

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	13,094.47	15,973.98
Right of use assets	5.2	1,215.63	16,442.95
		14,310.10	32,416.93
Financial assets			
Financial Assets			
-Long term loans	6	-	2,534.64
		-	2,534.64
		14,310.10	34,951.57
Current assets			
Financial assets			
- Trade receivables	7	193,555.63	148,894.93
- Cash and cash equivalents	8	102,325.89	150,552.49
- Other financial assets	9	27,304.61	7.66
Other current assets	10	6,371.23	8,675.03
		329,557.36	308,130.11
TOTAL		343,867.46	343,081.68
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	5.40	5.40
Other equity		301,108.56	288,021.19
		301,113.96	288,026.59
LIABILITIES			
Non- current liabilities			
Financial liabilities			
Provisions	11	22,523.63	15,747.75
Other long-term liabilities	12	-	2,336.42
		22,523.63	18,084.17
Current liabilities			
Financial liabilities			
- Trade payables	13	6,912.11	11,232.73
- Other financial liabilities	14	1,527.19	10,603.34
Other current liabilities	15	141.25	-
Provisions	16	11,649.32	10,323.34
Current tax liabilities (net)		-	4,811.51
		20,229.87	36,970.92
TOTAL		343,867.46	343,081.68
Summary of significant material accounting policies 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 Lanka (Private) Limited

Sachin Dewasthalee
Sachin Dewasthalee (Apr 21, 2025 10:03 GMT+5.5)
Sachin Dewasthalee
Director

narasinha upadhye
narasinha upadhye (Apr 21, 2025 10:41 GMT+5.5)
Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Persistent Systems Lanka (Private) Limited**Formerly known as Aepona Software (Private) Limited****STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025.**

	Notes	For the year ended	
		March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Income			
Revenue from operations	17	196,659.09	240,669.39
Other income	18	273.83	1,960.84
Total Income (A)		196,932.92	242,630.23
Expenses			
Employee benefits expense	19.1	157,938.76	165,212.53
Cost of technical professionals	19.2	230.14	704.12
Finance costs		907.45	2,583.71
Depreciation and amortization expense	5.3	15,141.34	9,566.11
Other expenses	20	22,165.94	38,887.71
Total expenses (B)		196,383.63	216,954.18
Profit/(Loss) before tax (A - B)		549.29	25,676.05
Tax expense			
Current tax		-	-
Tax credit in respect of earlier years		(5,065.57)	39.47
Deferred tax charge / (credit)		-	-
Total tax expense		(5,065.57)	39.47
Net profit/(Loss) for the quarter/year (C)		5,614.86	25,636.58
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / (asset)		(4,789.34)	(13,654.99)
		(4,789.34)	(13,654.99)
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		12,261.85	28,038.32
Total other comprehensive income for the quarter/year (D) + (E)		7,472.51	14,383.33
Total comprehensive income for the quarter/year (C) + (D) + (E)		13,087.37	40,019.91
Earnings per equity share	21		
[Nominal value of share LKR 100 (Previous quarter/year: LKR 100)]			
Basic (In ₹)		47,990.22	219,116.07
Diluted (In ₹)		47,990.22	219,116.07
Summary of significant material accounting policies 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

Sachin Dewasthalee
Sachin Dewasthalee (Apr 21, 2025 10:03 GMT+5.5)
Sachin Dewasthalee
Director

