		
Gross Block			
As at April 01, 2023	5,004.24	428.42	5,432.66
Additions	-	-	-
Disposals	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	36.52	3.14	39.66
As at March 31, 2024	5,040.76	431.56	5,472.32
Amortization			
As at April 01, 2023	5,004.15	417.14	5,421.29
Charge for the year	-	9.37	9.37
Disposals	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	36.61	3.09	39.70
As at March 31, 2024	5,040.76	429.60	5,470.36
Net Block			
As at March 31, 2024	-	1.96	1.96
As at March 31, 2023	0.09	11.28	11.37

Persistent Systems France SAS**NOTES FORMING PART OF FINANCIAL STATEMENTS****5.3. Right-of-use assets**

	(In ₹ 000)	
	Right -of- use assets	Total
Gross block (At Cost)		
As at April 01, 2024	24,193.09	24,193.09
Additions	-	-
Disposals	24,187.31	24,187.31
Effect of foreign currency exchange differences	(5.78)	(5.78)
As at March 31, 2025	-	-
Amortization		
As at April 01, 2024	5,604.55	5,604.55
Charge for the year	1,814.06	1,814.06
Reversals/ Disposals during the period	7,408.69	7,408.69
Effect of foreign currency exchange differences	(9.92)	(9.92)
As at March 31, 2025	-	-
Net block		
As at March 31, 2025	-	-
As at March 31, 2024	18,588.54	18,588.54

	(In ₹ 000)	
	Right -of- use assets	Total
Gross block (At Cost)		
As at April 01, 2023	23,835.56	23,835.56
Additions	179.38	179.38
Disposals	-	-
Effect of foreign currency exchange differences	178.15	178.15
As at March 31, 2024	24,193.09	24,193.09
Amortization		
As at April 01, 2023	2,873.53	2,873.53
Charge for the year	2,699.53	2,699.53
Effect of foreign currency exchange differences	31.49	31.49
As at March 31, 2024	5,604.55	5,604.55
Net block		
As at March 31, 2024	18,588.54	18,588.54
As at March 31, 2023	20,962.03	20,962.03

5.4 Capital work in progress (CWIP) Ageing Schedule

	Amount in CWIP for a period of				(In ₹ 000)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025	-	-	-	-	-

	Amount in CWIP for a period of				(In ₹ 000)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-

5.5 Intangible Asset under Development Ageing Schedule

	Amount in Intangible Asset under Development for a period of				(In ₹ 000)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2025	-	-	-	-	-

	Amount in Intangible Asset under Development for a period of				(In ₹ 000)
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-
As at 31 March 2024	-	-	-	-	-

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

5.4 Depreciation and amortization expense (In ₹ 000)

	For the year ended	
	March 31, 2025	March 31, 2024
On Property, Plant and Equipment	4,391.79	6,884.71
On Other intangible assets	1.95	9.37
Right-of-use assets	1,814.06	2,699.53
	6,207.80	9,593.61

6. Other non current assets (In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Advances recoverable in cash or kind or for value to be received	435.41	1,807.50
	435.41	1,807.50

7. Deferred tax assets (In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Brought forward and current year losses	105,874.95	68,659.68
Others	362.38	293.42
	106,237.33	68,953.10

8. Trade receivables (In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Unsecured (considered good)	410,013.95	229,900.82
Unsecured, (Credit impaired)	13,160.86	15,552.20
	423,174.81	245,453.02
Less : Allowance for credit loss	(13,160.86)	(15,552.20)
	410,013.95	229,900.82
	410,013.95	229,900.82

9. Cash and cash equivalents (In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
-On current accounts	93,214.52	80,274.93
	93,214.52	80,274.93

10. Other current financial assets (In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Unbilled revenue	2,794.80	1,545.88
Security Deposits - Unsecured, considered good	891.22	1,839.29
	3,686.02	3,385.17

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

Trade receivables Ageing Schedule

	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	(In ₹ 000) Total
Undisputed Trade Receivables – considered good	246,943.90	149,892.21	16.99	-	-	-	396,853.09
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	181.22	9,184.82	3,794.82	13,160.86
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
As At March 31, 2025	246,943.90	149,892.21	16.99	181.22	9,184.82	3,794.82	410,013.95

