Persistent

Transforming Industries, Engineering an AI Future

Annual Report of Subsidiaries
FY 2024-25

Index

1	Persistent Systems, INC.	3
2	Persistent Systems Pte. Ltd.	61
3	Persistent Systems France S.A.S.	104
4	Persistent Systems Malaysia Sdn. Bhd.	150
5	Persistent Systems Germany GmbH	193
6	Persistent Telecom Solutions INC.	235
7	Aepona Group Limited	275
8	Persistent Systems UK Limited (Formly known as Aepona Limited)	313
9	Persistent Systems Lanka (Private) Limited	359
10	Persistent Systems Mexico, S.A. de C.V.	401
11	Persistent Systems Israel Ltd.	443
12	Persistent Systems Switzerland AG	481
13	CAPIOT Software Private Limited	514
14	Persistent Systems Australia Pty. Limited (formerly known as Capiot Software Pty. Limited)	554
15	Persistent Systems S.R.L.	596
16	Persistent Systems Costa Rica Limitada	636
17	Persistent Systems Poland Spółka Z O O	670
18	MediaAgility INC.	712
19	MediaAgility Pte. Ltd.	748
20	MediaAgility UK Limited	773
21	Digitalagility S. DE R.L. de C.V.	801
22	MediaAgility India Private Limited	829
23	Persistent India Foundation	899
24	Arrka Infosec Private Limited	927
25	Starfish Associates, LLC	981

Persistent

Persistent Systems, INC.

2055 Laurelwood Road, Suite 210, Santa Clara, CA 95054, USA

PERSISTENT SYSTEMS INC.

2055 Laurelwood Road, Suite 210, Santa Clara, CA 95054, USA

Annual Report 2024-25

Your directors are pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India, and is engaged in software development and Information Technology-related consultancy services to its US-based customers.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total income	26,009.16	58,482.52
Total Expenditure	22,659.07	56,825.20
Profit /(Loss) before Tax	568.44	1,657.32
Total Tax Expense	(28.88)	63.55
Net profit for the year	**597.32**	**1,593.77**

Business Operations

Your Company generated a net profit of INR 597.32 million during the period of the report.

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Dr. Anand Deshpande
b. Mr. Dan'l Lewin
c. Mr. Thomas Klein

Acquisition

In the Financial Year 2024-25, Starfish Associates LLC. became a wholly owned subsidiary of the Company effective from August 1, 2024.

Acknowledgments

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

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Independent auditor's report on Special Purpose Financial Statements of Persistent Systems, Inc. for the year ended 31 March 2025

To the Board of Directors of Persistent Systems, Inc.

Opinion

1. We have audited the accompanying Special Purpose Financial Statements of Persistent Systems, Inc. ('the Company'), which comprise the Special Purpose Balance Sheet as at 31 March 2025, the Special Purpose Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Statement of Cash Flows and the Special Purpose Statement of Changes in Equity for the year then ended , notes to the special purpose financial statements including material accounting policy information and other explanatory information (together hereinafter referred to as the 'Special Purpose Financial Statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Financial Statements are prepared, in all material respects, in accordance with the basis of preparation described in note 2 to these Special Purpose Financial Statements.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by ICAI and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Preparation and Restriction on distribution or use

4. Without modifying our opinion, we draw attention to note 2 to the accompanying Special Purpose Financial Statements, which describes the basis of preparation. These Special Purpose Financial Statements have been prepared by the Company's management solely to assist the management of Persistent Systems Limited ('the Holding Company') in the preparation of its consolidated financial statements for the year ended 31 March 2025 and accordingly, these Special Purpose Financial Statements may not be suitable for any other purpose. This report is issued solely for the aforementioned purpose, and accordingly, should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Further, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Responsibilities of Management and Those Charged with Governance for the Special Purpose Financial Statements

5. The accompanying Special Purpose Financial Statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the preparation of these Special Purpose Financial Statements in accordance with the basis of preparation described in note 2 to the Special Purpose Financial Statements including determination that such basis of preparation is acceptable in the circumstances. This responsibility includes the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Financial Statements, in all material respects, in accordance with the basis of accounting specified in aforementioned note 2 and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the Special Purpose Financial Statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors of the Company either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Financial Statements

8. Our objectives are to obtain reasonable assurance about whether the Special Purpose Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Financial Statements.

9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the special purpose financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management; and

- Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 25101797BMMAJX1428

Place: USA
Date: 21 April 2025

Persistent Systems, Inc.

Special purpose balance sheet as at March 31, 2025

	Notes	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	335.55	425.51
Capital work-in-progress	4.2	-	1.18
Right-of-use assets	4.3	302.44	421.84
Goodwill	4.4	3,772.88	3,681.50
Other intangible assets	4.5	1,435.58	1,898.52
		5,846.45	**6,428.55**
Financial assets			
- Trade receivables	10	161.25	469.24
- Investments	5	7,239.01	8,041.74
- Loans	6	1,293.24	981.18
- Other non current financial assets	7	20.84	20.34
Deferred tax assets (net)	9	1,131.46	547.58
Other non-current assets	8	130.19	129.54
Non-current tax assets (net)		-	220.49
	(A)	**15,822.44**	**16,838.66**
Current assets			
Financial assets			
- Trade receivables	10	7,742.94	11,062.05
- Cash and cash equivalents	11	1,221.89	1,160.51
- Loans	12	-	119.02
- Other current financial assets	13	193.22	3,419.11
Other current assets	14	653.32	647.81
	(B)	**9,811.37**	**16,408.50**
TOTAL	**(A)+(B)**	**25,633.81**	**33,247.16**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	4,729.74	4,729.74
Other equity		4,819.11	4,047.94
	(A)	**9,548.85**	**8,777.68**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	-	97.30
- Lease liabilities	17	231.04	315.18
- Other financial liabilities	17(a)	994.16	691.90
Other non-current liabilities	20	7.66	18.93
	(B)	**1,232.86**	**1,123.31**
Current liabilities			
Financial liabilities			
- Borrowings	16	-	1,962.22
- Lease liabilities	17	117.72	145.78
- Trade payables	18	5,371.98	13,383.88
- Other financial liabilities	19	7,917.21	5,853.12
Other current liabilities	20	215.50	994.36
Provisions	21	1,041.37	1,006.81
Current tax liabilities (net)		188.32	-
	(C)	**14,852.10**	**23,346.17**
TOTAL	**(A)+(B)+(C)**	**25,633.81**	**33,247.16**
Summary of material accounting policy information	3		

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Persistent Systems, Inc.

Shashi Tadwalkar
Partner
Membership No. :- 101797

Place: USA
Date : April 21, 2025

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent Systems, Inc.

Special purpose statement of profit and loss for the year ended March 31, 2025

	Notes	For the year ended March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Income			
Revenue from operations	22	25,704.22	57,894.22
Other income	23	304.94	588.30
Total income	**(A)**	**26,009.16**	**58,482.52**
Expenses			
Employee benefit expenses	24.1	15,310.52	17,501.88
Cost of professionals	24.2	3,500.79	33,579.05
Finance cost	25	206.31	318.34
Depreciation and amortisation	4.6	618.90	781.93
Other expenses	26	3,022.55	4,644.00
Total expenses	**(B)**	**22,659.07**	**56,825.20**
Profit before exceptional item and tax	**(A)-(B)**	**3,350.09**	**1,657.32**
Exceptional item			
Loss on account of dissolution of subsidiary	37	2,781.65	-
Profit before tax		**568.44**	**1,657.32**
Tax expense			
Current tax charge		495.88	57.97
Tax charge in respect of earlier year		41.71	70.89
Deferred tax credit		(566.47)	(65.31)
Total tax (credit)/charge		**(28.88)**	**63.55**
Net Profit for the year	**(C)**	**597.32**	**1,593.77**
Other comprehensive income			
Items that will be reclassified to profit or loss			
- Exchange differences on translation from functional currency to reporting currency		173.85	117.09
	(D)	**173.85**	**117.09**
Total comprehensive income for the year	**(C)+(D)**	**771.17**	**1,710.86**
Earnings per equity share [nominal value of Share USD 0.10] (Previous year: USD 0.10)	27		
Basic (In ₹)		0.85	2.27
Diluted (In ₹)		0.85	2.27
Summary of material accounting policy information	3		

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Persistent Systems, Inc.

Shashi Tadwalkar
Partner
Membership No. :- 101797

Place: USA
Date : April 21, 2025

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent Systems, Inc.

Special purpose statement of changes in equity for the year ended March 31, 2025

A. Equity share capital
(Refer Note: 15)

(In ₹ Million)

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
4,729.74	-	4,729.74

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
4,729.74	-	4,729.74

(This space is intentionally left blank)

Special purpose statement of changes in equity for the year ended March 31, 2025

B. Other equity

(In ₹ Million)

Particulars		Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	2,800.04	1,247.90	4,047.94
Net profit for the year	597.32	-	597.32
Change during the year	-	173.85	173.85
Balance as at March 31, 2025	**3,397.36**	**1,421.75**	**4,819.11**

(In ₹ Million)

Particulars		Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2023	1,206.27	1,130.81	2,337.08
Net profit for the year	1,593.77	-	1,593.77
Change during the year	-	117.09	117.09
Balance as at March 31, 2024	**2,800.04**	**1,247.90**	**4,047.94**

Nature and purpose of reserves:

a) Retained Earnings
This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

b) Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations from functional currency into reporting currency is recognised in other comprehensive income, and is presented within equity in the foreign currency translation reserve.

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Persistent Systems, Inc.

Shashi Tadwalkar
Partner
Membership No. :- 101797

Place: USA
Date : April 21, 2025

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Special purpose cash flow statement for the year ended March 31, 2025

		For the year ended March 31, 2025 (In ₹ Million)	For the year ended March 31, 2024 (In ₹ Million)
Cash flow from operating activities			
Profit before tax		**568.44**	**1,657.32**
Adjustments for:			
Exchange differences in translating the financial statements		30.90	15.84
Unrealised foreign exchange (gain)/loss		(40.52)	8.93
Interest income		(126.80)	(133.92)
Profit on sale of investment		(21.67)	(14.91)
Depreciation and amortisation		618.90	781.93
Finance costs		206.31	318.34
Changes in contingent consideration payable on business combination		(1,545.38)	(743.18)
Reversal of impairment loss on financial assets (net)		-	(23.98)
Loss on account of dissolution of subsidiary		2,781.65	0.99
Fair value loss on financial assets designated as at FVTPL		-	20.70
Liabilities/provisions no longer required written back		(24.01)	(97.30)
Debit balances written off		6.28	3.31
Loss on investments		-	987.31
Bad debts written off		-	0.01
Dividend income		-	(248.44)
Allowance of credit loss (net)		190.14	60.22
Operating profit before working capital changes		**2,644.24**	**2,593.17**
Movements in working capital :			
Decrease/(Increase) in trade receivables		3,681.62	(1,571.73)
Decrease/(Increase) in other non current assets and other current assets		2.99	(173.59)
Decrease/(Increase) in other current financial assets and security deposits		3,317.62	(1,154.10)
(Decrease)/Increase in trade payables, current liabilities and non-current liabilities		(5,421.89)	6,060.45
Increase/(Decrease) in provisions		9.47	(743.30)
Operating profit after working capital changes		**4,234.05**	**5,010.90**
Direct taxes paid (net of refunds)		(127.69)	(57.75)
Net cash flow generated from operating activities	**A**	**4,106.36**	**4,953.15**
Cash flows from investing activities			
Receipts/(Payment) on account of property, plant and equipment and intangible assets		183.51	(813.53)
Proceeds from sale of investment		21.67	14.91
Investment in subsidiaries and unquoted securities		(1,261.09)	-
Interest received		89.07	113.16
Dividends received		-	248.44
Payment towards contingent consideration		(509.58)	(2,113.05)
Net cash flow used in investing activities	**B**	**(1,476.42)**	**(2,550.07)**
Cash flows from financing activities			
Repayment of long term borrowings		(2,088.31)	(2,235.95)
Payment of principal portion of lease liabilities		(123.06)	(102.19)
Payment of interest portion of lease liabilities		(24.60)	(20.08)
Intercorporate deposit given		(131.75)	(425.91)
Intercorporate deposit received		21.83	36.59
Payment of interest		(222.67)	(336.51)
Net cash flow used in financing activities	**C**	**(2,568.56)**	**(3,084.05)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**61.38**	**(680.97)**
Cash and cash equivalents at the beginning of the year		**1,160.51**	**1,841.48**
Cash and cash equivalents at the end of the year (Refer Note 11)		**1,221.89**	**1,160.51**
Components of cash and cash equivalents			
Cash on hand		0.01	0.01
Balances with banks		1,221.88	1,160.50
Cash and cash equivalents (Refer Note 11)		**1,221.89**	**1,160.51**

The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows".

Summary of material accounting policy information	3

The accompanying notes form an integral part of the special purpose financial statements

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Shashi Tadwalkar Partner
Membership No. :- 101797

Place: USA
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems, Inc.

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

1 Nature of operations

Persistent Systems, Inc. ("the Company") is a wholly owned subsidiary of Persistent Systems Limited ("The holding company"). The Company along with the holding company and its subsidiaries collectively refer to as "The Group". The Company is specializing in software products, services and technology innovation. Also, the Company is engaged in providing sales and marketing support and other allied services to its group entities.

The Company is incorporated and domiciled in United States of America (USA) and has its registered office at 2055, Laurelwood Rd, Suite 210, Santa Clara, CA 95054, USA.

2 Basis of preparation

The special purpose financial statements of Persistent Systems, Inc. ("the Company") comprise of the following:

a. Balance Sheet as at March 31, 2025
b. Statement of Profit and Loss (including other comprehensive income) for the year ended March 31, 2025
c. Statement of Cash Flows for the year then ended
d. Statement of Changes in Equity for the year then ended
e. Notes forming part of special purpose financial statements
f. Material Accounting Policy information and other explanatory information

The Company's management have prepared accompanying special purpose financial statements for the year ended March 31, 2025 in accordance with the recognition and measurement principle of the Indian Accounting Standards ('Ind AS') except for certain presentation and disclosures requirement as required under the Ind AS.

The accompanying special purpose financial statements have been prepared solely to assist the management of Persistent Systems Limited ('the Holding Company') in the preparation of its consolidated financial statements for the year ended March 31, 2025.

Historical cost convention

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 contingent consideration in business combination, 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.

3 Material accounting policy information

A Accounting year

The accounting year of the Company is starting from April 1 and ending on March 31.

B Functional currency

The Company's functional currency is the USD. 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 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 and judgements

a) The preparation of the special purpose financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of 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 the 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 and judgements

i. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognised rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance type contract is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and The Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognise such revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Company uses the percentage-of-completion method in accounting for its other 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 revenue share 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 revenue share on the basis of historical trends of customer revenue.

The Company receives advance payments from customers for the sale of software products, services and technology innovation including complete product life cycle services after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised services and the payment is one year or less.

ii. Income taxes

The Company's primary tax jurisdiction is United States of America, Significant judgements are involved in determining the provision for income taxes including judgements whether the tax positions are probably of being sustained in tax assessments.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits are available against which deductible temporary differences & tax losses can be utilised. Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals 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. Business combination

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the acquirer to recognise the identifiable assets and contingent consideration at fair value. Estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

iv. Property, plant and equipment

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. 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.

v. 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.

The Company enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Company uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

vi. Provision and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. Provisions are determined based on the best estimate of the amount 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. The Company uses significant judgements to assess contingent liabilities.

vii. Compensated absences

The cost of the compensated absences and the present value of the same are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, Compensated absences are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

viii. Share based payments

The share based compensation expense is determined based on the Company's estimate of equity instruments of the holding company that will eventually vest. The corresponding equivalent credit will be accounted as 'Payables' to the holding company. The share based compensation expense is determined based on recharge agreement from the holding company.

ix. Impairment of assets

Investments in subsidiaries, goodwill and intangible assets are tested for impairment as per applicable requirements under Ind AS and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

D 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 Indian Accounting Standards ('Ind AS') issued by the Institute of Chartered Accountants of India (ICAI). Operating cycle is the time between the acquisition of resources / assets for processing their realisation in cash and cash equivalents and 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.

E Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress includes cost of Property, plant and equipment that are not ready to be put to use and is stated at cost. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its original cost 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 recognised in the statement of profit and loss when the asset is disposed.

F 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 amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and directly attributable costs of preparing the asset for its intended use. Internally generated intangible assets, excluding capitalised development costs are reflected as expenditure in the statement of profit and loss in the reporting year in which these are incurred.

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 recognised in the statement of profit and loss when the asset is derecognised.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised 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 and use or sell it;

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 amortisation and accumulated impairment losses, if any. amortisation of internally generated intangible asset begins when the development is complete and the asset is available for use.

G Business combinations

The acquisition method of accounting is used to recognised for all business combinations when the acquired set of activities and assets meet the definition of business and control is transferred, regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred. The excess of the:

- Consideration transferred;
- Amount of any non-controlling interest in the acquired business, and
- Acquisition-date fair value of any previous equity interest in the acquired business

over the fair value of the net identifiable assets acquired is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognised directly in equity as capital reserve.

Business combinations between entities under common control is accounted for using pooling of interest method. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

H Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised in the capital reserves as gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

I Depreciation and amortisation

Depreciation on Property, plant and equipment is provided from the date the asset is made available for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The management estimates the useful lives for the Property, plant and equipment except for leasehold improvements as follows:

Assets	Useful lives
Computers*	3 to 5 years
Computers - Servers and networks*	3 to 5 years
Office equipment	5 years
Furniture and fixtures	5 years

*For these classes of assets, based on a technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Thus useful lives of these assets are different from useful lives as prescribed under Part C of Schedule II of the Act.

Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Depreciation & amortisation methods, useful lives and residual values are reviewed periodically.

J Borrowing costs

Borrowing cost includes interest, amortisation of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

K Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Non-derivative financial instruments

Subsequent measurement

Financial assets

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 recognised 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 recognised in other comprehensive income.

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

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

Investments in subsidiaries

Equity investment in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

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

Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired. 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, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

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

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of 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.

L Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. the Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company's contracts may include variable consideration including rebates, volume discounts and penalties. the Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

i. Income from software services and licenses

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

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 recognised as and when the related services are rendered. 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 recognised 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 recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised 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 standalone selling prices. Maintenance revenue is recognised proportionately over the period in which the services are rendered.

Income from services rendered to the group companies is recognised as and when services are rendered and are invoiced using cost-plus mark-up approach.

Unbilled revenue (Contract asset) represents revenue recognised in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue (Contract liability) represents the billing in respect of contracts for which the revenue is not recognised.

The Company collects Local Taxes on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

ii. Interest

Income from interest is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the statement of profit and loss.

iii. Dividends

Dividend income is recognised when the Company's right to receive dividend is established. Dividend income is included under the head 'Other income' in the statement of profit and loss.

M Contract balances

Contract assets

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities

Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

N Foreign currency transactions and balances

iInitial recognition

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

The Company's functional currency is the USD. 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 period end conversion are recognised in Other Comprehensive Income and the said amount is shown under the head "Other Equity".

ii. Conversion

Foreign currency monetary items are converted 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. For foreign currency transactions recognised in profit and loss statement the Company uses average rate if the average approximates the actual rate at the date of the transaction.

iii. Settlement

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

O Retirement and other employee benefits

Compensated absences

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating leave encashment is recognised in the period in which the absences occur.

Other employee benefits

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the statement of profit and loss during the period when the employee renders the service.

P 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 tax laws prevailing in United States. 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 recognised directly in equity is recognised 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.

Deferred tax liabilities are recognised 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 recognised 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 recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 realised.

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 group and the taxation authority.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

Q 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. The Company has the right to direct the use of the asset

Where the Company is a lessee

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 recognised 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.

R Impairment of Non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on budgets and forecast calculations prepared for each CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for assets previously revalued with the revaluation surplus taken to OCI. For such assets, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

S Earnings per share (EPS)

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

T Provisions

A provision is recognised 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 of the amount 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.

U Contingent liabilities and Commitments

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 recognised 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 recognised because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in financial statements.

The Company does not recognize a contingent liability but discloses its existence in the financial statements.

V Share based payments

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments of the holding company (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest best on the non-market vesting and service conditions. It recognises the impact of the revisions to the original estimates, if any, in profit or loss with a corresponding adjustment to payable to the holding company.

The expense or credit recognised in the statement of profit and loss for the period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense with a corresponding amount recognised as liability payable to the holding company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

W Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognised as a deduction from equity, net of any tax effects.

X Dividend

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

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Notes forming part of special purpose financial statements

4.1 Property, plant and equipment

(In ₹ Million)

	Office equipments	Computers (Refer note 1)	Furniture & fixtures	Leasehold improvements	Total
Gross block					
As at April 1, 2024	**170.81**	**601.01**	**234.50**	**33.05**	**1,039.37**
Additions	19.45	8.83	13.87	-	42.15
Disposals	0.08	65.34	-	-	65.42
Effect of foreign currency translation from functional currency to reporting currency	4.07	15.26	5.76	0.82	25.91
As at March 31, 2025	**194.25**	**559.76**	**254.13**	**33.87**	**1,042.01**
Accumulated depreciation					
As at April 1, 2024	**55.08**	**402.26**	**149.78**	**6.74**	**613.86**
Charge for the year	26.58	63.51	21.16	5.68	116.93
Disposals	0.02	40.99	-	-	41.01
Effect of foreign currency translation from functional currency to reporting currency	1.60	10.91	3.94	0.23	16.68
As at March 31, 2025	**83.24**	**435.69**	**174.88**	**12.65**	**706.46**
Net block					
As at March 31, 2025	**111.01**	**124.07**	**79.25**	**21.22**	**335.55**

(In ₹ Million)

	Office equipments	Computers	Furniture & fixtures	Leasehold improvements	Total
Gross block					
As at April 1, 2023	**60.89**	**483.42**	**151.51**	**17.29**	**713.11**
Additions	108.88	157.17	80.15	15.39	361.59
Disposals	0.59	47.64	-	-	48.23
Effect of foreign currency translation from functional currency to reporting currency	1.63	8.06	2.84	0.37	12.90
As at March 31, 2024	**170.81**	**601.01**	**234.50**	**33.05**	**1,039.37**
Accumulated depreciation					
As at April 1, 2023	**43.72**	**342.01**	**137.92**	**2.66**	**526.31**
Charge for the year	10.79	92.38	9.73	4.01	116.91
Disposals	0.59	47.64	-	-	48.23
Effect of foreign currency translation from functional currency to reporting currency	1.16	15.51	2.13	0.07	18.87
As at March 31, 2024	**55.08**	**402.26**	**149.78**	**6.74**	**613.86**
Net block					
As at March 31, 2024	**115.73**	**198.75**	**84.72**	**26.31**	**425.51**

Note 1:
The management has revised estimated useful life of computers and networking equipments prospectively (refer note 35 for details).

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Notes forming part of special purpose financial statements

4.2 Capital work in progress

(In ₹ Million)

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Capital work in progress	-	1.18
	-	**1.18**

4.2 Capital work in progress (CWIP) Ageing Schedule

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
As at 31 March 2025	**-**	**-**	**-**	**-**	**-**

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1.18	-	-	-	1.18
As at 31 March 2024	**1.18**	**-**	**-**	**-**	**1.18**

There are no projects whose completion schedule is overdue or has exceeded its cost compared to its original plan as of current year and previous year.

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Notes forming part of special purpose financial statements

4.3 Right-of-use assets (Refer note 34)

	(In ₹ Million)
	Office Premises
Gross block	
As at April 1, 2024	661.24
Additions	-
Disposals	48.95
Effect of foreign currency translation from functional currency to reporting currency	16.63
As at March 31, 2025	**628.92**
Accumulated depreciation	
As at April 1, 2024	239.40
Charge for the year	128.45
Disposals	48.95
Effect of foreign currency translation from functional currency to reporting currency	7.58
As at March 31, 2025	**326.48**
Net block	
As at March 31, 2025	**302.44**

	(In ₹ Million)
	Office Premises
Gross block	
As at April 1, 2023	521.44
Additions	239.72
Disposals	108.65
Effect of foreign currency translation from functional currency to reporting currency	8.73
As at March 31, 2024	**661.24**
Accumulated depreciation	
As at April 1, 2023	209.26
Charge for the year	132.85
Disposals	106.04
Effect of foreign currency translation from functional currency to reporting currency	3.33
As at March 31, 2024	**239.40**
Net block	
As at March 31, 2024	**421.84**

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Notes forming part of special purpose financial statements

4.4 Goodwill

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Cost		
Balance at beginning of year	3,681.50	3,627.20
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	91.38	54.30
Balance at end of year	**3,772.88**	**3,681.50**

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows.

The key assumptions used for the calculations are as follows :

	As at March 31, 2025	As at March 31, 2024
Long-term growth rate	4.86%	4.20%
Operating margins	13% to 23%	10% to 25%
Discount rate	15% to 18%	14% to 17%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2025, the estimated recoverable amount of the CGU exceeded its carrying amount. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. Operating margin and long term growth rate are in line with company's current operations. Based on testing, no impairment loss was identified during current year and previous year.

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Notes forming part of special purpose financial statements

4.5 Other Intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	**1,687.54**	**6,437.99**	**8,125.53**
Additions	-	89.56	89.56
Disposals on account of assets transfer	334.85	-	334.85
Effect of foreign currency translation from functional currency to reporting currency	43.41	159.79	203.20
As at March 31, 2025	**1,396.10**	**6,687.34**	**8,083.44**
Accumulated amortisation			
As at April 1, 2024	**1,470.47**	**4,756.54**	**6,227.01**
Charge for the year	0.41	373.11	373.52
Disposals on account of assets transfer	111.92	-	111.92
Effect of foreign currency translation from functional currency to reporting currency	37.02	122.23	159.25
As at March 31, 2025	**1,395.98**	**5,251.88**	**6,647.86**
Net block			
As at March 31, 2025	**0.12**	**1,435.46**	**1,435.58**

Acquired contractual rights have remaining amortisation period between 2-4 years.

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2023	**1,662.49**	**6,343.04**	**8,005.53**
Additions	0.17	-	0.17
Effect of foreign currency translation from functional currency to reporting currency	24.88	94.95	119.83
As at March 31, 2024	**1,687.54**	**6,437.99**	**8,125.53**
Accumulated amortisation			
As at April 1, 2023	**1,341.59**	**4,265.54**	**5,607.13**
Charge for the year	108.03	424.14	532.17
Effect of foreign currency translation from functional currency to reporting currency	20.85	66.86	87.71
As at March 31, 2024	**1,470.47**	**4,756.54**	**6,227.01**
Net block			
As at March 31, 2024	**217.07**	**1,681.45**	**1,898.52**

4.6 Depreciation and amortisation

(In ₹ Million)

	For the year ended	
	March 31, 2025	March 31, 2024
On Property, plant and equipment	116.93	116.91
On Other intangible assets	373.52	532.17
On Right-of-use assets	128.45	132.85
	618.90	**781.93**

Notes forming part of special purpose financial statements

5. Non-current financial assets : Investments

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
- In Wholly owned subsidiary companies		
Persistent Telecom Solutions, Inc.		
2,480 (Previous year: 2,480) shares of USD 0.001 each, fully paid up	529.91	517.08
Less: Provision for diminution in value of investment	(529.91)	(517.08)
Aepona Group Limited		
5,644,820 Class "A" ordinary shares of Euro 0.012 each and 544,417,875,500 Class "B" ordinary shares of GBP 0.000001 each (Previous year: 5,644,820 Class "A" ordinary shares of Euro 0.012 each and 544,417,875,500 Class "B" ordinary shares of GBP 0.000001 each), fully paid up	192.91	188.23
Less: Provision for diminution in value of investment	(192.91)	(188.23)
Persistent Systems Israel Limited	8.64	8.43
3,867,400 (Previous year: 3,867,400) ordinary shares of NIS 0.1 par value, fully paid up		
Persistent Systems Mexico, S.A. de C. V	4.62	4.50
99,999 (Previous year 99,999) ordinary shares of Pesos 0.1 par value, fully paid up		
Software Corporation International LLC	-	2,807.04
Nil (Previous year : 100% membership interest)		
MediaAgility Inc	5,196.71	5,070.85
4,347,275 (Previous year: 4,347,275) common stock of USD 9 each, fully paid up		
Persistent Systems Poland Sp. z o.o.	0.10	0.10
100 (Previous year: 100) common stock of PLN 50 each, fully paid up		
Persistent Systems Australia Pty. Ltd (Formerly known as CAPIOT Software Pty Ltd) *	0.00	0.00
2 (Previous year: 2) ordinary shares of AUD 1 each, fully paid up		
Starfish Associates LLC	1,660.71	-
100% membership interest (Previous year: Nil)		
Total investments carried at cost (A)	**6,870.78**	**7,890.92**

* ₹0.00 Million represents value less than ₹ 5,000

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Notes forming part of special purpose financial statements

5. Non-current financial assets : Investments (continued)

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Investments carried at fair value		
Unquoted investments		
Investments in common stocks/preferred stocks		
Hyginex, Inc.		
250,000 (Previous year - 250,000) preferred shares of USD 0.001 each, fully paid up	17.09	16.68
Less: Change in fair value of investment	(17.09)	(16.68)
Trunomi, Inc.		
277,778 (Previous year - 277,778) preferred shares of USD 0.0002 each, fully paid up	21.37	20.85
Less: Change in fair value of investment	(21.37)	(20.85)
DxNow		
Nil (Previous year - 169,975) preference shares of USD 0.0001 each, fully paid up	-	10.43
Less: Change in fair value of investment	-	(10.43)
Akumina Inc.		
400,667 (Previous Year - 400,667) preference shares of USD 0.443 each, fully paid up	15.17	14.80
Monument Bank	139.39	136.02
24,000 (Previous year - 24,000) common stock of GBP 50 each, fully paid up		
SwanAI	213.67	-
84,828 (Previous year - Nil) preferred shares of USD 0.00001 each, fully paid up		
Total investments carried at fair value (B)	**368.23**	**150.82**
Total Investments (A + B)	**7,239.01**	**8,041.74**
Aggregate amount of Quoted investments	**-**	**-**
Aggregate amount of unquoted investments	**8,000.29**	**8,795.01**
Aggregate provision for diminuition in value of investments	**(722.82)**	**(705.31)**
Aggregate amount of change in fair value of investments	**(38.46)**	**(47.96)**
Aggregate market value of quoted investments	**-**	**-**

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Notes forming part of special purpose financial statements

6. Non-current financial assets : Loans

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Carried at amortised cost		
Loans to related parties		
Unsecured considered good		
- Persistent Systems France SAS	222.34	139.52
(Repayment terms : At the end of three years) Rate of Interest: LIBOR + 225 bps, (Previous year : LIBOR + 225 bps)		
- Interest accrued but not due at amortised cost	6.40	4.24
	228.74	143.76
- Persistent Systems Germany GmbH	787.61	673.96
(Repayment terms : At the end of three years) Rate of Interest: EURIBOR + 225 bps (Previous year : EURIBOR + 225 bps)		
- Interest accrued but not due at amortised cost	62.43	19.38
	850.04	693.34
- Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	106.85	108.34
(Repayment terms : At the end of three years) Rate of Interest: SOFR + 225 bps (Previous year : SOFR + 225 bps)		
- Interest accrued but not due at amortised cost	1.53	1.72
	108.38	110.06
- Persistent Systems S.R.L.- Romania	19.23	33.36
(Repayment terms : At the end of three years) Rate of Interest: 3 months SOFR + 250 bps (Previous year : 3 months SOFR + 250 bps)		
- Interest accrued but not due at amortised cost	0.92	0.66
	20.15	34.02
- Persistent Systems Poland Sp. z o.o.	85.47	-
(Repayment terms : At the end of three years) Rate of Interest : SOFR + 250 bps (Previous year : NA)		
- Interest accrued but not due at amortised cost	0.46	-
	85.93	-
Total non-current loans	**1,293.24**	**981.18**