Narasinha Upadhye
Narasinha Upadhye (Apr 21, 2025 15:41 GMT+5.5)
Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹'000)	(In ₹'000)
Cash flow from operating activities		
Profit before tax	549.29	25,676.05
Adjustments for:		
Depreciation and amortization expense	15,141.34	9,566.11
Remeasurements of the defined benefit liabilities / (asset)	(4,789.34)	(13,654.99)
Exchange (gain)/loss on translation of foreign currency cash and cash equivalents	1,468.16	5,620.52
Currency translation reserve	11,650.98	28,038.32
Loss on sale of assets (net)	1,800.65	-
Unrealised exchange (gain)/loss	(155.16)	1,997.62
Sundry balances written off	-	1,960.84
Finance costs	907.45	2,583.71
Excess provision in respect of earlier periods/ years written back	(109.52)	-
Operating profit before working capital changes	26,463.85	61,788.18
Movements in working capital :		
(Increase)/Decrease in trade receivables	(44,736.15)	(28,620.81)
(Increase)/Decrease in loans and advances	(22,348.98)	(6,178.53)
Increase/(Decrease) in trade payables and current liabilities (including short term borrowings)	(6,144.12)	3,090.59
Increase/(Decrease) in provisions	8,101.86	5,576.97
Operating profit after working capital changes	(38,663.54)	35,656.40
Direct taxes paid (net of refunds)	-	-
Net cash generated from operating activities	(A) (38,663.54)	35,656.40
Cash flow from investing activities		
Payment towards capital expenditure	(1,180.73)	(12,953.95)
Interest received on bank deposits	-	-
Net cash (used in) investing activities	(B) (1,180.73)	(12,953.95)
Cash flow from financing activities		
Payments against lease liability	(6,914.16)	(7,854.85)
Interest paid	-	(2,583.71)
Net cash generated from financing activities	(C) (6,914.16)	(10,438.56)
Net increase in cash and cash equivalents (A + B + C)	(46,758.43)	12,263.89
Cash and cash equivalents at the beginning of the quarter/year	150,552.49	143,909.12
Exchange difference on translation of foreign currency cash and cash equivalents	(1,468.16)	(5,620.52)
Cash and cash equivalents at the end of the reporting quarter/year	102,325.90	150,552.49

Components of cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
	(In ₹'000)	(In ₹'000)
Balances with banks		
- on current account	102,325.90	150,552.49
- on deposit account	-	-
Cash and cash equivalents in cash flow statement as per note 8	102,325.90	150,552.49

Summary of significant accounting policies 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 Tejashtree Joshi
Partner
Membership No. 139807

For and on behalf of the Board of Directors of
Persistent Systems Lanka (Private) Limited

Sachin Dewasthalee
Sachin Dewasthalee (Apr 21, 2025 10:03 GMT+5.5)
Sachin Dewasthalee
Director

narasinha upadhye
Narasinha Upadhye (Apr 21, 2025 10:41 GMT+5.57)
Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
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
5.40	-	-	5.40

(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
5.40	-	-	5.40

(This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
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
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	366,126.29	(78,105.10)	288,021.19
Remeasurements of the defined benefit liabilities / (asset)	(4,789.34)	-	(4,789.34)
Other comprehensive income for the year	-	12,261.85	12,261.85
Net profit for the year	5,614.86	-	5,614.86
Balance at March 31, 2025	366,951.81	(65,843.25)	301,108.56

(In ₹'000)

Particulars	<u>Reserves and surplus</u>	<u>Items of other comprehensive income</u>	Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2023	354,144.70	(106,143.42)	248,001.28
Remeasurements of the defined benefit liabilities / (asset)	(13,654.99)	-	(13,654.99)
Other comprehensive income for the year	-	28,038.32	28,038.32
Net profit for the year	25,636.58	-	25,636.58
Balance at March 31, 2024	366,126.29	(78,105.10)	288,021.19

Nature and purpose of reserves

a) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve

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 Lanka (Private) Limited

Sachin Dewasthalee
Sachin Dewasthalee (Apr 21, 2025 10:53 GMT+5:30)
Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Narasinha Upadhye (Apr 21, 2025 14:41 GMT+5:30)
Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

1 Nature of operations

Persistent Systems Lanka (Private) Limited, formerly known as Aepona Software (Private) Limited (a Sri Lanka based wholly owned subsidiary of Valista Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Limited. Sale of services are then contracted between Persistent Systems UK Limited and customers. The principal activities of the Company are as follows:

- To carry on the business of application and systems developers, systems integrators, program and systems analysts, program and systems designers, program and systems testers and IT project managers for foreign customers.
- To specify, design, develop and test software applications for foreign customers.
- To install, maintain, manage and operate computer systems for foreign customers.

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 and equity settled employee stock options which have been measured at fair value. 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 period and are consistent with those used in previous year.

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 financial statements are presented in ₹ thousand.

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 Material accounting policy information

(A) Accounting year

The accounting year of the Company is from April 01 to March 31. These financial statements have been prepared only for the purpose of consolidation.

(B) Functional currency

The Company's functional currency is LKR. 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".

3.1 Use of estimates

- (a) 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.

(b) 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.

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.

ii. Income taxes

The Company's major tax jurisdictions is Northern Ireland. 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

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.

3.2 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 Companies Act, 2013 (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.