	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	(In ₹ 000) Total
Undisputed Trade Receivables – considered good	151,750.65	53,355.22	9,242.75	-	-	-	214,348.62
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	705.70	10,781.47	4,065.03	-	15,552.20
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
As At March 31, 2024	151,750.65	53,355.22	9,948.45	10,781.47	4,065.03	-	229,900.82

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

11. Other current assets

	(In ₹ 000)	
	As at	As at
	March 31, 2025	March 31, 2024
Other loans and advances (unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	13,159.99	19,686.39
	13,159.99	19,686.39

12. Other non-current financial liabilities

	(In ₹ 000)	
	As at	As at
	March 31, 2025	March 31, 2024
Lease liabilities	-	19,674.00
Less: Current maturity of lease liabilities	-	2,638.63
	0.00	17,035.37

Movement of lease liabilities

	(In ₹ 000)	
	As at	As at
	March 31, 2025	March 31, 2024
Opening balance	19,674.00	21,583.23
Changes during the year	(18,064.97)	179.38
Add: Interest recognised during the period/year	117.08	141.48
Less: Payments made	(1,888.62)	(2,373.66)
Exchange difference	162.51	143.57
Closing balance	-	19,674.00

13. Non Current financial liabilities: Borrowings

	(In ₹ 000)	
	As at	As at
	March 31, 2025	March 31, 2024
Inter corporate deposit from related party (unsecured)*	222,335.59	139,521.08
	222,335.59	139,521.08

*It is repayable within 36 months.

-Refer note no. 23

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

14. Current financial liabilities: Borrowings

(In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Loans and advances from related parties (unsecured)*		
- Persistent Systems Limited	615.67	624.69
- Persistent Systems Inc.	5,683.75	5,522.16
	6,299.42	6,146.85

• There is no repayment schedule in respect of this advance. It is repayable on demand.
-Refer note no. 23

15. Trade payables

(In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Trade payables	399,601.81	145,654.89
	399,601.81	145,654.89

16. Other Current liabilities

(In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Other current liabilities		
-Unearned revenue	23,419.19	17,801.91
-Statutory liabilities	26,588.99	38,853.96
-VAT payable	5,056.78	10,753.64
- Interest on Inter-company deposit payable	6,400.74	4,241.41
-Lease liability	-	2,638.63
-Others	2,737.72	1,799.60
	64,203.42	76,089.15

17. Current Liabilities : Provisions

(In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Provision for employee benefits		
- Leave encashment	64,333.73	77,447.22
- Other employee benefits	24,443.55	23,766.82
	88,777.28	101,214.04

NOTES FORMING PART OF FINANCIAL STATEMENTS

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment				(In ₹ 000)
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small					
Total outstanding dues of creditors other than micro enterprises and small enterprises	23,666.19	307,906.14	34,313.99	9,662.19	24,053.30
Disputed dues of micro enterprises and small enterprises					
Disputed dues of creditors other than micro enterprises and small enterprises					
As At March 31, 2025	23,666.19	307,906.14	34,313.99	9,662.19	24,053.30
					399,601.81

	Outstanding for following periods from due date of payment				(In ₹ 000)
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small					
Total outstanding dues of creditors other than micro enterprises and small enterprises	31,711.49	51,227.52	14,223.44	37,666.56	10,825.88
Disputed dues of micro enterprises and small enterprises					
Disputed dues of creditors other than micro enterprises and small enterprises					
As At March 31, 2024	31,711.49	51,227.52	14,223.44	37,666.56	10,825.88
					145,654.89

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

18. Revenue from operations

	(In ₹ 000)	
	For the year ended	
	March 31, 2025	March 31, 2024
Software licenses	50,603.06	104,398.29
Software services	508,974.16	626,927.62
	559,577.22	731,325.91