7. Other non-current financial assets

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Unsecured, considered good		
Security deposits	20.84	20.34
	20.84	**20.34**

8. Other non-current assets

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Unsecured, considered good		
Prepayments	130.19	125.87
Capital advance	-	3.67
	130.19	**129.54**

Notes forming part of special purpose financial statements

9. Deferred tax asset (net)

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Deferred tax asset		
Provision for expected credit loss	80.54	40.84
Employee related payments	678.08	200.24
Leave encashment	129.09	156.21
Tax credit	163.91	80.96
Differences in book values and tax base values of block of property, plant and equipment and other intangible assets	114.83	98.39
Unbilled revenue	10.18	-
Difference in book values and tax base values of ROU asset and lease liability	1.77	-
Others	0.64	5.90
	1,179.04	**582.54**
Deferred tax liability		
Utilisation of accumulated losses of wholly owned subsidiary	31.29	26.26
Difference in book values and tax base values of ROU asset and lease liability	-	0.68
Others	16.29	8.02
	47.58	**34.96**
Deferred tax asset (net)	**1,131.46**	**547.58**

Movement in deferred tax assets (net) during the year ended March 31, 2025

In ₹ Million

	As at April 1, 2024	Charge/ (Credit) in Statement of Profit or loss	Credit/ (Charge) in foreign currency translation reserve	As at March 31, 2025
Deferred tax asset				
Provision for expected credit loss	40.84	39.70	-	80.54
Employee related payments	200.24	477.84	-	678.08
Leave encashment	156.21	(27.12)	-	129.09
Tax credit	80.96	82.95	-	163.91
Differences in book values and tax base values of block of property, plant and equipment and other intangible assets	98.39	16.44	-	114.83
Unbilled revenue	-	10.18	-	10.18
Difference in book values and tax base values of ROU asset and lease liability	-	1.77	-	1.77
Others	5.90	(22.67)	17.41	0.64
	582.54	**579.09**	**17.41**	**1,179.04**
Deferred tax liability				-
Utilisation of accumulated losses of wholly owned subsidiary	26.26	5.03	-	31.29
Difference in book values and tax base values of ROU asset and lease liability	0.68	(0.68)	-	-
Others	8.02	8.27	-	16.29
	34.96	**12.62**	**-**	**47.58**
Deferred tax asset (net)	**547.58**	**566.47**	**17.41**	**1,131.46**

Movement in deferred tax assets (net) during the year ended March 31, 2024

In ₹ Million

	As at April 1, 2023	Charge/ (Credit) in Statement of Profit or loss	Credit/ (Charge) in foreign currency translation reserve	As at March 31, 2024
Deferred tax asset				
Provision for expected credit loss	14.43	26.41	-	40.84
Employee related payments	178.40	21.84	-	200.24
Leave encashment	115.76	40.45	-	156.21
Tax credit	77.48	3.48	-	80.96
Differences in book values and tax base values of block of property, plant and equipment and other intangible assets	111.72	(13.33)	-	98.39
Others	-	(28.03)	33.93	5.90
	497.79	**50.82**	**33.93**	**582.54**
Deferred tax liability				-
Utilisation of accumulated losses of wholly owned subsidiary	47.21	(20.95)	-	26.26
Difference in book values and tax base values of ROU asset and lease liability	0.03	0.65	-	0.68
Others	2.21	5.81	-	8.02
	49.45 -	**14.49**	**-**	**34.96**
Deferred tax asset (net)	**448.34**	**65.31**	**33.93**	**547.58**

Notes forming part of special purpose financial statements

10. Trade receivables*

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
-Non Current		
Unsecured, considered good	161.25	469.24
	161.25	**469.24**
-Current		
Unsecured, considered good	6,941.67	10,832.61
Unsecured, credit impaired	1,114.08	349.26
	8,055.75	**11,181.87**
Less : Allowance for expected credit loss	(312.81)	(119.82)
	7,742.94	**11,062.05**
	7,904.19	**11,531.29**

* Includes dues from related parties (refer note 28)

Trade receivables Ageing Schedule

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	843.14	6,259.78	-	-	-	-	7,102.92
Undisputed trade receivable – credit impaired	-	-	577.40	361.83	74.41	100.44	1,114.08
	843.14	**6,259.78**	**577.40**	**361.83**	**74.41**	**100.44**	**8,217.00**
Less : Allowance for expected credit loss	-	(0.85)	(57.88)	(159.18)	(49.36)	(45.54)	(312.81)
As At March 31, 2025	**843.14**	**6,258.93**	**519.52**	**202.65**	**25.05**	**54.90**	**7,904.19**
Expected loss rate (refer note 30(b))	-	0.01%	10.02%	43.99%	66.34%	45.34%	

	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	10,459.35	842.50	-	-	-	-	11,301.85
Undisputed trade receivable – credit impaired	-	-	142.67	106.15	75.44	25.00	349.26
	10,459.35	**842.50**	**142.67**	**106.15**	**75.44**	**25.00**	**11,651.11**
Less : Allowance for expected credit loss	-	(1.83)	(27.77)	(48.84)	(16.38)	(25.00)	(119.82)
As At March 31, 2024	**10,459.35**	**840.67**	**114.90**	**57.31**	**59.06**	**-**	**11,531.29**
Expected loss rate (refer note 30(b))	-	0.22%	19.46%	46.01%	21.71%	100.00%	

Notes forming part of special purpose financial statements

11. Cash and cash equivalents

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balances with banks		
- On current accounts	972.72	852.47
- On deposit account with original maturity of less than three months	249.16	308.03
	1,221.89	**1,160.51**

12. Current financial assets : loans

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Carried at amortised cost		
Unsecured considered good		
Loans to related parties		
- Persistent Systems México, S.A. de C.V. (Repayment terms : At the end of three years) Rate of Interest: SOFR + 225 bps, (Previous year : SOFR + 225 bps)	-	81.72
- Interest accrued but not due at amortised cost	-	6.79
	-	88.51
- Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd) (Repayment terms : At the end of three years) Rate of Interest: SOFR + 225 bps (Previous year : SOFR + 225 bps)	-	30.02
- Interest accrued but not due at amortised cost	-	0.49
	-	30.51
Loans to others		
- Loan to LHS Solutions, Inc.	25.61	24.99
- Interest accrued but not due at amortised cost	2.02	1.97
Less: Impairment allowance	(27.63)	(26.96)
	-	-
	-	**119.02**

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Notes forming part of special purpose financial statements

13. Other current financial assets

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Receivable from related parties		
Unsecured, considered good		
- Persistent Systems Limited	11.06	21.12
- Persistent Systems France SAS	11.14	5.56
- Persistent Systems Germany GmbH	5.08	6.78
- Persistent Systems S.R.L	-	0.40
- Persistent Systems México, S.A. de C.V.	4.40	0.06
- Persistent Telecom Solutions, Inc.	2.11	-
- MediaAgility Inc.	86.76	42.26
- Persistent Systems S.R.L.- Romania	0.17	-
	120.72	**76.18**
Unbilled revenue (refer note 22)	6.62	3,311.02
Security deposits	31.09	31.91
Other receivables*	34.79	-
Total	**193.22**	**3,419.11**

* Represents amounts received in the Group companies on behalf of the Company (refer note 28).

14. Other current assets

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Unsecured, considered good		
Advances recoverable in cash or kind or for value to be received	366.22	355.35
VAT receivable	1.72	0.12
Prepayments	285.38	292.34
	653.32	**647.81**

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Notes forming part of special purpose financial statements

15. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised (In USD Million)		
1,500,000,000 (Previous year: 1,500,000,000) Common Shares of USD 0.10 each	USD 150	USD 150
	USD 150	**USD 150**
Issued, subscribed and paid-up (In ₹ Million)		
702,000,000 (Previous year: 702,000,000) Common Shares of USD 0.10 each fully paid up. All shares are held by Holding Company i.e. Persistent Systems Limited.	4,729.74	4,729.74
	4,729.74	**4,729.74**

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

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount (In ₹ Million)	No. of Shares	Amount (In ₹ Million)
At the beginning of the reporting year	702,000,000	4,729.74	702,000,000	4,729.74
Add : Additional issued during the year	-	-	-	-
At the end of the reporting year	**702,000,000**	**4,729.74**	**702,000,000**	**4,729.74**

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Notes forming part of special purpose financial statements

16. Borrowings

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Unsecured borrowings carried at amortised cost		
-Non Current		
Term Loan from HSBC bank	-	97.30
-Current		
Current maturity of long-term borrowings	-	1,962.22
	-	**2,059.52**

The term loans have the following terms and conditions:

Amounting to USD 25 Million repayable with interest @ SOFR+ 155 bps per annum has been supported by a Letter of Comfort by the holding company and repayable over a period of three years in equal monthly installments commencing from October 21, 2021.

Amounting to USD 35 Million repayable with interest @ SOFR+ 155 bps per annum has been supported by a Letter of Comfort by the holding company and repayable over a period of three years in equal monthly installments commencing from April 1, 2022.

Amounting to USD 21 Million repayable with interest @ SOFR+ 155 bps per annum has been supported by a Letter of Comfort by the holding company and repayable over a period of three years in equal monthly installments commencing from June 1, 2022.

Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	(In ₹ Million) Borrowings
As at April 1, 2024	**2,059.52**
Cash flows:	-
- Repayment (Principal amount)	(2,088.31)
- Repayment (Interest)	-
- Repayment (Lease Interest)	-
Non cash items:	
- Exchange difference	28.79
- Interest expense on lease liabilities	-
As at March 31, 2025	**-**

	(In ₹ Million) Borrowings
As at April 1, 2023	**4,247.73**
Cash flows:	-
- Repayment (Principal amount)	(2,235.95)
- Repayment (Interest)	-
- Repayment (Lease Interest)	-
Non cash items:	
- Exchange difference	47.74
- Interest expense	-
- Additional lease during the year	-
As at March 31, 2024	**2,059.52**

Notes forming part of special purpose financial statements

17. Lease liabilities

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
-Non Current		
Lease liabilities	348.76	460.96
Less: Current portion of lease liabilities	(117.72)	(145.78)
	231.04	**315.18**
-Current		
Lease liabilities	117.72	145.78
	117.72	**145.78**

Movement of lease liabilities

	For the year ended March 31, 2025 (In ₹ Million)	For the year ended March 31, 2024 (In ₹ Million)
Opening balance	460.96	332.67
Additions during the year	-	239.72
Add: Interest recognised during the year	24.60	20.08
Less: Payments made during the year	(147.66)	(122.27)
Effect of foreign currency translation from functional currency to reporting currency	10.86	(9.24)
Closing balance	**348.76**	**460.96**

17(a). Other financial liabilities - Non-current

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Carried at fair value		
Liability towards contingent consideration	237.07	-
Carried at amortised cost		
Intercompany deposits from related parties		
- 'Persistent Systems UK Ltd. (Formerly known as Aepona Ltd) (Repayment terms : At the end of three years) Rate of Interest : SOFR + 300 bps, (Previous year : SOFR + 300 bps)	-	83.40
- Interest accrued but not due at amortised cost	-	1.75
	-	85.15
- MediaAgility Inc. (Repayment terms : At the end of three years) Rate of Interest : AFR, (Previous year : AFR)	700.85	542.10
- Interest accrued but not due at amortised cost	56.24	27.66
	757.09	569.76
- Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (Repayment terms : At the end of three years) Rate of Interest: AFR (Previous year : AFR)	-	36.85
- Interest accrued but not due at amortised cost	-	0.14
	-	36.99
	994.16	**691.90**

Notes forming part of special purpose financial statements

18. Trade payables*

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Trade payables for goods and services	5,371.98	13,383.88
	5,371.98	**13,383.88**

* Includes payables to related parties (Refer note 28)

Trade payables Ageing Schedule

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	917.53	75.85	4,252.52	89.85	16.15	20.08	5,371.98
As At March 31, 2025	**917.53**	**75.85**	**4,252.52**	**89.85**	**16.15**	**20.08**	**5,371.98**

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables	2,383.39	1,100.80	9,836.37	26.81	23.36	13.15	13,383.88
As At March 31, 2024	**2,383.39**	**1,100.80**	**9,836.37**	**26.81**	**23.36**	**13.15**	**13,383.88**

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Notes forming part of special purpose financial statements

19. Current financial liabilities : Others

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Accrued employee liabilities	557.71	788.63
Accrued interest on borrowings	3.32	11.80
Advances from related parties (unsecured, considered good) (refer note 28)		
- Persistent Systems Limited	160.30	2,558.82
- Persistent Telecom Solutions, Inc.	-	2.18
- Software Corporation International LLC	-	0.65
- Persistent Systems Poland Sp. z o.o.	-	0.08
- Persistent Systems Malaysia Sdn. Bhd.	-	1.58
- Persistent Systems UK Limited (Formerly known as Aepona Limited)	18.82	24.83
Other payables*	6,299.28	-
Carried at fair value		
Liability towards contingent consideration	877.78	2,464.55
	7,917.21	**5,853.12**

* Represents amounts received in the Company on behalf of the Group companies (refer note 28).

20. Other liabilities

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
-Non current		
Others	7.66	18.93
	7.66	**18.93**
-Current		
Unearned revenue (refer note 22 and 28)	138.17	909.93
Advance from customers (refer note 28)	65.65	35.58
Capital creditors	-	18.40
Others	11.68	30.45
	215.50	**994.36**
	223.16	**1,013.29**

21. Provisions

	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Provision for employee benefits		
- Leave encashment	430.00	605.87
- Accrued employee liabilities	611.37	400.94
	1,041.37	**1,006.81**

Notes forming part of special purpose financial statements

22. Revenue from operations

	For the year ended	
	March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Software licenses (refer note 28)	494.16	1,836.92
Software and other services (refer note 28)	25,210.06	56,057.30
	25,704.22	**57,894.22**

Software service revenue is recognized as and when the related services are performed i.e. over the time basis. Software licenses revenue is recognized on point in time basis.

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 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	1,401.63	23,642.62
Healthcare & Life Sciences	54.41	13,637.52
Software, Hi-Tech and Emerging Industries	24,248.18	20,614.08
	25,704.22	**57,894.22**
Geographical disclosure		
India	12,041.86	15.92
North America	13,506.81	57,446.16
Rest of the World	155.55	432.14
Total	**25,704.22**	**57,894.22**
Onsite/offshore/IP Led disclosure		
IP Led	962.67	3,745.78
Offshore	-	24,844.18
Onsite	24,741.55	29,304.26
Total	**25,704.22**	**57,894.22**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work-based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency. The normal credit term is 30 to 90 days.