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

(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 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 period 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) 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.

(d) 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 *	4 years
Computers-Servers and networks*	4 years
Office equipment	5 years
Plant and equipment	5 years
Furniture and fixtures	5 years

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

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

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

Leasehold land is amortized on straight line basis over the period of the lease. Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

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

(e) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

- Financial assets at amortized cost

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

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

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

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

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

ii) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

- Financial liabilities at amortized cost

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

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

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

(iii) Impairment

i) Financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized cost and financial assets that are debts instruments and are measured at fair value through other comprehensive income (FVTOCI). ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. For other financial assets, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount 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 period / year end even if there is no indication that the asset is impaired

An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

(f) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period/ year they occur.

(g) 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.

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 1, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition.

(h) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable taking into account the amount of any trade discounts and volume rebates allowed by the Company. Revenue is recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

(i) Income from sale of software services and products

Effective April 1, 2019, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the previous period's/ year's amounts have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant.

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.

The company has applied the principles under Ind AS 115 to account for revenues from these performance obligations.

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 standalone 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.

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

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, it is not an economic benefit flowing to the Company. Hence, it is 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.

(i) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

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

Conversion

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

Exchange differences

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

Forward exchange contracts not intended for trading or speculation purposes, classified as derivative financial instruments

As per the accounting principles laid down in Ind AS 109 – "Financial Instruments" relating to cash flow hedges, derivative financial instruments which qualify for cash flow hedge accounting are fair valued at balance sheet date and the effective portion of the resultant loss / (gain) is debited / (credited) to the hedge reserve under other comprehensive income and the ineffective portion is recognized to the statement of profit and loss. Derivative financial instruments are carried as forward contract receivable when the fair value is positive and as forward contract payable when the fair value is negative.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized in the statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognized in hedge reserve under other comprehensive income is transferred to the statement of profit and loss when the forecasted transaction occurs or affects profit or loss or when a hedged transaction is no longer expected to occur.

Translation of foreign operations

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

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

(j) Retirement and other employee benefits

(i) Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

(ii) Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently

(iv) Leave encashment

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date.

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.

(h) 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 HM Revenue and Customs. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

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.

(i) Earnings per share (EPS)

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

(j) 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.

(k) 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.

(l) 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.

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized shares		
117 Equity shares of LKR 100 each.	LKR 11.70	LKR 11.70
	LKR 11.70	LKR 11.70
Issued, subscribed and paid-up (in ₹'000)		
117 Equity shares of LKR 100 each fully paid-up	5.40	5.40
Issued, subscribed and fully paid-up share capital	5.40	5.40

All the shares are held by Aepona Group Limited.

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

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

	As at Mar-25		As at Mar-24	
	No of shares	in ₹ '000)	No of shares	in ₹ '000)
Number of shares at the beginning of the year	117.00	5.40	117.00	5.40
Add: Issued during the period / year	-	-	-	-
Number of shares at the end of the year	117.00	5.40	117.00	5.40

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of LKR 100 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 all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shares held by Promoters

March 31, 2025

	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
Aepona Group Limited	117.00	-	117.00	100%	-

March 31, 2024

	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
Aepona Group Limited	117.00	-	117.00	100%	-

This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

5.1 Property, Plant and Equipment

						(In ₹'000)
	Computers	Office Equipment	Plant and equipment	Leasehold improvements	Furniture and fixtures	Total
Gross block (At cost)						
As at April 1, 2024	49,743.26	118.28	8,631.90	29.23	1,315.63	59,838.30
Additions	57.57	-	1,522.86	-	-	1,580.43
Deletions	73.57	-	399.57	-	-	473.14
- Exchange differences	1,433.12	4.63	853.23	1.15	51.51	2,343.64
As at March 31, 2025	51,160.38	122.91	10,608.42	30.38	1,367.14	63,289.23
Depreciation and amortization						
As at April 1, 2024	38,576.37	118.28	3,881.05	29.23	1,259.39	43,864.32
Charge for the year	3,122.58	-	1,477.81	-	20.49	4,620.88
Deletions	73.44	-	-	-	-	73.44
- Exchange differences	1,316.78	4.63	411.55	1.15	48.89	1,783.00
As at March 31, 2025	42,942.29	122.91	5,770.41	30.38	1,328.77	50,194.76
Net block						
As at March 31, 2025	8,218.09	-	4,838.01	-	38.37	13,094.47
As at March 31, 2024	11,166.89	-	4,750.85	-	56.24	15,973.98