The table below presents disaggregated revenues from contracts with customers by segments, geography and customers' industry type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2025	March 31, 2024
Segment wise disclosure		
Segment		
BFSI	1,080.10	34,624.47
Healthcare Life Science	290,584.09	324,418.22
Industrials	267,913.03	372,283.22
	559,577.22	731,325.91

Geographical disclosure

Geography		
India	17,862.36	30,217.82
North America	218,008.40	233,851.60
Rest of the World	323,706.46	467,256.49
Total	559,577.22	731,325.91

Onsite-offshore disclosure

IP Led	123,223.86	185,270.14
Offshore	33,353.90	34,610.46
Onsite	402,999.46	511,445.31
Total	559,577.22	731,325.91

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts and also those which pertain to contracts with original expected duration of one year or less. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of the estimates, economic factors (changes in currency rates, tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs. 60.71 which is expected to be recognised as revenue in the next year. No consideration from contracts with customers is excluded from the amount mentioned above.

Changes in contract assets (unbilled revenue) are as follows:

Particulars	(In ₹ 000)
Balance at the beginning of the year	1,545.88
Revenue recognised during the year	67,538.25
Invoices raised during the year	(69,126.16)
Translation exchange difference	2,836.83
Balance at the end of the year	2,794.80

Changes in Unearned revenue are as follows:

Particulars	(In ₹ 000)
Balance at the beginning of the year	17,801.91
Revenue recognised during the year	(178,322.75)
Increase due to invoicing during the year, not recognised as revenue during the year	195,884.73
Translation exchange difference	(11,944.70)
Balance at the end of the year	23,419.19

Persistent Systems France SAS**NOTES FORMING PART OF FINANCIAL STATEMENTS****19. Other income****(In ₹ 000)**

	For the year ended	
	March 31, 2025	March 31, 2024
Foreign exchange gain (net)	-	-
Excess provision written back	1,793.91	3,166.21
Provision for doubtful debts written back	2,770.04	-
Miscellaneous income	972.31	15,106.49
Int on inter corp deposit and others	1,924.39	2,622.19
Profit on sale of Asset	1,175.07	-
	8,635.72	20,894.89

20. Personnel expenses**(In ₹ 000)**

	For the year ended	
	March 31, 2025	March 31, 2024
20.1 Employee benefits expense		
Salaries and wages	369,359.27	431,082.15
Defined contribution to other funds	183,679.24	246,073.99
Staff welfare and benefits	7,274.80	12,708.30
Contribution to provident and other funds	560,313.31	689,864.44
20.2 Cost of technical professionals		
Technical professionals - related parties	31,795.84	71,096.01
Technical professionals - others	23,521.76	18,494.24
	55,317.60	89,590.25
	615,630.91	779,454.69

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

21. Other expenses

(In ₹ 000)

	For the year ended	
	March 31, 2025	March 31, 2024
Travelling and conveyance	9,793.26	16,785.37
Electricity expenses	2,445.20	3,224.90
Internet link expenses	2,239.15	2,568.51
Communication expenses	900.94	669.30
Recruitment expenses	1,935.72	8,294.34
Provision for doubtful debts / (written back)	-	5,275.92
Training and seminars	2,051.10	1,474.01
Purchase of software licenses and support expenses	3,071.99	23,605.08
Corporate Guarantee Fee	-	(12,431.60)
Debit balances written off	1,492.55	6,588.71
Insurance	5,104.94	4,148.38
Rent	7,768.03	10,487.34
Rates, fees and taxes	5,915.17	7,972.09
Legal and professional fees	7,560.79	12,853.16
Repairs and maintenance		
- Plant and Machinery	1,728.74	747.95
- Building	161.30	211.87
- Others	1,732.35	769.26
Foreign exchange loss (net)	1,351.73	3,537.67
Advertisements and sponsorship fees	618.46	689.47
Computer consumables	142.62	462.30
Books, memberships and subscriptions	51.89	118.75
Auditors' remuneration	1,545.07	1,434.54
Miscellaneous expenses	2,397.10	3,288.40
	60,008.10	102,775.72