Notes forming part of special purpose financial statements

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Revenue as per contract price	25,704.22	57,894.22
Discount	-	-
Revenue from contracts with customers	**25,704.22**	**57,894.22**

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

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	3,311.02	2,089.62
Invoices raised that were included in the contract assets balance at the beginning of the year	(3,311.02)	(2,089.62)
Increase due to revenue recognised during the year, excluding amounts billed during the year	6.62	3,311.02
Balance at the end of the year	**6.62**	**3,311.02**

Changes in unearned revenue are as follows:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	909.93	565.58
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(909.93)	(521.10)
Increase due to revenue recognised during the year, excluding amounts billed during the year	138.17	865.45
Balance at the end of the year	**138.17**	**909.93**

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Notes forming part of special purpose financial statements

23. Other income

	For the year ended	
	March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Interest on financial assets carried at amortised cost	126.80	133.92
Foreign exchange gain (net)	26.28	-
Profit on sale of investments	21.67	14.91
Dividend on investments carried at cost	-	248.44
Excess provision in respect of earlier years written back	24.01	97.30
Sundry balances written back	-	35.72
Miscellaneous income	106.18	58.01
	304.94	**588.30**

24. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
24.1 Employee benefit expenses		
- Salaries, wages and bonus	12,554.21	16,858.43
- Share based payments to employees (refer note 28)	2,485.90	506.80
- Staff welfare expenses	270.41	136.65
	15,310.52	**17,501.88**
24.2 Cost of professionals		
- Related parties (refer note 28)	2,687.26	23,976.29
- Others	813.53	9,602.76
	3,500.79	**33,579.05**
	18,811.31	**51,080.93**

25. Finance cost

	For the year ended	
	March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Interest on lease liability	24.60	20.08
Interest on bank loan	138.13	213.74
Interest on deposits from related parties	28.07	33.47
Notional interest on liability towards contingent consideration	15.51	51.05
	206.31	**318.34**

Notes forming part of special purpose financial statements

26. Other expenses

	For the year ended	
	March 31, 2025 (In ₹ Million)	**March 31, 2024 (In ₹ Million)**
Traveling and conveyance (refer note 28)	695.20	778.54
Electricity expenses	5.48	4.42
Internet link expenses	26.75	30.49
Communication expenses	12.77	24.71
Recruitment expenses	37.41	89.80
Training and seminars	6.50	9.11
Purchase of software licenses and support expenses	2,312.58	2,164.58
Allowance for credit loss (net) (refer note 10)	190.14	60.22
Rent (refer note 34)	10.53	11.96
Insurance	10.61	10.76
Rates, fees and profession tax	25.35	69.11
Legal and professional fees (refer note 28)	846.61	464.00
Repairs and maintenance (refer note 28)		
- Computers	8.92	12.77
- Buildings	0.01	1.17
- Others	5.21	3.15
Commission on sales (refer note 28)	10.23	62.54
Advertisement and sponsorship fees	170.63	160.54
Computer consumables	0.62	3.76
Auditor's remuneration (refer note 33)	2.00	2.11
Donations	2.09	27.74
Books, memberships and subscriptions	8.02	10.77
Loss on investments	-	988.30
Changes in contingent consideration payable on business combination (refer note 38)	(1,461.82)	(743.03)
Royalty expenses	1.61	-
Impairment loss on financial assets designated as at FVTPL	-	20.70
Debit balances written off	6.28	3.31
Impairment reversal of financial assets	-	(23.98)
Foreign exchange loss (net)	-	31.86
Miscellaneous expenses	88.82	364.58
	3,022.55	**4,644.00**

27. Earnings per share

Particulars		**For the year ended**	
		March 31, 2025	**March 31, 2024**
Basic and diluted earnings per share			
Numerator			
Net Profit after tax (In ₹ Million)	A	597.32	1,593.77
Denominator			
Weighted average number of equity share	B	702,000,000	702,000,000
Basic and diluted earnings per share (In ₹) (Face value of USD 0.10 each)	A / B	0.85	2.27

28. Related party transactions

I. Names of related parties

Holding company:
Persistent Systems Limited

Wholly owned subsidiary:
Persistent Telecom Solutions, Inc.
Persistent Systems México, S.A. de C.V.
Persistent Systems Israel Limited
Persistent Systems S.R.L (Dissolved w.e.f February 26, 2024)
Aepona Group Limited
Capiot Software Inc. (Dissolved w.e.f December 29, 2023)
Software Corporation International (Dissolved w.e.f. June 27, 2024)
SCI Fusion 360, LLC (Dissolved w.e.f May 31, 2023)
MediaAgility Inc.(acquired w.e.f. May 4, 2022)
Persistent Systems Poland Sp. z o.o. (Acquired w.e.f. April 5, 2023)
Starfish Associates, LLC (Acquired w.e.f. August 1, 2024)
Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)
Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)

Wholly owned subsidiary of Aepona Group Limited:
Persistent Systems Lanka (Private) Limited

Wholly owned subsidiary of MediaAgility Inc.(acquired w.e.f. May 4, 2022):
DIGITALAGILITY S DE RL DE CV
MediaAgility UK Ltd., UK
MediaAgility Pte. Ltd., Singapore

Wholly owned subsidiary of Capiot Software Inc. (acquired w.e.f. November 6, 2020):
CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023)

Fellow Subsidiaries
Persistent Systems Pte. Limited
CAPIOT Software Private Limited
Persistent Systems France S.A.S
Persistent Systems Malaysia Sdn. Bhd.
Persistent Systems Germany GmbH
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)
PARX Consulting GmbH (Merged into Persistent Systems Germany GmbH w.e.f August 21, 2023)
Youperience Germany GmbH (Merged into PSG w.e.f August 21, 2023)
Youperience Limited, UK (Dissolved w.e.f June 27, 2023)
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada, Costa Rica)
MediaAgility India Private Limited
Persistent Systems S.R.L.- Romania

Key Management Personnel
Dr. Anand Deshpande - Director
Mr. Thomas Klein - Director
Mr Sandeep Kalra, Executive Director and Chief Executive Officer

28. Related party transactions (Continued)

II. Related party transactions

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Income				
Fees for sales and marketing services	Persistent Systems Limited	Holding company	0.02	1,723.33
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	-	10.53
	MediaAgility Inc.	Wholly owned subsidiary	-	12.27
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	0.02	6.80
Corporate guarantee fees	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	0.25	0.90
Licensing of distribution rights for Software Products and related services	Persistent Systems Limited	Holding company	3.28	13.28
Sale of software service	Persistent Systems Limited	Holding company	24,921.39	3,701.94
	Persistent Systems France SAS	Fellow subsidiary	-	2.97
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	115.59	87.44
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	9.93
	Software Corporation International	Wholly owned subsidiary	-	49.23
	MediaAgility Inc.	Wholly owned subsidiary	9.37	139.74
	Starfish Associates, LLC	Wholly owned subsidiary	63.70	-
	Aepona Group Limited	Wholly owned subsidiary	0.04	-
Interest Income	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	5.49	6.10
	Persistent Systems Germany GmbH	Fellow subsidiary	41.72	30.06
	Youperience Germany GmbH	Fellow subsidiary	-	1.48
	PARX Consulting GmbH	Fellow subsidiary	-	1.20
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	0.50
	CAPIOT Software Inc	Wholly owned subsidiary	-	0.11
	Persistent Systems France SAS	Fellow subsidiary	11.62	12.88
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	9.72	5.73
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	2.38	2.13
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	0.47	-
Intercompany Dividend Income	Software Corporation International	Wholly owned subsidiary	-	248.44
Expenses				
Salaries, wages and bonus	Persistent Systems Limited	Holding company	0.26	-
Cost of technical professionals	Persistent Systems Limited	Holding company	2,486.27	22,412.88
	Persistent Systems France SAS	Fellow subsidiary	0.36	19.73
	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary	6.07	55.76
	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	0.78	847.11
	Persistent Systems Israel Limited	Wholly owned subsidiary	-	2.70
	Persistent Systems Malaysia Sdn. Bhd.	Company under same	-	8.45
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	1.11	21.68
	Persistent Systems Germany GmbH	Fellow subsidiary	-	22.96
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	28.17	20.91
	Persistent Systems Pte. Limited	Fellow subsidiary	-	10.07
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	-	63.48
	Aepona Group Limited	Wholly owned subsidiary	-	3.45
	Persistent Systems Switzerland AG (Formerly known as PARX	Fellow subsidiary	29.43	2.37
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada, Costa Rica)	Fellow subsidiary	135.12	195.12
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	-	24.78
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	-	3.70
Commission on sale	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	-	1.93
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	2.60
	Persistent Systems Limited	Holding company	-	58.02

II. Related party transactions (Continued)

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Corporate guarantee fees	Persistent Systems Limited	Holding company	3.11	6.34
	Persistent Systems France SAS	Fellow subsidiary	-	12.45
Interest Cost	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	0.29	6.77
	MediaAgility Inc.	Wholly owned subsidiary	27.67	26.33
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	0.11	0.38
Traveling and conveyance	Persistent Systems Limited	Holding company	-	21.72
Legal and professional fees	Persistent Systems Limited	Holding company	-	0.04
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	-	0.16
	Persistent Systems S.R.L	Wholly owned subsidiary	-	5.52
Repairs and maintenance	Persistent Systems Limited	Holding company	-	9.02
Loans given**	Persistent Systems France SAS	Fellow subsidiary	171.17	151.39
	Persistent Systems Germany GmbH	Fellow subsidiary	93.45	518.92
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	-	33.13
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	108.84	-
	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	30.13	-
Repayment of loans given**	Persistent Systems France SAS	Fellow subsidiary	90.75	115.94
	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	115.79	-
	CAPIOT Software Inc	Wholly owned subsidiary	-	43.60
	PARX Consulting GmbH	Fellow subsidiary	-	65.92
	Persistent Systems Germany GmbH	Fellow subsidiary	-	62.76
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	51.73
	Youperience Germany GmbH	Fellow subsidiary	-	84.06
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	15.15	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	31.10	-
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	21.64	-
Loans taken**	MediaAgility Inc.	Wholly owned subsidiary	184.99	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	-
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	37.37
Repayment of loans taken**	MediaAgility Inc.	Wholly owned subsidiary	42.25	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	83.45	-
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	37.67	-
Investment in wholly owned subsidiary**	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	-	0.10
	Starfish Associates, LLC	Wholly owned subsidiary	1,626.34	-
Managerial remuneration	Thomas Klein (including value of stock options ₹ 118.50 during the year (Previous year: ₹ 32.19 Million))	Key management personnel	173.51	75.97
	Mr. Sandeep Kalra (including value of stock options ₹ 1,342.18 during the year (Previous year: ₹ 637.7 Million))	Key management personnel	1,498.87	762.73

** These transactions are disclosed at exchange rate of INR-USD as on the transaction date.

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at	
			March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Share capital	Persistent Systems Limited	Holding company	4,729.74	4,729.74
Trade payables	Persistent Systems Limited	Holding company	3,767.20	8,696.09
	Persistent Systems France SAS	Fellow subsidiary	-	5.33
	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary	104.70	96.17
	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	-	157.19
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	181.75	192.93
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	4.43	9.81
	Persistent Systems Pte. Limited	Fellow subsidiary	-	1.33
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada, Costa Rica)	Fellow subsidiary	52.07	33.59
	DIGITALAGILITY S DE RL DE CV	Wholly owned subsidiary	0.66	0.64
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	-	16.19
	Aepona Group Limited	Wholly owned subsidiary	40.10	3.48
	Persistent Systems Israel Ltd.	Wholly owned subsidiary	2.51	2.45
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	1.08
	Persistent Systems Malaysia Sdn. Bhd.	Company under same	-	8.51
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	-	17.37
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	-	3.65
	Persistent Systems Germany GmbH	Fellow subsidiary	-	1.00
	MediaAgility Inc.	Wholly owned subsidiary	37.13	-
Other payables	Persistent Systems Limited	Holding company	6,164.30	-
	Persistent Systems Germany GmbH	Fellow subsidiary	0.89	-
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	1.39	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	132.69	-
Trade receivables	Persistent Systems Limited	Holding company	6,212.81	1,442.85
	Persistent Systems France SAS	Fellow subsidiary	58.91	44.95
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	130.28	162.12
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	5.82
	MediaAgility Inc.	Wholly owned subsidiary	7.47	17.39
	Starfish Associates, LLC	Wholly owned subsidiary	62.89	-
Other receivables	Persistent Systems Limited	Holding company	28.81	-
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	5.98	-
Unearned revenue	Persistent Systems Limited	Holding company	1.30	2.28
Loans given	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	-	81.72
	Persistent Systems Germany GmbH	Fellow subsidiary	787.61	673.95
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	106.85	138.36
	Persistent Systems France SAS	Fellow subsidiary	222.34	139.52
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	19.23	33.36
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	85.47	-
Loans received	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	83.40
	MediaAgility Inc.	Wholly owned subsidiary	700.85	542.10
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	36.85
Payable to related parties (including advances)	Persistent Systems Limited	Holding company	160.30	2,558.81
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	-	2.18
	Aepona Group Limited	Wholly owned subsidiary	-	39.13
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	-	0.08
	Software Corporation International	Wholly owned subsidiary	-	0.65
	Persistent Systems Malaysia Sdn. Bhd.	Company under same	-	1.58
	MediaAgility Inc.	Wholly owned subsidiary	-	36.22
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	18.82	24.83

III. Related party balances (Continued)

Particulars	Name of the related Party	Relationship with the Related Party	As at	
			March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Interest receivable	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	-	6.79
	Persistent Systems Germany GmbH	Fellow subsidiary	62.43	19.38
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	1.53	2.21
	Persistent Systems France SAS	Fellow subsidiary	6.40	4.24
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	0.92	0.66
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	0.46	-
Interest payable	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Wholly owned subsidiary	-	1.75
	MediaAgility Inc.	Wholly owned subsidiary	56.24	27.66
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Fellow subsidiary	-	0.14
Advances given *	Persistent Systems Limited	Holding company	11.06	-
	Persistent Systems France SAS	Fellow subsidiary	11.14	5.56
	Persistent Telecom Solutions, Inc.	Wholly owned subsidiary	2.11	0.01
	MediaAgility Inc.	Wholly owned subsidiary	86.76	42.26
	Software Corporation International	Wholly owned subsidiary	-	4.51
	Persistent Systems Germany GmbH	Fellow subsidiary	5.08	6.78
	Persistent Systems S.R.L.- Romania	Fellow subsidiary	0.17	-
Investment	Persistent Telecom Solutions, Inc. @	Wholly owned subsidiary	529.91	517.08
	Aepona Group Limited @	Wholly owned subsidiary	192.91	188.23
	Persistent Systems México, S.A. de C.V.	Wholly owned subsidiary	4.62	4.50
	Persistent Systems Israel Limited	Wholly owned subsidiary	8.64	8.43
	Herald Technologies, Inc.	Wholly owned subsidiary	2.00	2.00
	Software Corporation International	Wholly owned subsidiary	-	2,807.04
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary	0.00	0.00
	MediaAgility Inc.	Wholly owned subsidiary	5,196.71	5,070.85
	Persistent Systems Poland Sp. z o.o.	Wholly owned subsidiary	0.10	0.10
	Starfish Associates, LLC	Wholly owned subsidiary	1,660.71	-

* There is no repayment schedule in respect of this advance. It is repayable on demand. This amount is utilized for meeting business requirements.
@ These balances are fully provided

Notes forming part of special purpose financial statements

29. 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:

	For the year ended	
	March 31, 2025 (In ₹ Million)	**March 31, 2024 (In ₹ Million)**
Profit before tax (a)	568.44	1,657.32
Enacted tax rate (b)	21.00%	21.00%
Computed tax expense at enacted tax rate (c) = (a) * (b)	119.37	348.04
Additional tax benefits/Non-deductible expenses (Net)	611.97	13.87
Excess tax benefits on stock-based compensation	(441.51)	(262.02)
Effect of Prior Period Tax	(20.96)	70.89
Income exempt from tax	(313.49)	(166.70)
Change in Tax rate	62.99	-
Others	(47.25)	59.47
Income tax expense	**(28.88)**	**63.55**

The company along with its subsidiary companies has decided to opt for filing consolidated income tax return in compliance with the applicable tax regulations in the United States from financial year 2014-15.