						(In ₹'000)
	Computers	Office Equipment	Plant and equipment	Leasehold improvements	Furniture and fixtures	Total
Gross block (At cost)						
As at April 1, 2023	35,319.19	106.94	4,955.54	26.43	1,189.45	41,597.55
Additions	10,002.45	-	2,951.50	-	-	12,953.95
Disposals	-	-	-	-	-	-
- Exchange differences	4,421.62	11.34	724.86	2.80	126.18	5,286.80
As at March 31, 2024	49,743.26	118.28	8,631.90	29.23	1,315.63	59,838.30
Depreciation and amortization						
As at April 1, 2023	32,436.83	106.94	2,789.98	26.43	1,121.14	36,481.32
Charge for the year	2,528.08	-	744.85	-	18.10	3,291.03
Disposals	-	-	-	-	-	-
- Exchange differences	3,611.46	11.34	346.22	2.80	120.15	4,091.97
As at March 31, 2024	38,576.37	118.28	3,881.05	29.23	1,259.39	43,864.32
Net block						
As at March 31, 2024	11,166.89	-	4,750.85	-	56.24	15,973.98
As at March 31, 2023	2,882.36	-	2,165.56	-	68.31	5,116.23

5.2. Right-of-use assets

	(In ₹'000)	
	Right-of-use assets	Total
Gross block (At Cost)		
As at April 1, 2024	47,806.20	47,806.20
Additions	14,801.00	14,801.00
Decrease due to ROU modification	(29,394.29)	(29,394.29)
Effect of foreign currency exchange differences	1,922.48	1,922.48
As at March 31, 2025	35,135.39	35,135.39
Amortization		
As at April 1, 2024	31,363.25	31,363.25
Charge for the year	10,520.46	10,520.46
Decrease due to ROU modification	(9,430.28)	(9,430.28)
Effect of foreign currency exchange differences	1,466.33	1,466.33
As at March 31, 2025	33,919.76	33,919.76
Net block		
As at March 31, 2025	1,215.63	1,215.63
As at March 31, 2024	16,442.95	16,442.95

	(In ₹'000)	
	Right-of-use assets	Total
Gross block (At Cost)		
As at April 1, 2023	43,221.34	43,221.34
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	4,584.86	4,584.86
As at March 31, 2024	47,806.20	47,806.20
Amortization		
As at April 1, 2023	22,299.23	22,299.23
Charge for the year	6,275.08	6,275.08
Effect of foreign currency exchange differences	2,788.94	2,788.94
As at March 31, 2024	31,363.25	31,363.25
Net block		
As at March 31, 2024	16,442.95	16,442.95
As at March 31, 2023	20,922.11	20,922.11

5.3 Depreciation and amortization expense

	(In ₹'000)	
	For the year ended	
	March 31, 2025	March 31, 2024
Property, Plant and Equipment	4,620.88	3,291.03
Right of Use of Assets	10,520.46	6,275.08
	15,141.34	9,566.11

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

6. Non Current Financial Assets- Loans

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Carried at amortised cost		
Security Deposits		
Unsecured, considered good	-	2,534.64
Less : Allowance for bad and doubtful deposits	-	-
	-	2,534.64

7. Trade receivables

	As at 31-Mar-25 (In ₹'000)	As at 31-Mar-24 (In ₹'000)
Unsecured, considered good (refer note 24)	193,555.63	148,894.93
Unsecured, considered doubtful	-	-
	193,555.63	148,894.93
Less : Provision for doubtful receivables	-	-
	193,555.63	148,894.93
	193,555.63	148,894.93

Trade receivables Ageing Schedule

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	17,201.79	58,698.63	117,655.21	-	-	-	193,555.63
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
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	17,201.79	58,698.63	117,655.21	-	-	-	193,555.63

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	18,588.54	43,055.48	31,337.96	47,987.78	7,925.17	-	148,894.93
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
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	18,588.54	43,055.48	31,337.96	47,987.78	7,925.17	-	148,894.93

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

8. Cash and cash equivalents

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
On current accounts	102,325.89	150,552.49
	102,325.89	150,552.49

9. Other financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deposits	1,133.63	7.66
Advances to related parties		
- Persistent Systems Limited	26,170.98	-
	27,304.61	7.66

10. Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advances recoverable in cash or kind or for value to be received	6,036.63	8,290.35
VAT receivable (net)	334.60	384.68
	6,371.23	8,675.03

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

11. Non-Current Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
- Gratuity	22,523.63	15,747.75
	22,523.63	15,747.75

12. Other long term financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Lease liabilities	765.96	9,586.13
Less: Current maturity of lease liabilities	(765.96)	(7,249.71)
	-	2,336.42

Movement of lease liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Opening Balance	9,586.13	13,753.99
Decrease due to lease modification	(3,219.39)	-
Add: Interest recognised during the period	907.45	2,583.72
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	405.93	1,103.27
Less: Payments made	(6,914.16)	(7,854.85)
Closing balance	765.96	9,586.13

13. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services	6,912.11	11,232.73
	<u>6,912.11</u>	<u>11,232.73</u>

Trade payables Ageing Schedule

	Not Due	Outstanding for following periods from due date of payment			Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small enterprises	1,082.64	-	-	1,386.59	4,442.88
Total outstanding dues of creditors other than micro enterprises and small enterprises					6,912.11
Disputed dues of micro enterprises and small enterprises					-
Disputed dues of creditors other than micro enterprises and small enterprises					-
As At March 31, 2025	1,082.64	-	-	1,386.59	4,442.88
	<u>1,082.64</u>	<u>-</u>	<u>-</u>	<u>1,386.59</u>	<u>4,442.88</u>

	Not Due	Outstanding for following periods from due date of payment			Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years
Total outstanding dues of micro enterprises and small enterprises	1,627.39	9,097.50	423.07	-	84.77
Total outstanding dues of creditors other than micro enterprises and small enterprises					11,232.73
Disputed dues of micro enterprises and small enterprises					-
Disputed dues of creditors other than micro enterprises and small enterprises					-
As At March 31, 2024	1,627.39	9,097.50	423.07	-	84.77
	<u>1,627.39</u>	<u>9,097.50</u>	<u>423.07</u>	<u>-</u>	<u>84.77</u>

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

14. Other financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advance from related parties (Unsecured, considered good)		
Persistent Systems UK Limited	761.23	683.75
Persistent Systems Ltd	-	2,669.89
	761.23	3,353.64
Lease Liability- Current Maturity	765.96	7,249.70
	1,527.19	10,603.34

15. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Statutory liabilities	141.25	-
	141.25	-

16. Current Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
- Gratuity	145.93	131.68
- Leave encashment	1,172.12	879.43
- Other employee benefits	10,331.27	9,312.23
	11,649.32	10,323.34

(This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

17. Revenue from operations

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹'000)	(In ₹'000)
Software services	196,659.09	240,669.39
	196,659.09	240,669.39

The table below presents disaggregated revenues from contracts with customers by offerings, 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
	(In ₹'000)	(In ₹'000)
Segment wise disclosure		
Industrial Segments	196,659.09	240,669.39
BFSI	-	-
LSHC	-	-
Total	196,659.09	240,669.39
Geographical disclosure		
India	99,623.36	81,371.54
North America	7,962.05	59,271.40
Rest of the World	89,073.68	100,026.45
Total	196,659.09	240,669.39
Onsite / offshore		
IP Led	-	-
Offshore	196,659.09	240,669.39
Onsite	-	-
Total	196,659.09	240,669.39

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.

18. Other income

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹'000)	(In ₹'000)
Miscellaneous income	164.31	1,960.84
Excess provision in respect of earlier periods/ years written back	109.52	-
	273.83	1,960.84

19. Personnel expenses

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹'000)	(In ₹'000)
19.1. Employee benefits expense		
Salaries, wages and bonus	127,787.64	139,116.73
Contribution to provident and other funds	20,777.19	19,696.19
Gratuity expenses	4,115.56	1,438.58
Staff welfare and benefits	5,258.37	4,961.03
	157,938.76	165,212.53
19.2. Cost of technical professionals		
Technical professionals - others	230.14	704.12
	230.14	704.12
	158,168.90	165,916.65