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

22. Earnings per share

		For the year ended	
		March 31, 2025	March 31, 2024
Basic and diluted earnings per share			
<u>Numerator</u>			
Net Profit / (loss) after tax (In ₹ 000)	A	(91,234.52)	(111,616.57)
<u>Denominator</u>			
Weighted average number of ordinary shares	B	1,500,000	1,500,000
Basic earnings per share (In ₹)	A / B	(60.82)	(74.41)
Diluted earnings per share (In ₹)	A / B	(60.82)	(74.41)
(Face Value of Euro 1 each)			

(This space is intentionally left blank)

Persistent Systems France SAS**NOTES FORMING PART OF FINANCIAL STATEMENTS****23. Related party transactions****I. Names of related parties****Holding Company:**

Persistent Systems Ltd.

Companies under same Management:

Persistent Systems Inc.
 Persistent Telecom Solutions Inc.
 Persistent Systems Germany GmbH
 Youperience Limited UK
 Persistent Systems Switzerland AG (FKA PARX Werk AG)
 Persistent Systems UK Limited (FKA Aepona Limited)
 Persistent Systems S.R.L.- Romania

Key Management Personnel:

Mr. Arnaud Pierrel, Director General
 Mr. Bruno Orsler, Director

II. Related party transactions:

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ 000)	March 31, 2024 (In ₹ 000)
Income				
Revenue from services rendered	Persistent Systems Inc. Persistent Systems Ltd. Persistent Systems Switzerland AG (FKA PARX Werk AG) Persistent Systems UK Limited (FKA Aepona Limited)	Companies under same management Holding company Companies under same management Companies under same management	362.64 17,862.36 10,444.44 963.18	19,746.82 30,217.82 5,745.66 1,215.47
Expenditure				
Cost of technical professionals	Persistent Systems Ltd. Persistent Systems Inc. Persistent Systems S.R.L.- Romania Persistent Systems Switzerland AG (FKA PARX Werk AG) Persistent Systems Germany GmbH	Holding company Companies under same management Companies under same management Companies under same management Companies under same management	12,041.02 - 2,840.08 11,567.81 5,346.95	14,755.55 2,923.86 12,833.72 38,760.54 1,822.35
Interest expense on Inter corporate deposit taken	Persistent Systems Inc.	Companies under same management	11,627.45	12,851.23
Inter. Corporate Guarantee fee	Persistent Systems Inc.	Companies under same management	-	(12,431.60)
Remuneration paid	Key management personnel - Mr. Arnaud Pierrel - Mr. Bruno Orsler	Director Director	16,982.43 12,886.41	18,463.26 13,939.07

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at	As at
			March 31, 2025 (In ₹ 000)	March 31, 2024 (In ₹ 000)
Share Capital	Persistent Systems Ltd.	Holding Company	97,467.00	97,467.00
Short term advances taken	Persistent Systems Limited Persistent Systems, Inc.	Holding company Companies under same management	615.66 7,426.62	624.69 5,522.16
Trade payables	Persistent Systems Limited Persistent Systems, Inc. Persistent Systems S.R.L.- Romania Persistent Systems Switzerland AG (FKA PARX Werk AG) Persistent Telecom Solutions Inc. Persistent Systems Germany GmbH	Holding Company Companies under same management Companies under same management Companies under same management Companies under same management Companies under same management	21,005.19 62,618.83 2,913.33 2,119.57 - 6,026.88	7,284.72 48,584.50 12,901.71 24,872.80 433.35 79.64
Trade receivables	Persistent Systems Limited Persistent Systems, Inc. Persistent Systems Switzerland AG (FKA PARX Werk AG) Persistent Systems Germany GmbH	Holding Company Companies under same management Companies under same management Companies under same management	4,452.55 - 948.66 3.31	9,439.23 9,434.06 1,085.35 3.23
Interest on inter coporeate deposit	Persistent Systems, Inc.	Companies under same management	6,400.74	4,241.41
Inter corporate deposits	Persistent Systems, Inc.	Companies under same management	222,335.59	139,521.08