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Notes forming part of special purpose financial statements

30(a). Financial assets and liabilities

The carrying values and fair values of financial instruments by categories are as follows:

(In ₹ Million)

Financial assets/ financial liabilities	As at March 31, 2025			As at March 31, 2024			Fair value hierarchy
	FVTPL	Amortised Cost	Cost	FVTPL	Amortised Cost	Cost	
Financial assets:							
Investments in subsidiaries	-	-	6,870.78	-	-	7,890.92	
Investments in common stocks / preferred stocks	368.23	-	-	150.82	-	-	Level 3
Loans	-	1,293.24	-	-	1,100.20	-	
Cash and cash equivalents	-	1,221.89	-	-	1,160.51	-	
Trade receivables (net)	-	7,904.19	-	-	11,531.29	-	
Unbilled revenue	-	6.62	-	-	3,311.02	-	
Other non-current financial assets	-	20.84	-	-	20.34	-	
Other current financial assets	-	186.60	-	-	108.09	-	
Total financial assets	**368.23**	**10,633.38**	**6,870.78**	**150.82**	**17,231.45**	**7,890.92**	
Financial liabilities:							
Borrowings	-	-	-	-	2,059.52	-	
Trade payables	-	5,371.98	-	-	13,383.88	-	
Lease liabilities	-	348.76	-	-	460.96	-	
Liability towards contingent consideration	1,114.85	-	-	2,464.55	-	-	Level 3
Other non-current financial liabilities	-	757.09	-	-	691.90	-	
Other current financial liabilities	-	7,039.43	-	-	3,388.57	-	
Total financial liabilities	**1,114.85**	**13,517.26**	**-**	**2,464.55**	**19,984.83**	**-**	

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

The following valuation techniques are used for instruments categorised in Level 3:

Investments in common stocks / preferred stocks (Level 3)
For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

Notes forming part of special purpose financial statements

Liability towards contingent consideration (Level 3)

The fair value of contingent consideration related to the acquisition of subsidiaries/business units (Refer Note 17(a) and 19) is estimated using a present value technique. The ₹ 1,114.85 Million fair value is estimated by probability-weighting the estimated future cash outflows adjusting for risk and discounting at 3%-5.6%. The probability-weighted cash outflows before discounting are ₹ 1148.60 Million and reflect management's estimate of a 90% probability that the contract's target level will be achieved. The discount rate used is 3%-5.6%, based on the Group's estimated incremental borrowing rate for unsecured liabilities at the reporting date, and therefore reflects the Group's credit position. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

Level 3 fair value measurements

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

(In ₹ Million)

	Investments in common stocks / preferred stocks	Liability towards contingent consideration
Balance at April 1, 2023	169.13	5,262.25
Change in fair value of investment	(20.85)	(743.03)
Disposed during the year	-	(2,113.05)
Effect of foreign currency translation from functional currency to reporting currency	2.54	58.38
Balance at March 31, 2024	**150.82**	**2,464.55**
Balance at April 1, 2024	150.82	2,464.55
Acquired during the year	213.67	616.43
Disposed during the year	-	(509.58)
Gain/ (loss) recognised in profit and loss in other income	-	(1,461.82)
Effect of foreign currency translation from functional currency to reporting currency	3.74	5.27
Balance at 31 March 2025	**368.23**	**1,114.85**
Total amount included in profit and loss account for unrealised gains/ losses on Level 3 instruments	-	(1,461.82)

The carrying amounts of other financial assets and liabilities measured at amortised cost are considered a reasonable approximation of fair value largely due to the short-term nature of these instruments.

Notes forming part of special purpose financial statements

30(b). Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: 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 Company does not foresee any major foreign exchange risk as majority of the revenue is generated and expenses are incurred in the Company's functional currency. 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 Company operates globally with its operations spread across various geographies and consequently the Company is exposed to foreign exchange risk.

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

(In ₹ Million)

	AUD	EUR	CAD	Other currencies	Total
Trade receivables	-	-	-	-	-
Other financial assets (including loans and interest accrued	106.85	958.66	-	-	1,065.51
Trade and other financial liabilities	-	-	1.30	7.23	8.53

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

(In ₹ Million)

	AUD	EUR	CAD	Other currencies	Total
Trade receivables	-	12.63	180.64	-	193.27
Other financial assets (including loans and interest accrued	108.34	813.48	-	-	921.82
Trade and other financial liabilities	-	3.95	0.94	7.28	12.17

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 ₹ 7,904.19 Million and ₹ 11,531.29 Million 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's 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.

Notes forming part of special purpose financial statements

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 March 31, 2025	As at March 31, 2024
Receivables overdue for more than 90 days	1,440.33	401.77
Total receivables	7,904.19	11,531.29
Overdue for more than 90 days as a % of total receivables	18%	3%

Ageing of trade receivables

(In ₹ Million)

	As at March 31, 2025	As at March 31, 2024
Within the credit period	843.14	10,459.35
1 to 30 days past due	3,376.52	-
31 to 60 days past due	1,828.28	721.10
61 to 90 days past due	728.73	68.89
91 to 120 days past due	251.89	-
121 and above past due	1,188.44	401.77
Less: Expected credit loss	(312.81)	(119.82)
Net trade receivables	**7,904.19**	**11,531.29**

Movement in expected credit loss allowance

(In ₹ Million)

	As at March 31, 2025	As at March 31, 2024
Opening balance	119.82	52.87
Movement in expected credit loss allowance (Including Transalation differences)	192.99	66.95
Closing balance	**312.81**	**119.82**

Notes forming part of special purpose financial statements

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 ₹ (5,040.73) Million including cash and cash equivalents of ₹ 1,221.89 Million. As at March 31, 2024, the Company had a working capital of ₹ (6,937.67) Million including cash and cash equivalents of ₹ 1,160.51 Million.

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

(In ₹ Million)

	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	**More than 1 year**	**Less than 1 year**	**More than 1 year**
Borrowings	-	-	1,962.22	97.30
Lease Liabilties	117.72	266.76	145.78	375.18
Trade payables	5,371.98	-	13,383.88	-
Other financial liabilities	7,917.21	994.16	5,853.12	691.90

Price risk

The Company’s exposure to price risk arises from investements held by the Company and classified in the balance sheet as fair value through Profit and Loss. To manage its price risk arising from investments, the Company diversifies its portfolio.

Sensitivity

The table below summarises the impact of increases/decreases of the Company’s profit for the year and other equity. The analysis is based on the assumption that the fair value of investments had increased by 5% decreased by 5% with all other variables held constant.

(In ₹ Million)

	As at March 31, 2025	**As at March 31, 2024**
Increase in fair value of investments by 5%	18.41	7.54
Decrease in fair value of investments by 5%	(18.41)	(7.54)

Notes forming part of special purpose financial

30(c). Un-hedged foreign currency exposures

Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2025			As at March 31, 2024		
	In ₹ Million	Foreign currency (In Million)	Conversion rate (₹)	In ₹ Million	Foreign currency (In Million)	Conversion rate (₹)
Trade and other payables	2.38	GBP 0.02	110.63	2.98	GBP 0.03	105.27
	1.30	CAD 0.02	59.56	0.94	CAD 0.02	61.38
	0.24	EUR 0.00*	92.46	3.95	EUR 0.04	90.01
	4.85	ILS 0.21	23.12	3.85	ILS 0.17	22.64
Advances given and deposits place	958.66	EUR 10.37	92.46	813.48	EUR 0.02	90.01
	106.85	AUD 2.00	53.43	108.34	AUD 0.01	54.17
Trade receivables	-	EUR 0.00	-	12.63	EUR 0.14	90.01
	-	CAD 0.00	-	180.64	CAD 2.94	61.38

* EUR 0.00 Million represents value less than EUR 5,000

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Notes forming part of special purpose financial statements

31. Ratio analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance (If more than 25%)
(a) Current Ratio	Number	Total current assets	Total current liabilties	0.66	0.70	(5.71%)	-
(b) Debt-Equity Ratio	%	Debt	Average shareholder's equity	0.00%	43.54%	(100.00%)	Refer note 1
(c) Debt Service Coverage Ratio	Number	Earnings available for debt service	Debt service within a year	1.81	1.07	69.16%	Refer note 2
(d) Return on Equity Ratio	%	Net profit after tax	Average shareholder's equity	71.44%	33.70%	112.01%	Refer note 2
(e) Trade Receivables turnover ratio #	Days	Average trade receivables	Revenue from operations	123	71	73.24%	Refer note 2
(f) Trade payables turnover ratio #	Days	Average trade payables	Cost of professionals and other expenses + non-cash adjustments	439	104	322.12%	Refer note 2
(g) Net capital turnover ratio	Number	Revenue from operations	Working capital	(5.10)	(8.34)	(38.89%)	Refer note 2
(h) Net profit ratio	%	Net profit after tax	Revenue from operations	13.1%	2.8%	377.52%	Refer note 2
(i) Return on Capital employed	%	Profit before interest and taxes	Capital employed	37.24%	18.23%	104.30%	Refer note 2

The ratio is stated in terms of Days Sales Outstanding

Note 1
On account of full repayment of borrowings

Note 2
On account of internally reorganised business operations (refer note 40)

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Notes forming part of special purpose financial statements

32. Contingent Liability and Capital commitments

a. The Company does not have any contingent liability as at March 31, 2025 (Previous year - Nil).
b. The estimated amount of contracts remaining to be executed on Capital account and not provided for, net of advances is ₹ Nil (Previous year - Nil).

33. Auditors' remuneration

Particulars	For the year ended March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Audit fee	2.00	2.11
Reimbursement of expenses	0.68	0.11
Total	**2.68**	**2.22**

34. Leases

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 and March 31, 2024 on an undiscounted basis:

Particulars	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
- Less than one year	117.72	145.78
- One to five years	266.76	375.18
- 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.

Rental expense recorded for short-term leases was ₹ 10.53 Million for the year ended March 31, 2025 (Previous year : ₹ 11.96 Million).

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. April 1, 2024. The effect of this change on actual and expected depreciation expense is as follows:

(In ₹ Million)

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	9.83	7.93	6.03	5.21	29.00	22.56

Notes forming part of special purpose financial statements

36. Other Disclosures

a. The Company has not advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) to any other person or entity, including foreign entities ('the Intermediaries'), with the understanding (whether recorded in writing or otherwise), that the Intermediaries shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or (b) provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

b. The Company has not received any fund from any other person or entity, including foreign entities ('the Funding parties'), with the understanding (whether recorded in writing or otherwise), that the Company shall: (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or (b) provide any guarantee, security or the like on behalf the Ultimate Beneficiaries.

c. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2025 and 31 March 2024.

d. The Company has not revalued its property, plant and equipment during the financial year ended 31 March 2025 and 31 March 2024.

37. The Company has dissolved, Software Corporation International, a wholly owned subsidiary of the Company, on June 27, 2024. This has resulted in a loss in the Statement of Profit and Loss on account of write down of the investments amounting to ₹ 2,781.65 million. This has been presented as an Exceptional Item.

38. During the year ended, the Company has remeasured the contingent consideration payable towards acquisition of business to the erstwhile shareholders of MediaAgility Inc., Data Glove Incorporated and Software Corporation International & SCI Fusion 360, LLC amounting to ₹ 1,461.82 million (Previous year : ₹ 743.03 Million) based on a settlement agreement and expected payout assessed by management.

39. Starfish Associates, LLC, USA has become a wholly owned subsidiary of the Company effective from August 1, 2024, upon completion of the necessary customary closing conditions.

40. During the year ended, the Company has internally reorganized business operations in USA. While, the overall business has remained consistent for these customers, the reorganisation has resulted in transfer of certain customer contracts and certain employees, from Persistent Systems Inc.(US subsidiary) to Persistent Systems Limited (the Holding Company and its USA branch). As result of the reorganization, the revenue for the year ended is not comparable with the previous year.

41. Previous year's comparatives

Previous year's figures have been regrouped where necessary to conform to current year's classification. The impact of such regrouping is not material to financial statements.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Shashi Tadwalkar Partner
Membership No. :- 101797

Place: USA
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems, Inc.

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent

Persistent Systems Pte. Ltd.

7 Temasek Boulevard #37-01A Suntec Tower One Singapore 038987

PERSISTENT SYSTEMS PTE. LTD,

7 Temasek Boulevard #37-01A Suntec Tower One Singapore 038987

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India, carrying out operations from its office in Singapore.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	55,169.03	55,027.30
Total Expenditure	51,454.59	50,855.99
Profit /(Loss) before tax	3714.44	4,171.31
Total Tax Expense	594.97	824.79
Net profit/ (loss) after tax	**3,119.47**	**3,346.52**

Business Operations

Your Company generated a net profit of as mentioned above during the period of the report.

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Mr. Azlin Bin Ghazali, Malaysia
b. Mr. John Ryan, Singapore

Acknowledgements

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS PTE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Pte Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of `Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of

ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the

Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going

concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with

the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us:

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or

the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLKZX9539

Persistent Systems Pte Ltd.

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	128.86	65.95
Goodwill	5.2	24,302.31	23,562.71
Other Intangible Assets	5.3	862.44	1,049.78
		25,293.61	**24,678.44**
Financial assets			
- Investments	6	-	-
		25,293.61	**24,678.44**
Current assets			
Financial Assets			
- Trade receivables	7	15,905.20	16,274.22
- Cash and cash equivalents	8	8,571.81	12,162.42
- Other Current financial assets	9	15,457.44	61.75
Deferred tax assets / liability	10	917.54	1,258.34
Current tax assets (net)		-	207.05
Other current assets	11	1,133.56	526.07
		41,985.55	**30,489.85**
TOTAL		**67,279.16**	**55,168.29**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	15,503.53	15,503.53
Other equity		26,389.29	21,995.83
		41,892.82	**37,499.36**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Trade payables	12	22,728.34	16,012.58
- Other financial liabilities	13	2,031.80	308.77
Other current liabilities	14	139.82	824.26
Provisions	15	486.38	523.32
Current tax liabilities (net)		-	-
		25,386.34	**17,668.93**
TOTAL		**67,279.16**	**55,168.29**
Summary of material accounting policies	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

For and on behalf of the Board of Directors of
Persistent Systems Pte Ltd.

per Tejashree Joshi	Azlin Ghazali	John Ryan
Partner	Director	Director
Membership No. 139807		
Place: India	Place: Malaysia	Place: Singapore
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent Systems Pte Ltd.

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 (net)	16	52,946.42	52,301.12
Other income	17	2,222.61	2,726.18
Total income (A)		**55,169.03**	**55,027.30**
Expenses			
Employee benefits expense	18.1	22,025.79	18,433.60
Cost of technical professionals	18.2	20,254.80	25,006.52
Depreciation and amortization expense	5.4	249.98	245.40
Other expenses	19	8,924.02	7,170.47
Total expenses (B)		**51,454.59**	**50,855.99**
Profit/ (loss) before tax (A - B)		**3,714.44**	**4,171.31**
Tax expense			
Current tax		-	-
Deferred tax (credit) / charge		379.89	341.97
Tax charge in respect of earlier years		215.08	482.82
Total tax expense		**594.97**	**824.79**
Net profit/ (loss) for the year (C)		**3,119.47**	**3,346.52**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements from functional currency to reporting currency		1,273.99	1.62
		1,273.99	**1.62**
Total comprehensive income for the year (C) + (D) + (E)		**4,393.46**	**3,348.14**
Earnings per equity share [nominal value of share S$ 1 (Corresponding period / Previous year: S$ 1)]	20		
Basic (In ₹)		6.24	6.69
Diluted (In ₹)		6.24	6.69
Summary of material accounting policies	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 Pte Ltd.

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

John Ryan
Director

Place: Singapore
Date : April 21, 2025

Persistent Systems Pte Ltd.