(This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

20. Other expenses

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹'000)	(In ₹'000)
Travelling and conveyance	62.07	248.45
Electricity expenses (net)	2,601.44	4,740.35
Internet link expenses	1,917.48	1,470.27
Communication expenses	141.30	131.58
Recruitment expenses	614.09	169.72
Training and seminars	32.24	390.87
Purchase of software licenses and support expenses	10.42	73.30
Rent	445.96	554.38
Insurance	255.73	46.57
Rates and taxes	473.33	314.26
Legal and professional fees	993.23	373.06
Repairs and maintenance	-	-
- Plant and Machinery	2,761.65	2,674.61
- Buildings	543.12	-
- Others	829.60	146.24
Advertisement and sponsorship fees	17.76	0
Computer consumables	5.78	127.44
Auditors' remuneration	339.11	392.18
Books, memberships, subscriptions	513.70	561.98
Foreign exchange loss (net)	6,576.14	25,026.26
Loss on lease modification (net)	1,800.65	-
Miscellaneous expenses	1,231.14	1,446.19
	22,165.94	38,887.71

(This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

21. Earnings per share

		For the year ended	
		March 31, 2025	March 31, 2024
<u>Numerator for Basic and Diluted EPS</u>			
Net Profit after tax (In ₹'000)	(A)	5614.86	25,636.58
<u>Denominator for Basic EPS</u>			
Weighted average number of equity shares	(B)	117	117
<u>Denominator for Diluted EPS</u>			
Number of equity shares	(C)	117	117
Basic Earnings per share of face value of LKR 100 each (In ₹)	(A/B)	47,990.22	219,116.07
Diluted Earnings per share of face value of LKR 100 each (In ₹)	(A/C)	47,990.22	219,116.07

		For the year ended	
		March 31, 2025	March 31, 2024
Number of shares considered as basic weighted average shares outstanding		117	117
Add: Effect of dilutive issues of stock options		-	-
Number of shares considered as weighted average shares and potential shares outstanding		117	117

(This space is intentionally left blank)

22. 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	16.29	8.33	95%	Reduction in lease property
(b) Debt-Equity Ratio,	Debt	Equity	0.00	0.03	-92%	Decrease in Debt
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	2.40	4.82	-50%	Decrease in EBITDA
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.02	0.10	-80%	Decrease in revenue and profit
(e) Inventory turnover ratio,	-	-	-	Not applicable	NA	NA
(f) Trade Receivables turnover ratio,	Turnover	Average Trade Receivables	1.15	1.77	-35%	Increase in trade receivables
(g) Trade payables turnover ratio,	Total Expenses	Average Trade Payables	2.47	3.46	-29%	Decrease in Trade Payables
(h) Net capital turnover ratio,	Turnover	Average Working Capital	0.68	0.97	-30%	Decrease in revenue
(i) Net profit ratio,	Net Profit after tax	Turnover	0.03	0.11	-73%	Decrease in revenue
(j) Return on Capital employed,	Earnings Before Interest	Average capital employed	0.00	0.10	-95%	Reduction in lease property hence reduced interest on lease
(k) Return on investment.	Income generated from inv.	Average investments	-	Not applicable	NA	NA
# Ratio is stated in terms of Day Sales Outstanding						

(This space is intentionally left blank)

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

23. Contingent liabilities:

The Company does not have any contingent liability as on March 31, 2025 (March 31, 2024 - ₹ Nil).

24. Gratuity:

The Company has a defined benefit gratuity plan. Each employee is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is unfunded.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss):

	Year ended March 31, 2025	Year ended March 31, 2024
Current service cost	1,975.54	497.92
Interest cost on benefit obligation	2,205.96	940.66
Past Service Cost- (non vested benefits)	-	-
Past Service Cost -(vested benefits)	-	-
Interest income	-	-
Net benefit expense	4,181.50	1,438.58
Net actuarial (gain) / loss recognized in the year	4,789.34	13,654.99

Balance sheet:

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Opening fair value of plan assets	-	-
Interest received and accrued during the year/ adjustment to opening balance	-	-
Expected return / adjustment	-	-
Contribution by employer	2,800.05	3,093.26
Benefits paid	(2,800.05)	(3,093.26)
Actuarial gains / (losses)	-	-
Closing fair value of plan assets	-	-

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Opening defined benefit obligation	15,879.43	3,608.05
Adjustment to opening balance		
Interest cost	2,205.96	940.66
Current service cost	1,975.54	497.92
Past Service Cost- (non-vested benefits)		
Past Service Cost -(vested benefits)		
Benefits paid	(2,800.05)	(3,093.26)
Experience adjustment on plan liabilities	-	-
Actuarial (gains) / losses on obligation	4,789.34	13,654.99
Exchange gain	619.33	271.07
Closing defined benefit obligation	22,669.55	15,879.43