Persistent Systems France SAS**NOTES FORMING PART OF FINANCIAL STATEMENTS****24. Unhedged foreign currency exposure at the end of the year**

Particulars	Currency	March 31, 2025			Currency	March 31, 2024		
		Amount in FC	Exchange Rate	(Amount In ₹ 000)		Amount in FC	Exchange Rate	(Amount In ₹ 000)
Intercompany deposit received	USD	600,000.00	85.47	51,282.00	USD	-	0.0000	-
Interest on intercompany deposit	USD	20,878.36	85.47	1,784.47	USD	25390.87	83.4000	2,117.60
Intercompany Advances received	USD	73,703.26	85.47	6,299.42	USD	10,498.95	83.4000	875.61
Trade receivables	GBP	64,259.32	110.6324	7,109.16	GBP	54,509.32	105.2675	5,738.06
	USD	11,000.00	85.4700	940.17	USD	28,270.00	83.4000	2,357.72
	CHF	9,779.72	97.0037	948.67				
Trade payable	USD	1,008,965.01	85.4700	86,236.24	USD	1,006,526.47	83.4000	83,944.31
	INR	419,669.56	1.0000	419.67	INR	97,782.00	1.00	97.78
	CHF	6,927.40	97.0037	671.98	CHF	265,639.29	92.1140	24,469.10
	GBP	513.95	110.6324	56.86				

25. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risks to the Company are foreign exchange risk and high dependence on top customer who accounts for around 39.98% of revenue. The Company's exposure to credit risk is insignificant as the top customers are renowned multi-national companies. The liquidity needs are managed by funding from / to the group companies. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The following table analyses foreign currency risk from financial instruments as of March 31, 2025:

	(In ₹ 000)			
	USD	INR	GBP	CHF
Trade receivables	940.17	-	7,109.16	948.67
Other financial assets (including loans)	-	-	-	-
Trade payables	86,236.24	419.67	56.86	671.98
Other financial liabilities	-	-	-	-

The following table analyses foreign currency risk from financial instruments as of March 31, 2024:

	(In ₹ 000)			
	USD	INR	GBP	CHF
Trade receivables	2,357.72	-	5,738.06	-
Other financial assets (including loans)	-	-	-	-
Trade payables	83,944.31	97.78	-	24,469.10
Other financial liabilities	-	-	-	-

Foreign currency sensitivity analysis:

For the year ended March 31, 2025, every percentage point depreciation / appreciation in the exchange rate between the Euro and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 0.14% and 0.14% respectively.

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 410,013.95 thousand and ₹ 229,900.82 thousand as at March 31, 2025 and March 31, 2024, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk is managed by the Company by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

	(In ₹ 000)	
	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days	15,167.09	19,784.93
Total receivables	410,013.95	229,900.82
Overdue for more than 90 days as a % of total receivables	4%	9%

(This space is intentionally left blank)

Persistent Systems France SAS
Notes forming part of financial statements

Ageing of trade receivables

(In ₹ 000)

	As at	
	March 31, 2025	March 31, 2024
Within the credit period	257,627.79	181,443.65
1 to 30 days past due	145,652.16	37,241.70
31 to 60 days past due	4,727.77	1,316.20
61 to 90 days past due	-	5,666.54
91 to 120 days past due	1,135.47	(533.47)
121 and above past due	14,031.62	20,318.40
Less: Expected credit loss	(13,160.86)	(15,552.20)
Net trade receivables	410,013.95	229,900.82

Movement in expected credit loss allowance

	As at	
	March 31, 2025	March 31, 2024
Opening balance	15,552.20	10,180.92
Charge for the year	(2,391.34)	5,275.92
Effect of Currency translation	-	95.36
Closing balance	13,160.86	15,552.20

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has borrowings obtained from the group companies. The liquidity needs are managed by funding from / to the group companies. The working capital needs are met by availing intercorporate loans from the group companies whenever needed.