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		**3,714.44**	**4,171.31**
Adjustments for:			
Interest income		-	-
Depreciation and amortization expense		249.98	245.40
Unrealised exchange loss/ (gain) (net)		(0.85)	(245.38)
Change in foreign currency translation reserve		462.04	13.44
Exchange loss/ (gain) on translation of foreign currency cash and cash equivalents		0.99	160.07
Excess provision written back		(2,102.09)	(2,559.93)
Operating (loss) / profit before working capital changes		**2,324.51**	**1,784.91**
Movements in working capital :			
Decrease / (Increase) in trade receivables		2,463.04	(11,173.44)
Decrease / (Increase) in other current assets		(607.49)	1,195.55
Decrease / (increase) in loans and advances		(15,395.72)	467.19
Increase / (Decrease) in trade payables and current liabilities		7,755.27	10,714.65
Increase / (Decrease) in provisions		(36.94)	41.29
Operating (loss) / profit after working capital changes		**(3,497.33)**	**3,030.15**
Direct taxes paid (net of refunds)		-	2.25
Net cash generated from operating activities	**(A)**	**(3,497.33)**	**3,032.40**
Cash flows from investing activities			
Payment towards capital expenditure		(92.29)	(85.36)
Inter corporate deposit (given) / repaid		-	-
Interest received		-	-
Net cash generated from investing activities	**(B)**	**(92.29)**	**(85.36)**
Cash flows from financing activities			
Dividend paid		-	-
Net cash generated/(used in) financing activities	**(C)**	-	-

	For the year ended March 31, 2025 (In ₹ '000)	For the year ended March 31, 2024 (In ₹ '000)
Net (decrease) / Increase in cash and cash equivalents (A + B + C)	(3,589.62)	2,947.04
Cash and cash equivalents at the beginning of the year	12,162.42	9,375.45
Effect of exchange difference on translation of foreign cash and cash equivalents	(0.99)	(160.07)
Cash and cash equivalents at the end of the year	**8,571.81**	**12,162.42**
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
On current accounts	8,571.81	12,162.42
Cash and cash equivalents as per note 8	**8,571.81**	**12,162.42**

Summary of material accounting policies

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 Pte Ltd.

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

John Ryan
Director

Place: Singapore
Date : April 21, 2025

Persistent Systems Pte Ltd.

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
15,503.53	-	-	15,503.53

(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
15,503.53	-	-	15,503.53

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Persistent Systems Pte Ltd.

Notes forming part of financial statements

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 Ltd.	500,000	-	500,000	100%	0%

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 Ltd.	500,000	-	500,000	100%	0%

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Persistent Systems Pte Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ '000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2024	(21,380.31)	43,376.14	21,995.83
Net profit for the year	3,119.47	-	3,119.47
Interim Dividend	-	-	-
Other comprehensive income for the year	-	1,273.99	1,273.99
Balance at March 31, 2025	**(18,260.84)**	**44,650.13**	**26,389.29**

(In ₹ '000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2023	(24,726.83)	43,374.52	18,647.69
Net profit for the year	3,346.52	-	3,346.52
Interim dividend	-	-	-
Other comprehensive income for the year	-	1.62	1.62
Balance at March 31, 2024	**(21,380.31)**	**43,376.14**	**21,995.83**

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.

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 Pte Ltd.

per Tejashree Joshi
Partner
Membership No. 139807

Azlin Ghazali
Director

John Ryan
Director

Place: India
Date : April 21, 2025

Place: Malaysia
Date : April 21, 2025

Place: Singapore
Date : April 21, 2025

Persistent Systems Pte Ltd

Notes forming part of financial statements

1. Nature of operations

Persistent Systems Pte. Ltd. ("the Company") is a Singapore based wholly owned subsidiary of Persistent Systems Ltd. The Company is engaged in software development, professional and marketing services.

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. 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 quarter 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

3. Summary of material 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 Singapore dollar (SGD). The Company's functional currency is the USD. 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 judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(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.

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 Singapore. 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 lossed 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. The compaby uses significant judgements to assess contingent liabilities.

(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.

(d) Property, Plant and Equipment

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

(ii) 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.

(e) 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
Contractual Rights	7 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 quarter 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.

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.

ii) 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 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 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 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 period/ 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 of the lease and
- 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 recognized:

(i) Income from software services and products

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.

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 Goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

(k) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the functional currency viz. SGD, 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 SGD, 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.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other equity".

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

(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.

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.

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

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

(n) 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 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.

(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 of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

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Persistent Systems Pte Ltd

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Authorized shares (No.)		
500,000 Ordinary Shares of S$ 1 each	SGD 500,000.00	SGD 500,000.00
(previous year 500,000 Ordinary Shares of S$ 1 each)		
	SGD 500,000.00	**SGD 500,000.00**
Issued, subscribed and fully paid-up shares (No.)		
500,000 Ordinary Shares of S$ 1 each	15,503.53	15,503.53
(previous year 500,000 Ordinary Shares of S$ 1 each)		
Issued, subscribed and fully paid-up share capital	**15,503.53**	**15,503.53**

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

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

	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	500,000	15,503.53	500,000	15,503.53
Add : Issued during the year				
Number of shares at the end of the year	**500,000**	**15,503.53**	**500,000**	**15,503.53**

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Persistent Systems Pte Ltd.

Notes forming part of financial statements

5.1 Property, Plant and Equipment

		(In ₹ '000)
	Computers	**Total**
Gross block (At cost)		
As at April 1, 2024	349.51	349.51
Additions	92.29	92.29
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	10.83	10.83
As at March 31, 2025	**452.63**	**452.63**
Depreciation and amortization		
As at April 1, 2024	283.56	283.56
Charge for the year	31.18	31.18
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	9.03	9.03
As at March 31, 2025	**323.77**	**323.77**
Net block		
As at March 31, 2025	**128.86**	**128.86**
As at March 31, 2024	**65.95**	**65.95**

		(In ₹ '000)
	Computers	**Total**
Gross block (At cost)		
As at April 1, 2023	264.01	264.01
Additions	85.36	85.36
Disposals		-
Effect of foreign currency translation from functional currency to reporting currency	0.14	0.14
As at March 31, 2024	**349.51**	**349.51**
Depreciation and amortization		
As at April 1, 2023	250.80	250.80
Charge for the year	32.71	32.71
Disposals		-
Effect of foreign currency translation from functional currency to reporting currency	0.05	0.05
As at March 31, 2024	**283.56**	**283.56**
Net block		
As at March 31, 2024	**65.95**	**65.95**
As at March 31, 2023	**13.21**	**49.85**

Persistent Systems Pte Ltd.

Notes forming part of financial statements

5.2. Goodwill

		(In ₹ '000)
	Goodwill	**Total**
Cost		
As at April 1, 2024	23,562.71	23,562.71
Additional amounts recognised from business combinations	-	-
Reclassification on purchase price allocation of business combination	-	-
Effect of foreign currency translation from functional currency to reporting currency	739.60	739.60
As at March 31, 2025	**24,302.31**	**24,302.31**
Cost		
As at April 1, 2023	23,571.25	23,571.25
Additional amounts recognised from business combinations	-	-
Reclassification on purchase price allocation of business combination	-	-
Effect of foreign currency translation from functional currency to reporting currency	(8.54)	(8.54)
As at March 31, 2024	**23,562.71**	**23,562.71**

5.3 Other Intangible assets

		(In ₹ '000)
	Contractual Rights	**Total**
Gross block (At Cost)		
As at April 1, 2024	1,495.09	1,495.09
Additions	-	-
Assets taken over on acquisition of entities	-	-
Reclassification on purchase price allocation of business combination	-	-
Disposals	-	-
Effect of foreign currency exchange differences	46.92	46.92
As at March 31, 2025	**1,542.01**	**1,542.01**
Amortization		
As at April 1, 2024	445.31	445.31
Charge for the year	218.80	218.80
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	15.46	15.46
As at March 31, 2025	**679.57**	**679.57**
Net block		
As at March 31, 2025	**862.44**	**862.44**
As at March 31, 2024	**1,049.78**	**1,049.78**

		(In ₹ '000)
	Contractual Rights	**Total**
Gross block (At Cost)		
As at April 1, 2023	1,495.63	1,495.63
Additions	-	-
Assets taken over on acquisition of entities	-	-
Reclassification on purchase price allocation of business combination	-	-
Disposals	-	-
Effect of foreign currency exchange differences	(0.54)	(0.54)
As at March 31, 2024	**1,495.09**	**1,495.09**
Amortization		
As at April 1, 2023	231.81	231.81
Charge for the year	212.69	212.69
Reclassification on purchase price allocation of business comb	-	
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	0.81	0.81
As at March 31, 2024	**445.31**	**445.31**
Net block		
As at March 31, 2024	**1,049.78**	**1,049.78**
As at March 31, 2023	**1,263.82**	**20,196.23**

5.4 Depreciation and amortization

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
On Property, Plant and Equipment	31.18	32.71
Other Intangible Assets	218.80	212.69
	249.98	**245.40**

6. Non-current financial assets : Investments

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Investments designated as Fair Value through Profit and Loss		
Unquoted Investments		
(i) Investments in Equity Instruments		
Others*		
Ciqual Limited [Holding 2.38% (Corresponding period / Previous year 2.38%)]		
42,857 (Corresponding period / Previous year: 42,857) shares of GBP 0.01 each, fully paid up	17,248.15	16,723.23
Less : Provision for diminution in value of investment	(17,248.15)	(16,723.23)
Total carrying amount of investments	**-**	**-**
Aggregate amount of diminution in value of investments	17,248.15	16,723.23
Aggregate amount of unquoted investments	17,248.15	16,723.23

* Investments, where the Company does not have joint-control or significant influence including situations where such joint-control or significant influence is intended to be temporary, are classified as "investments in others"

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7. Trade receivables

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Unsecured, considered good (refer note no.25)	15,905.20	16,274.22
Unsecured, considered doubtful	-	-
	15,905.20	**16,274.22**
Less : Provision for doubtful receivables	-	
	15,905.20	**16,274.22**
	15,905.20	**16,274.22**

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	8,571.81	12,162.42
	8,571.81	**12,162.42**

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Persistent Systems Pte Ltd.

Notes forming part of financial statements

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	5,605.91	10,299.29	-	-	-	-	15,905.20
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	**5,605.91**	**10,299.29**	**-**	**-**	**-**	**-**	**15,905.20**

	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	7,069.09	6,991.55	2,213.58	-	-	-	16,274.22
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	**7,069.09**	**6,991.55**	**2,213.58**	**-**	**-**	**-**	**16,274.22**

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Notes forming part of financial statements

9. Other Current financial assets :

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Security Deposits		
Unsecured, considered good	63.69	61.75
Advances to related parties (Unsecured, considered good) (refer note 25)		
- Persistent Systems Limited	6,669.02	-
- MediaAgility Pte Ltd	8,724.73	-
	15,457.44	**61.75**
	15,457.44	**61.75**

10. Deferred tax assets / liability

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Deferred tax assets		
Accumulated Losses	917.54	1,258.34
	917.54	1,258.34
Deferred tax liability		
Accumulated Losses	-	-
Deferred tax asset/(liability) (net)	**917.54**	**1,258.34**

11. Other current assets

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	490.99	526.07
	490.99	**526.07**
Other Advances (Unsecured, considered good)		
GST Receivable (Net)	642.57	-
	642.57	**-**
	1,133.56	**526.07**

12. Trade payables

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Trade payables for goods and services (refer note no.25)	22,728.34	16,012.58
	22,728.34	**16,012.58**

13. Other financial liabilities

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Advance from related parties (Unsecured, considered good) - (refer note no. 25)		
-Persistent Systems Limited	-	308.77
-Persistent Systems Malaysia Sdn. Bhd.	2,031.80	-
	2,031.80	**308.77**

14. Other current liabilities

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Other payables		
- Statutory liabilities	139.82	288.24
GST payable (net)	-	536.02
	139.82	**824.26**

15. Current liabilities : Provisions

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Provision for employee benefits		
- Other employee benefits	486.38	523.32
	486.38	**523.32**

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Trade payables Ageing Schedule (In ₹ '000)

	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	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	22,685.09	43.25	-	-	22,728.34
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	
As at March 31, 2025	**22,685.09**	**43.25**	**-**	**-**	**22,728.34**

	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	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	14,148.03	1864.55	-	-	16,012.58
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	
As at March 31, 2024	**14,148.03**	**1,864.55**	**-**	**-**	**16,012.58**

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16. Revenue from operations (net)

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
Sale of Services (refer note no. 25)	51,596.14	52,046.82
Sale of Products	1,350.28	254.30
	52,946.42	**52,301.12**

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**
	(In ₹ '000)	**(In ₹ '000)**
Segment wise disclosure		
Segment		
Technology Services	48,749.74	42,558.32
BFSI	4,196.68	9,742.80
Healthcare Life Science	-	-
	52,946.42	**52,301.12**
Geographical disclosure		
Geography		
India	52,946.42	41,579.70
North America	-	10,721.42
Rest of the World	-	-
Total	**52,946.42**	**52,301.12**
Onsite-offshore disclosure		
IP Led	1,374.94	254.96
Offshore	46,865.29	41,324.74
Onsite	4,706.19	10,721.42
Total	**52,946.42**	**52,301.12**

While disclosing the aggregate amount of transaction price

Changes in Unbilled revenue are as follows: **(In ₹ '000)**

Particulars	**March 31, 2025**	**March 31, 2024**
Balance at the beginning of the year	-	467.16
Revenue recognised during the year	5,627.48	(467.16)
Increase due to invoicing during the year, not recognised as revenue during the year	(5,627.48)	-
Translation exchange difference	-	-
Balance at the end of the year	-	-

17. Other income

	For the year ended	
	March 31, 2025 (In ₹ '000)	March 31, 2024 (In ₹ '000)
Foreign exchange gain (net)	-	166.25
Excess provision written back in respect of earlier year	2,094.06	2,559.93
Miscellaneous income	128.55	-
	2,222.61	**2,726.18**

18. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹ '000)	March 31, 2024 (In ₹ '000)
18.1 Employee benefits expense		
Salaries, wages and bonus	19,457.17	16,411.57
Defined contribution to other funds	1,508.51	1,106.92
Staff welfare and benefits	1,060.11	915.11
	22,025.79	**18,433.60**
18.2 Cost of technical professionals		
Technical professionals - Others	-	782.43
Technical professionals - related parties (refer note 25)	20,254.80	24,224.09
	20,254.80	**25,006.52**
	42,280.59	**43,440.12**

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19. Other expenses

	For the year ended	
	March 31, 2025 (In ₹ '000)	**March 31, 2024 (In ₹ '000)**
Travelling and conveyance	(0.89)	2,188.41
Training and seminars	35.61	23.98
Rates, fees and taxes	-	24.60
Communication expenses	0.01	27.07
Purchase of software licenses and support expenses	1,211.47	225.35
Legal and professional fees	6,346.24	3,854.43
Computer consumables	3.39	-
Auditor's remuneration (refer note 26)	646.33	608.82
Books, memberships, subscriptions	18.91	18.40
Foreign exchange loss (net)	442.04	-
Miscellaneous expenses	220.91	199.41
	8,924.02	**7,170.47**

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Persistent Systems Pte Ltd.

Notes forming part of financial statements

20. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ '000)	(A)	3,119.47	3,346.52
Denominator for Basic EPS			
Weighted average number of equity shares of S$ 1 each	(B)	500,000.00	500,000.00
Denominator for Diluted EPS			
Number of equity shares	(C)	500,000.00	500,000.00
Basic Earnings per share of S$ 1 each (In ₹)	(A/B)	**6.24**	**6.69**
Diluted Earnings per share of S$ 1 each (In ₹)	(A/C)	**6.24**	**6.69**

	For the year ended	
	March 31, 2025	**March 31, 2024**
Number of shares considered as basic weighted average shares outstanding	500,000.00	500,000.00
Add: Effect of dilutive issues of stock options		
Number of shares considered as weighted average shares and potential shared outstanding	500,000.00	500,000.00

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21. 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:

(In ₹ '000)

	For the year ended	
	March 31, 2025	**March 31, 2024**
Profit before tax	3,714.44	4,171.31
Enacted tax rate in Singapore	17.00%	17.00%
Computed tax expense at enacted tax rate	631.45	709.12
Effect of exempt income	(437.65)	(394.25)
Effect of non-deductible expenses	168.25	27.10
Prior Period Tax charge / (Credit)	211.86	482.82
Deferred tax asset recognised on Tax losses	-	-
Others	21.06	-
Income tax expense	**594.97**	**824.79**

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Persistent Systems Pte Ltd.