Benefit asset/ (liability)

	Year ended March 31, 2025	Year ended March 31, 2024
Fair value of plan assets	-	-
(Less) : Defined benefit obligations	(22,669.55)	(15,879.43)
Plan asset / (liability)	(22,669.55)	(15,879.43)

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	Year ended March 31, 2025	Year ended March 31, 2024
Discount rate	11.83%	13.40%
Increment rate	7.00%	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

As at March 31, 2025, every percentage point increase / decrease in discount rate will affect the gratuity benefit obligation by approximately Rs. (2,659,367.57) / 3,150,931.42 respectively.

As at March 31, 2024, every percentage point increase / decrease in rate of increase in compensation levels will affect the gratuity benefit obligation by approximately Rs.(1,748,802.92) / 2,055,348.08 respectively.

Amounts for the current and previous years are as follows:

	Year ended March 31, 2025	Year ended March 31, 2024
Plan assets	-	-
Defined benefit obligation	(22,669.55)	(15,879.43)
(Deficit)	(22,669.55)	(15,879.43)
Experience adjustments on plan liabilities	4,789.34	13,654.99
Experience adjustments on plan assets	-	-

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

25. Related Party Disclosure

i) Names of related parties and their related party relationships
Holding Company
-Aepona Group Limited
Companies under the same management
-Persistent Systems Limited
-Persistent Systems Inc.
-Persistent Systems UK Limited (FKA Aepona Limited)
-Persistent Telecom Solutions Inc
-Persistent Systems Malaysia Sdn Bhd
-Persistent Systems UK Limited
-Persistent Systems Switzerland AG (FKA PARX Werk AG)

ii) Related Party Transactions

(In ₹'000)

Nature of Transaction	Name of related party	Year ended March 31, 2025	Year ended March 31, 2024
Sale of Services	Persistent Systems UK Limited (FKA Aepona Limited)	79,119.93	96,372.69
	Persistent Systems Inc	6,097.73	55,732.74
	Persistent Telecom Solutions Inc	(892.27)	3,538.66
	Persistent Systems Ltd	99,623.36	81,371.54
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	9,953.76	3,653.76

iii) Balances Outstanding

(In ₹'000)

Particulars	Name of related party	Year ended March 31, 2025	Year ended March 31, 2024
Share Capital	Aepona Group Limited	5.40	5.40
Advance received	Persistent Systems Ltd	-	2,669.89
	Persistent Systems UK Limited (FKA Aepona Limited)	761.23	683.75
Advance to Related Party	Persistent Systems Limited	26,170.98	-
Advance recoverable in cash or kind	Persistent Systems Ltd	49.12	-
Trade payables	Persistent Systems Limited	108.09	2,985.88
Trade Receivables	Persistent Systems UK Limited (FKA Aepona Limited)	31,415.08	15,909.43
	Persistent Systems Inc	104,698.14	96,169.74
	Persistent Telecom Solutions Inc	19,123.20	19,507.78
	Persistent Systems Ltd	31,132.42	15,101.42
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	4,381.28	2,206.56

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

26. Unhedged Foreign Currency exposure at the end of the year:

Particulars	31-Mar-25			31-Mar-24		
	Foreign currency	Conversion rate	Amount in INR (in '000)	Foreign currency	Conversion rate	Amount in INR (in '000)
Trade payables	USD 321.59	85.47	27.49	USD 4,723.30	83.40	393.97
	INR 159,329.00	1.00	159.33	INR 2,734,905.58	1.00	2,734.91
Cash and cash equivalents	USD 241,408.81	85.47	20,633.21	USD 811,015.05	83.40	67,638.66
Trade Receivables	GBP 283,898.27	110.63	31,408.35	USD 1,594,550.41	83.40	132,985.50
	USD 1,864,222.35	85.47	159,335.08	GBP 151,133.35	105.27	15,909.43
Other financial liabilities	GBP 6,412.37	110.63	709.42	GBP 6,412.37	105.27	675.01
	USD 500.00	85.47	42.74	INR 1,821,496.86	1.00	1,821.50
Advance Recoverable in cash and kind	-	-	-	USD 5,973.30	83.40	498.17