As at March 31, 2025, the Company had a working capital of ₹ (38,807.45) thousand including cash and cash equivalents of ₹ 93,214.52 thousand. As at March 31, 2024, the Company had a working capital of ₹ 4,142.38 thousand including cash and cash equivalents of ₹ 80,274.30 thousand.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ 000)

	As at			
	March 31, 2025		March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	331,572.33	68,029.48	82,939.01	62,715.88
Financial liabilities- Borrowings	6,299.42	-	6,146.85	-

(This space is intentionally left blank)

Persistent Systems France SAS
NOTES FORMING PART OF FINANCIAL STATEMENTS

26. Income taxes

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax

	For the year ended March 31, 2025 (In ₹ 000)	For the year ended March 31, 2024 (In ₹ 000)
Profit / (Loss) before tax	(125,378.40)	(152,591.05)
Enacted tax rate-	28.00%	28.00%
Computed tax expense at enacted tax rate	(35,105.95)	(42,725.49)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Others	(733.75)	(115.93)
Non-deductible expenses	-	-
Income exempt from tax	208.30	(1,514.45)
Deferred tax assets recognised on tax losses	-	3,381.39
Prior Period Tax charge / (Credit)	1,487.52	-
Income tax expense	(34,143.88)	(40,974.48)

(This space is intentionally left blank)

27 Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance (If more than 25%)
(a) Current Ratio,	Current Assets	Current Liabilities	0.67	0.69	-2.98%	
(b) Debt-Equity Ratio,	Debt	Equity	(2.15)	16.96	-87.35%	reduction of Lease Liability in FY 24-25
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	(0.35)	(0.43)	-17.37%	
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	162%	-240%	-167.24%	Increase in current year losses
(e) Inventory turnover ratio,	Not applicable	Not applicable	-	-	-	NA
(f) Trade Receivables turnover ratio	Turnover	Trade receivables	1.75	2.43	-27.89%	Reduction in revenue in FY 24-25
(g) Trade payables turnover ratio,	Expenses	Trade payables	0.42	1.36	-69.15%	increase in Average Trade Payables in FY 24-
(h) Net capital turnover ratio,	Turnover	Average working Capital	(2.71)	(9.22)	-70.64%	Decrease in revenue and average working
(i) Net profit ratio,	Net Profit after tax	Turnover	-16%	-15%	6.83%	
(j) Return on Capital employed,	Earnings Before Interest	Average capital employed	-64%	-62%	2.73%	
(k) Return on investment.	Income generated from investment	Average investments			Not Applicable	

(This space is intentionally left blank)

28. Auditors' remuneration :

(In ₹ 000)

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Audit Fees	1,545.07	1,434.54
Total	1,545.07	1,434.54

29. Lease obligation

The table below provides details regarding the contractual maturities of lease liabilities as on undiscounted basis.

(In ₹ 000)

	As at March 31, 2025	As at March 31, 2024
Less than one year	-	2,638.63
One to five year	-	17,035.37
	-	19,674.00

30. Capital Commitments:

The estimated amount of contracts remaining to be executed on Capital account and not provided for, net of advances is ₹ Nil (March 2024 - ₹ Nil).

31. Contingent Liabilities:

The Company does not have any contingent liability as on 31-March-2025 (Mar 2024 : NIL)

32. Previous year comparatives

Previous year's figures have been regrouped wherever necessary to conform to current year's classification.

33. The Company is considered as going concern in spite of its negative net worth based on assurance of continued financial support and assistance from ultimate parent company and other measures.

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

35. During the year ended, based on review of method and estimated useful lives of property, plant and equipment, the management has revised the estimated useful lives of computers and networking equipment prospectively from 3 years to 4 years w.e.f. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

(In ₹ 000)

Particulars	For the quarter ended				FY 2024-25	FY 2025-26
	June 30, 2024	Sept 30, 2024	Dec 31, 2024	Mar 31, 2025		
Decrease in depreciation expense	495.86	308.76	60.63	(41.40)	839.55	(103.64)

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 France SAS

Anand Deshpande

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel

Arnaud Pierrel (Apr 21, 2025 12:58 GMT+2)

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

per Tejashree Joshi
Partner
Membership No. 139807
Place: India
Date : April 21, 2025