NOTES FORMING PART OF FINANCIAL STATEMENTS

22. Unhedged foreign currency exposure at the end of the year

Particulars	March 31, 2025				March 31, 2024			
	Currency	Amount in FC	Exchange Rate	(Amount In ₹ 000)	Currency	Amount in FC	Exchange Rate	(Amount In ₹ 000)
Bank	USD	33,769.22	85.4700	2,886.26	USD	109100.56	83.4000	9,098.99
Intercompany Advances received	USD	180,106.99	85.47	15,393.74	USD	-	-	-
Trade receivables	USD	129,171.76	85.4700	11,040.31	USD	131,650.45	83.4000	10,979.65
Trade payable	USD	251,027.33	85.4700	21,455.31	USD	56,977.00	83.4000	4,751.88
	INR	5,605.00	1.0000	5.61	INR	5,605.00	1.00	5.61
Intercompany Advances payable	MYR	105,417.00	19.2739	2,031.80	MYR	-	-	-

23. 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 75.53% of revenue. The Company's exposure to credit risk is insignificant as the top customer is renowned multi-national company. 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	EUR	INR	MYR
Trade receivables	11,040.31	-	-	-
Current financial assets: Loans	-	-	-	-
Cash and cash equivalents	2,886.26	-	-	-
Other current assets	15,393.74	-	-	-
Trade payables	21,455.31	-	5.61	-
Other Financial liabilities	-	-	-	2,031.80

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

(In ₹ '000)

	USD	EUR	INR
Trade receivables	10,979.65	-	-
Current financial assets: Loans	-	-	-
Cash and cash equivalents	9,098.99	-	-
Other current financial assets		-	
Trade payables	4,751.88	-	5.61

Foreign currency sensitivity analysis

For the year ended March 31, 2025, every percentage point depreciation / appreciation in the exchange rate between the Singapore Dollar and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 0.55% and 0.55% 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 ₹ 15,905.20 thousand and ₹ 16,274.22 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:

(In ₹ '000)

	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days	2,712.22	5,785.73
Total receivables	15,905.20	16,274.22
Overdue for more than 90 days as a % of total receivables	17%	36%

Ageing of trade receivables

(In ₹ '000)

	As at	
	March 31, 2025	**March 31, 2024**
Within the credit period	5,605.91	7,069.09
1 to 30 days past due	(417.27)	-
31 to 60 days past due	5,641.02	2,085.00
61 to 90 days past due	2,363.32	1,334.40
91 to 120 days past due	-	(50.55)
121 and above past due	2,712.22	5,836.28
Less: Expected credit loss	-	-
Net trade receivables	15,905.20	16,274.22

Movement in expected credit loss allowance

(In ₹ '000)

	As at	
	March 31, 2025	**March 31, 2024**
Opening balance	-	-
Movement in expected credit loss allowance	-	-
Translation difference	-	-
Closing balance	-	-

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As at March 31, 2025, the Company had a working capital of ₹ 16,599.21 thousand including cash and cash equivalents of ₹ 8,571.81 thousand. As at March 31, 2024, the Company had a working capital of ₹ 12,820.92 thousand including cash and cash equivalents of ₹ 12,162.42 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	22,728.34	-	16,012.58	-
Other financial liabilities	2,031.80	-	308.77	-

Persistent Systems Pte Ltd.

Notes forming part of financial statements

24 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	1.65	1.73	-4.16%	
(b) Debt-Equity Ratio,	Debt	Equity	-	-	-	
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	-	-	-	
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	8%	9%	-14.03%	
(e) Inventory turnover ratio,	Not applicable	Not applicable	-	-	-	
(f) Trade Receivables turnover ratio,	Turnover	Trade receivables	3.33	3.21	3.58%	
(g) Trade payables turnover ratio,	Net credit purchases	Trade payables	1.26	1.97	-35.95%	Y on Y reduction in expenses and increase trade payables
(h) Net capital turnover ratio,	Turnover	Average working Capital	3.60	4.73	-23.90%	
(i) Net profit ratio,	Net Profit after tax	Turnover	6%	6%	-1.80%	
(j) Return on Capital employed,	EBITDA	Average capital employed	0.04	0.05	-16.84%	
(k) Return on investment,	Income generated from investments	Average investments	-	-	-	-

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Persistent Systems Pte Ltd.

Notes forming part of financial statements

25. Related party disclosures

I. Names of related parties:

Holding company:-
Persistent Systems Ltd.
Companies under same management
Persistent Systems Inc.
Persistent Systems Malaysia Sdn.Bhd.
Persistent Systems s.p.z.o.o.
MediaAgility Pte Ltd

II. Related party transactions **(Amount (In ₹ '000))**

Particulars	Name of the related party	Relationship with the related party	For the year ended	
			March 31, 2025	March 31, 2024
Sale of software license and services	Persistent Systems Ltd.	Holding company	30,267.29	16,592.09
	Persistent Systems, Inc.	Companies under same management	-	10,075.48
Technical professionals	Persistent Systems Ltd.	Holding company	15,523.73	24,224.09
	Persistent Systems s.p.z.o.o.	Companies under same management	4,731.07	-

III. Related party balances **(Amount (In ₹ '000))**

Particulars	Name of the related party	Relationship with the related party	As at	As at
			March 31, 2025	March 31, 2024
Share Capital	Persistent Systems Ltd.	Holding company	15,503.53	15,503.53
Trade receivables	Persistent Systems Ltd.	Holding company	10,985.67	9,651.72
	Persistent Systems, Inc.	Companies under same management	-	1,333.75
Trade Payable	Persistent Systems Ltd.	Holding company	12,417.65	4,757.49
	Persistent Systems s.p.z.o.o.	Companies under same management	(1,890.56)	-
Advance taken*	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	2,031.80	1,858.13
	Persistent Systems Ltd.	Holding company	-	308.77
Advance Given*	Persistent Systems Ltd.	Holding company	2,047.05	-
	MediaAgility Pte Ltd	Companies under same management	8,724.73	-
Intercompany provisions	Persistent Systems Ltd.	Holding company	-	6,134.25

*There is no repayment schedule in respect of this advance. It is repayable on demand. This amount is utilized for meeting business requirements.

26. Auditors' remuneration

(Amount (In ₹ '000))

Particulars	For the year ended	
	March 31, 2025	March 31, 2024
Auditors' remuneration	646.33	608.82
TOTAL	**646.33**	**608.82**

(This space is intentionally left blank)

27. Contingent liabilities

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

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

29. 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	2.14	2.30	2.22	2.21	8.96	8.96

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 Pte Ltd.

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

John Ryan
Director

Place: Singapore
Date : April 21, 2025

Persistent

Persistent Systems France S.A.S.

31-35, rue de la Fédération - 75015 Paris, France

Annual Report FY 2024-2025

Report of the Directors

The Directors have pleasure in presenting the Fourteenth Annual Report of the Company to the Members together with the audited financial statements of the Company for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India carrying out operations from its registered office located at Paris and having its Centre of Excellence at Grenoble, Nantes and Macon in France.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR in Thousands)

Particulars	2024 – 2025	2023 – 2024
Total income	568,212.94	752,220.80
Expenditure	693,591.34	904,811.85
Profit /(Loss) before taxation	**(125,378.40)**	(**152,591.05)**
Total Tax Expense	(34,143.88)	(40,974.48)
Net profit/ (loss) after taxation	**(91,234.52)**	**(111,616.57)**

Business Operations

The Company is engaged in rendering software development and professional services in the European region.

Event based Disclosures:

- **Reconstitution of Share capital (Adoption of decision by sole partner on the dissolution of the Company or reconstitute the capital stock)**

  Your Company undertook a decision, pursuant to Article L. 225-248 of the Commercial Code, which was to be made within four months of the approval of the accounts that showed said loss on whether to dissolve the company or reconstitute the share capital by passing a circular resolution on December 16, 2024, in their Board Meeting. The Board approved the reconstitution of the capital stock and communicated the same to its Parent Company – Persistent Systems Limited by a letter seeking for further investment to reconstitute the capital stock. The Company is allowed to reconstitute this share capital in the 2 years time.

Directors

The Directors of the Company are:

1. Dr. Anand Deshpande, India
2. Mr. Arnaud Pierrel, France
3. Mr. Bruno Orsier, France

Acknowledgments

The Board would like to thank all the stakeholders of the Company and BNP Paribas, Grenoble, France for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS FRANCE SAS

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems France SAS ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the

Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

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For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLKZY4620

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

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

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

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

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Persistent Systems France SAS

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ 000)

Particulars	Reserves and surplus		Items of other comprehensive income	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	Reserves and surplus		Items of other comprehensive income	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 Reserv	(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 accumlated 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

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

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 crtitical accounting estimates involiving 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.

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 lossed 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.

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(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.

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 ad their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax 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.

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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. All Shares are held by the Holding Company viz : Persistent Systems Limited.	97,467.00	97,467.00
	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%	-

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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**

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**

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

(In ₹ 000)

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

(In ₹ 000)

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

5.5 Intangible Asset under Development Ageing Schedule

(In ₹ 000)

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

(In ₹ 000)

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

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 **(In ₹ 000)**

	Curent 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	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**

(In ₹ 000)

	Curent 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	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**

11. Other current assets

(In ₹ 000)

	As at March 31, 2025	As at 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 March 31, 2025	As at 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 March 31, 2025	As at 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 March 31, 2025	As at 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

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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 liablities

(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**

Persistent Systems France SAS

NOTES FORMING PART OF FINANCIAL STATEMENTS

Trade payables Ageing Schedule **(In ₹ 000)**

	Outstanding for following periods from due date of payment					Total
	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	399,601.81
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**

(In ₹ 000)

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3	
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	145,654.89
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**

18. Revenue from operations

(In ₹ 000)

	For the year ended March 31, 2025	For the year ended 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	For the year ended 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**

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
bution 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**

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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**

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22. Earnings per share

		For the year ended March 31, 2025	March 31, 2024
Basic and diluted earnings per share			
Numerator			
Net Profit / (loss) after tax (In ₹ 000)	A	(91,234.52)	(111,616.57)
Denominator			
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)			

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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 Orsier, 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.	Companies under same management	362.64	19,746.82
	Persistent Systems Ltd.	Holding company	17,862.36	30,217.82
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	10,444.44	5,745.66
	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under same management	963.18	1,215.47
Expenditure				
Cost of technical professionals	Persistent Systems Ltd.	Holding company	12,041.02	14,755.55
	Persistent Systems Inc.	Companies under same management	-	2,923.86
	Persistent Systems S.R.L.- Romania	Companies under same management	2,840.08	12,833.72
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	11,567.81	38,760.54
	Persistent Systems Germany GmbH	Companies under same management	5,346.95	1,822.35
Interest expense on Inter corporate deposit ta	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	Director	16,982.43	18,463.26
	- Mr. Bruno Orsier	Director	12,886.41	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	Holding company	615.66	624.69
	Persistent Systems, Inc.	Companies under same management	7,426.62	5,522.16
Trade payables	Persistent Systems Limited	Holding Company	21,005.19	7,284.72
	Persistent Systems, Inc.	Companies under same management	62,618.83	48,584.50
	Persistent Systems S.R.L.- Romania	Companies under same management	2,913.33	12,901.71
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	2,119.57	24,872.80
	Persistent Telecom Solutions Inc.	Companies under same management	-	433.35
	Persistent Systems Germany GmbH	Companies under same management	6,026.88	79.64
Trade receivables	Persistent Systems Limited	Holding Company	4,452.55	9,439.23
	Persistent Systems, Inc.	Companies under same management	-	9,434.06
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	948.66	1,085.35
	Persistent Systems Germany GmbH	Companies under same management	3.31	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

		March 31, 2025				March 31, 2024		
Particulars	**Currency**	**Amount in FC**	**Exchange Rate**	**(Amount In ₹ 000)**	**Currency**	**Amount in FC**	**Exchange Rate**	**(Amount In ₹ 000)**
Intercorporate deposit received	USD	600,000.00	85.47	51,282.00	USD	-	0.0000	-
Interest on intercorporate 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 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:

(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%

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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, 2025**	
	Less than 1 year	**More than 1 year**	**Less than 1 yea**	**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	-

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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)**

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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 Liabilties	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 yea	(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 employe	-64%	-62%	2.73%	
(k) Return on investment.	Income generated from investmer	Average investments			Not Applicable	

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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 maturites 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

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Director General

Place: France
Date : April 21, 2025

Persistent

Persistent Systems Malaysia Sdn. Bhd.

Level 15-2 Bangunan Faber Imperial Court Jalan Sultan Ismail 50250
Kuala Lumpur Wilayah Persekutuan

PERSISTENT SYSTEMS MALAYSIA SDN. BHD.

Level 15-2 Bangunan Faber Imperial Court Jalan Sultan Ismail 50250 Kuala Lumpur Wilayah Persekutuan

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India, carrying out operations from its office in Malaysia.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amount in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	358,270.57	305,638.88
Total Expenditure	362,724.15	299,305.80
Profit /(Loss) before tax	(4,453.58)	6,333.08
Total Tax Expense	552.25	3,022.88
Net profit after tax	**(5,005.83)**	**3,310.20**

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Dr. Anand Deshpande
b. Mr. Azlin Bin Ghazali
c. Ms. NG Boon Sin

Acknowledgments

The Management would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

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999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS MALAYSIA SDN. BHD.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Malaysia Sdn. Bhd. ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We

believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with

the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed by Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in

writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

V. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLKZZ8405

Persistent Systems Malaysia Sdn. Bhd.

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	22,019.70	7,002.78
Other Intangible assets	5.2	-	-
Capital Work In Progress		-	-
Right -of- use assets	5.3	-	11,313.24
		22,019.70	**18,316.02**
Financial assets			
- Other non-current financial assets	6	113.21	18,555.50
		22,132.91	**36,871.52**
Current assets			
Financial Assets			
- Trade receivables	7	180,601.94	95,305.23
- Cash and cash equivalents	8	67,394.69	170,746.48
- Other current financial assets	9	28,309.13	44,952.09
Deferred tax assets	10	5,595.61	3,598.07
Current tax assets (net)		37,962.26	22,831.30
Other current assets	11	2,960.14	3,693.20
		322,823.77	**341,126.37**
TOTAL		**344,956.68**	**377,997.89**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	102,247.08	102,247.08
Other equity		164,463.81	147,574.41
		266,710.89	**249,821.49**
LIABILITIES			
Non- current liabilities			
Other financial liabilities	12	-	4,312.32
		-	**4,312.32**
Current liabilities			
Financial liabilities			
- Trade payables	13	46,909.52	100,188.66
- Other financial liabilities	14	-	7,013.09
Other current liabilities	15	10,551.94	1,824.38
Provisions	16	20,784.33	14,837.95
Current tax liabilities (net)		-	-
		78,245.79	**123,864.08**
TOTAL		**344,956.68**	**377,997.89**

Summary of material accounting policy information (note no. 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 Malaysia Sdn. Bhd.