27. 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 risk to the Company is foreign exchange risk. The Company's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force of the Group is responsible for credit risk management. 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:

Particulars	31-Mar-25	31-Mar-24
Trade receivables	190,743.43	148,894.93
Cash and cash equivalents and bank balances	20,633.21	67,638.66
Investments (including share application money)	-	-
Other financial assets (including loans)	-	-
Trade payables	186.82	3,128.88
Other financial liabilities	752.16	2,496.51

Foreign currency sensitivity analysis:

For the year ended March 31, 2025 every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 3.83 and 3.83% 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 Rs.190,743.43 Thousand and Rs. 148,894.93 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 allowance for trade receivables.

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:

	As at	
	31-Mar-25	31-Mar-24
Receivables overdue for more than 90 days	139,599.35	100,578.32
Total receivables	193,555.63	148,894.93
Overdue for more than 90 days as a % of total receivables	72.12%	67.55%

Persistent Systems Lanka (Private) Limited
Formerly known as Aepona Software (Private) Limited
Notes forming part of financial statements

Ageing of trade receivables:

	As at	
	31-Mar-25	31-Mar-24
Within the credit period	16,441.81	18,588.54
1 to 30 days past due	-	-
31 to 60 days past due	29,291.81	18,969.47
61 to 90 days past due	8,222.66	10,758.60
91 to 120 days past due	-	335.78
121 and above past due	139,599.35	100,242.54
Less: Expected credit loss	-	-
Net trade receivables	193,555.63	148,894.93

Movement in expected credit loss allowance:

	As at	
	31-Mar-25	31-Mar-24
Opening balance	-	-
Movement in expected credit loss allowance	-	-
Translation differences	-	-

Liquidity risk:

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. 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 Rs.309,327.50 thousand including cash and cash equivalents of Rs.102,325.90 thousand. As at March 31,2024, the Company had a working capital of Rs. 271,159.18 thousand including cash and cash equivalents of Rs. 150,552.49 thousand.

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

	31-Mar-25		31-Mar-24	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	1,082.64	5,829.47	10,724.89	507.84
Other financial liabilities	761.23	-	3,353.64	-
Lease Liabilities	796.52	-	-	11,062.38

28. Auditors Remuneration

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit fee	339.11	392.18

29. Leases

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 on an undiscounted basis:

	For the year ended March 31, 2025	For the year ended March 31, 2024
-Less than one year	796.52	8,636.80
-One to five years	-	2,425.58
-More than five years	-	-

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

As at March 31,2025 the company has recognized interest on lease liability of ₹ 907.45 thousands under finance costs. As at March 31, 2024, the Company has recognized interest on lease liability of ₹ 2,583.72 thousand.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.3).

Persistent Systems Lanka (Private) Limited

Formerly known as Aepona Software (Private) Limited

Notes forming part of financial statements

30. Income Taxes:

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the profit before tax is summarized below:

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit before tax	549.28	25,676.05
Enacted tax rate		0.24
Computed tax expense at enacted tax rate		6,162.26
Prior Period Tax charge / (Credit)	(5065.57)	-
Effect of concessions (Tax Holidays)		(6162.26)
Short Tax Provision of earlier years(Net)		39.47
Income tax expense	(5065.57)	39.47

31. 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

Particulars	For the quarter ended				FY 2024-25	FY 2025-26
	June 30, 2024	Oct 30, 2024	Dec 31, 2024	Mar 31, 2025		
Decrease in depreciation expense	251.05	236.01	144.69	141.55	773.30	647.69

32. Capital commitments:

The estimated amount of contracts remaining to be executed on Capital account and not provided for, net of advances is ₹ Nil (March 2025– Rs. Nil).

33. The financial statements are presented in ₹'000 except for per share information or as otherwise stated.

34. Previous period's figures have been regrouped where necessary to conform to current period's classification.

As per our report of even date

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

For and on behalf of the Board of Directors of
Persistent Systems Lanka (Private) Limited

Tejashree Joshi
Partner
Membership No. 139807

Sachin Dewasthalee
Sachin Dewasthalee (Apr 21, 2025 10:03 GMT+5.3)
Sachin Dewasthalee
Director

narasinha upadhye
narasinha upadhye (Apr 21, 2025 10:41 GMT+5.3)
Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025

Place: India
Date : April 21, 2025