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

Persistent Systems Malaysia Sdn. Bhd.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Notes	For the year ended	
		March 31, 2025	March 31, 2024
		(In ₹ '000)	(In ₹ '000)
Income			
Revenue from operations (net)	17	355,387.88	303,705.77
Other income	18	2,882.69	1,933.11
Total income (A)		**358,270.57**	**305,638.88**
Expenses			
Employee benefits expense	19.1	249,267.83	158,483.65
Cost of technical professionals	19.2	55,816.01	80,327.23
Finance costs		84.96	546.27
Depreciation and amortization expense	5.4	8,717.39	10,775.49
Other expenses	20	48,837.96	49,173.16
Total expenses (B)		**362,724.15**	**299,305.80**
Profit before tax (A - B)		**(4,453.58)**	**6,333.08**
Tax expense			
Current tax (credit)		-	1,145.96
Deferred tax (credit)		(2,112.99)	1,481.33
Tax (credit) / charge in respect of earlier years		2,665.24	395.59
Total tax expense / (credit)		**552.25**	**3,022.88**
Net profit/(loss) for the year (C)		**(5,005.83)**	**3,310.20**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)		-	-
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements from functional currency to reporting currency		21,895.23	(14,307.57)
		21,895.23	**(14,307.57)**
Total comprehensive income for the year (C) + (D) + (E)		**16,889.40**	**(10,997.37)**
Earnings per equity share	21		
Basic (In ₹)		(0.92)	0.61
Diluted (In ₹)		(0.92)	0.61
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 Malaysia Sdn. Bhd.

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

Persistent Systems Malaysia Sdn. Bhd.

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		**(4,453.58)**	**6,333.08**
Adjustments for:			
Depreciation and amortization expense		8,717.39	10,775.49
Unrealised exchange (gain) / loss (net)		2,970.12	3,215.29
Change in foreign currency translation reserve		21,895.23	(12,785.38)
Loss on sale of assets		91.16	-
Provision for doubtful receivables		2,924.96	-
Interest Income		(1,182.26)	(1,425.27)
Excess provision written back		(1,700.43)	(507.84)
Finance cost		84.96	546.27
Operating profit before working capital changes		**29,347.55**	**6,151.64**
Movements in working capital :			
Decrease / (Increase) in trade receivables		(93,149.16)	35,947.69
Decrease / (Increase) in other current assets		18,225.49	105,800.44
Increase / (Decrease) in loans and advances		18,442.29	1,292.75
Increase / (Decrease) in other non-current liabilities		-	-
Increase / (Decrease) in trade payables and current liabilities		(42,727.17)	(27,489.00)
Increase / (Decrease) in provisions		5,946.38	(7,070.42)
Operating profit after working capital changes		**(63,914.62)**	**114,633.10**
Direct taxes paid (net of refunds)		(17,796.20)	(26,265.37)
Net cash generated from / (used in) operating	**(A)**	**(81,710.82)**	**88,367.73**
Cash flows from investing activities			
Payment towards capital expenditure		(19,281.47)	(5,108.93)
Interest Income		1,169.85	1,425.27
Net cash (used in) investing activities	**(B)**	**(18,111.62)**	**(3,683.66)**
Cash flows from financing activities			
Dividend paid		-	-
Lease liability paid		(3,529.35)	(7,108.14)
Interest paid		-	(546.27)
Net cash (used in) financing activities	**(C)**	**(3,529.35)**	**(7,654.41)**

	For the year ended March 31, 2025 (In ₹ '000)	For the year ended March 31, 2024 (In ₹ '000)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	(103,351.79)	77,029.66
Cash and cash equivalents at the beginning of the year	170,746.48	93,716.82
Cash and cash equivalents at the end of the year	**67,394.69**	**170,746.48**
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks		
On current accounts	11,500.38	17,395.93
On short term deposits (less than three months (net of interest)	55,894.31	153,350.55
Cash and cash equivalents as per note 8	**67,394.69**	**170,746.48**

Summary of material accounting policy information (refe 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 Malaysia Sdn. Bhd.

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

Azlin Ghazali
Director
Place: Malaysia
Date : April 21, 2025

Persistent Systems Malaysia Sdn. Bhd.

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
102,247.08		-	102,247.08

(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
102,247.08		-	102,247.08

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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	5,450,000	-	5,450,000	100%	0%

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	5,450,000	-	5,450,000	100%	0%

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Persistent Systems Malaysia Sdn. Bhd.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ '000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2024	140,903.34	6,671.07	147,574.41
Net profit for the year	(5,005.83)	-	(5,005.83)
Other comprehensive income for the year	-	21,895.23	21,895.23
Balance at March 31, 2025	**135,897.51**	**28,566.30**	**164,463.81**

(In ₹ '000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2023	137,593.14	20,978.64	158,571.78
Net profit for the year	3,310.20	-	3,310.20
Other comprehensive income for the year	-	(14,307.57)	(14,307.57)
Balance at March 31, 2024	**140,903.34**	**6,671.07**	**147,574.41**

Summary of material accounting policy information 3

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.

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 Malaysia Sdn. Bhd.

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

Persistent Systems Malaysia Sdn. Bhd.

Notes forming part of financial statements

1. Nature of operations

Persistent Systems Malaysia Sdn. Bhd. ("the Company") is a Malaysia based wholly owned subsidiary of Persistent Systems Ltd. The Company is specializing in software products, services and technology innovation. It is engaged in development of software in the network monitoring space which enables the network administrators to optimize their networks and telecom service providers to maximize their return on investments.

2. Basis of preparation

he 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

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

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 material accounting policy information

(a) Accounting year

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

(b) Functional currency

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 converted at a weighted average of Inter Bank Selling Rate for the period/year;

iii. The equity share capital is translated on the date of transaction;

iv. The exchange difference arising out of the period-end conversion is transferred to Currency Translation Reserve are recognized in other comprehensive income and the said amount is shown under the head "Other Equity"

3.1 Use of estimates and judgements

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 crtitical accounting estimates involiving 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.

3.2 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

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 Malaysia. 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 lossed 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

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. The compaby uses significant judgements to assess contingent liabilities.

3.3 Summary of Significant accounting Policies.

(a) Current vs 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

(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

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 /year during which such 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

(d) 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
- 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.

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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.

(e) 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

*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.

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.

Subsequent measurement

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

- **Financial assets at amortized cost**

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

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

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

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

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

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.

ii) 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 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 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

(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 period / 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 of the lease and

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, 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.

The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

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 accrual 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 recognized:

(i) Income from software services and products

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 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 .

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 Goods and service tax (SST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

(k) Foreign currency translation

(i) Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the functional currency viz. MYR, 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 MYR, 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.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

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.

(l) Retirement and other employee benefits

(i) 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 Malaysian Income tax Act, 1967. 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.

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.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act enacted in Malaysia, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate.

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 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.

(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 of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

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Persistent Systems Malaysia Sdn. Bhd.
Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized shares (No.)		
10,000,000 Equity shares of MYR 1 each (MYR in '000) (previous year 10,000,000 of MYR 1 each)	MYR 10,000.00	MYR 10,000.00
	MYR 10,000,000	**MYR 10,000,000**
Issued, subscribed and fully paid-up shares (No.)		
5,450,000 Equity shares of 1 MYR each fully paid (In ₹ '000) (Previous year 5,450,000 Equity shares of MYR 1 each)	102,247.08	102,247.08
Issued, subscribed and fully paid-up share capital	102,247.08	102,247.08

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

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares (full)	Amount (In ₹ '000)	No of shares (full)	Amount (In ₹ '000)
Number of shares at the beginning of the year	5,450,000	102,247.08	5,450,000	102,247.08
Add : Issued during the year	-	-	-	-
Number of shares at the end of the year	**5,450,000**	**102,247.08**	**5,450,000**	**102,247.08**

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Persistent Systems Malaysia Sdn. Bhd.

Notes forming part of financial statements

5.1 Property, Plant and Equipment

(In ₹ '000)

	Computers	Office equipments	Plant and Equipment - Freehold	Leasehold improvements	Furniture and fixtures	Total
Gross block (At cost)						
As at April 1, 2024	48,240.57	205.29	8,647.31	2,424.13	8,043.39	67,560.69
Additions	13,588.75	38.85	4,161.24	-	1,492.63	19,281.47
Effect of foreign currency exchange differences	4,937.01	18.49	807.66	226.56	729.09	6,718.81
As at March 31, 2025	**66,766.33**	**262.63**	**13,616.21**	**2,650.69**	**10,265.11**	**93,560.97**
Depreciation and amortization						
As at April 1, 2024	41,480.07	205.29	8,405.03	2,424.13	8,043.39	60,557.91
Charge for the year	4,472.79	1.31	647.29	-	130.00	5,251.39
Effect of foreign currency exchange differences	3,942.37	19.17	792.73	226.56	751.14	5,731.97
As at March 31, 2025	**49,895.23**	**225.77**	**9,845.05**	**2,650.69**	**8,924.53**	**71,541.27**
Net block						
As at March 31, 2025	**16,871.10**	**36.86**	**3,771.16**	**-**	**1,340.58**	**22,019.70**
As at March 31, 2024	**6,760.50**	**-**	**242.28**	**-**	**-**	**7,002.78**

(In ₹ '000)

	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Total
Gross block (At cost)						
As at April 1, 2023	45,641.55	215.33	9,147.56	2,564.37	8,510.58	66,079.39
Additions	5,108.93	-	-	-	-	5,108.93
Effect of foreign currency exchange differences	(2,509.91)	(10.04)	(500.25)	(140.24)	(467.19)	(3,627.63)
As at March 31, 2024	**48,240.57**	**205.29**	**8,647.31**	**2,424.13**	**8,043.39**	**67,560.69**
Depreciation and amortization						
As at April 1, 2023	39,961.83	209.46	8,580.57	2,564.37	8,510.58	59,826.81
Charge for the year	3,753.97	5.76	297.78	-	-	4,057.51
Effect of foreign currency exchange differences	(2,235.73)	(9.93)	(473.32)	(140.24)	(467.19)	(3,326.41)
As at March 31, 2024	**41,480.07**	**205.29**	**8,405.03**	**2,424.13**	**8,043.39**	**60,557.91**
Net block						
As at March 31, 2024	**6,760.50**	**-**	**242.28**	**-**	**-**	**7,002.78**
As at March 31, 2023	**5,679.72**	**5.87**	**566.99**	**-**	**-**	**6,252.58**

5.2. Other Intangible assets

(In ₹ '000)

	Software	Total
Gross block (At Cost)		
As at April 1, 2024	570.27	570.27
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	53.30	53.30
As at March 31, 2025	**623.57**	**623.57**
Amortization		
As at April 1, 2024	570.27	570.27
Charge for the year	-	-
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	53.30	53.30
As at March 31, 2025	**623.57**	**623.57**
Net block		
As at March 31, 2025	**-**	**-**
As at March 31, 2024	**-**	**-**

(In ₹ '000)

	Software	Total
Gross block (At Cost)		
As at April 1, 2023	603.26	603.26
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	(32.99)	(32.99)
As at March 31, 2024	**570.27**	**570.27**
Amortization		
As at April 1, 2023	603.26	603.26
Charge for the year	-	-
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	(32.99)	(32.99)
As at March 31, 2024	**570.27**	**570.27**
Net block		
As at March 31, 2024	**-**	**-**
As at March 31, 2023	**-**	**-**

5.3. Right -of- use assets

(In ₹ '000)

	Right -of- use assets	Total
Gross block (At Cost)		
As at April 1, 2024	19,884.43	19,884.43
Additions	-	-
Disposals	(20,916.10)	(20,916.10)
Effect of foreign currency exchange differences	1,031.67	1,031.67
As at March 31, 2025	**-**	**-**
Amortization		
As at April 1, 2024	8,571.19	8,571.19
Charge for the year	3,466.00	3,466.00
Reversals/ Disposals during the year	(13,239.08)	(13,239.08)
Effect of foreign currency exchange differences	1,201.89	1,201.89
As at March 31, 2025	**-**	**-**
Net block		
As at March 31, 2025	**-**	**-**
As at March 31, 2024	**11,313.24**	**11,313.24**

(In ₹000)

	Right -of- use assets	Total
Gross block (At Cost)		
As at April 1, 2023	21,034.74	21,034.74
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	(1,150.31)	(1,150.31)
As at March 31, 2024	**19,884.43**	**19,884.43**
Amortization		
As at April 1, 2023	2,055.44	2,055.44
Charge for the year	6,717.98	6,717.98
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	(202.23)	(202.23)
As at March 31, 2024	**8,571.19**	**8,571.19**
Net block		
As at March 31, 2024	**11,313.24**	**11,313.24**
As at March 31, 2023	**18,979.30**	**18,979.30**

5.4. Depreciation and amortization

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
On Property, Plant and Equipment	5,251.39	4,057.51
On Intangible assets	-	-
On Right of Use of Assets	3,466.00	6,717.98
	8,717.39	**10,775.49**

6. Other non-current financial assets :

	As at	**As at**
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
Security deposits (At amortised cost)		
Unsecured, considered good	113.21	18,555.50
Unsecured, considered doubtful	-	-
	113.21	**18,555.50**
Less: Provision for doubtful deposits	-	-
	113.21	**18,555.50**

7. Trade receivables

	As at	**As at**
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
Trade receivables (refer note 26)		
Unsecured, considered good	180,601.94	95,305.23
Unsecured, considered doubtful	2,970.90	-
	183,572.84	**95,305.23**
Less : Expected credit losses	(2,970.90)	-
	180,601.94	**95,305.23**

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Persistent Systems Malaysia Sdn. Bhd.

Notes forming part of financial statements

Trade receivables Ageing Schedule

	Curent 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	36,661.44	143,942.21	(1.71)	-	-	-	180,601.94
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	**36,661.44**	**143,942.21**	**-** **1.71**	**-**	**-**	**-**	**180,601.94**

	Curent 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	68,981.87	26,323.36	-	-	-	-	95,305.23
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	**68,981.87**	**26,323.36**	**-**	**-**	**-**	**-**	**95,305.23**

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		
Cash in hand	-	-
Balances with banks		
On current accounts	11,500.38	17,395.93
On deposits with original maturity of less than three months	55,894.31	153,350.55
	67,394.69	**170,746.48**

9. Other current financial assets

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Advance to related parties (refer note 26)		
(Unsecured, considered good)		
- Persistent Systems Pte. Ltd.	2,031.80	1,858.13
- Persistent Systems, Inc.	-	1,584.08
- Persistent Systems Limited	19,068.06	-
	21,099.86	**3,442.21**
Interest accrued on bank deposits	12.41	135.92
Unbilled revenue	5,628.49	39,184.68
Security deposits	1,568.37	2,189.28
	28,309.13	**44,952.09**

10. Deferred tax assets / liability

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Deferred tax assets		
Provision for doubtful debts	-	-
Provision for bonus and commission	3,861.70	2,968.23
Leave encashment	1,126.54	592.88
Difference in Book values and tax base values of ROU asset and lease liability	-	36.96
Brought forward and current year losses	607.37	-
	5,595.61	3,598.07
Deferred tax liability		
Accumulated Losses	-	-
Others	-	-
Deferred tax asset/(liability) (net)	**5,595.61**	**3,598.07**

11. Other current assets

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Advances (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	2,700.55	2,766.92
VAT, Service tax receivable (net)	259.59	926.28
	2,960.14	**3,693.20**

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12. Other non-current financial liabilities

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Lease liabilities	-	11,325.41
Less: Current maturity of lease liabilities	-	(7,013.09)
	0.00	**4,312.32**

Movement of lease liabilities

	For the year ended March 31, 2025 (In ₹'000)	For the year ended March 31, 2024 (In ₹'000)
Opening balance	11,325.41	18,829.25
Addition during the year	(7,930.85)	-
Add: Interest recognised during the year	84.96	546.27
Less: Payments made	(3,529.35)	(7,108.14)
Exchange Difference	49.83	(941.97)
Closing balance	**-**	**11,325.41**

13. Trade payables

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Trade payables for goods and services (refer note 26)	46,909.52	100,188.66
	46,909.52	**100,188.66**

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	38,358.40	7,803.33	130.36	13.18	604.25	46,909.52
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-
As At March 31, 2025	**38,358.40**	**7,803.33**	**130.36**	**13.18**	**604.25**	**46,909.52**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	36,734.04	5,807.64	33,221.33	1,109.89	23,315.76	100,188.66
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-
As At March 31, 2024	**36,734.04**	**5,807.64**	**33,221.33**	**1,109.89**	**23,315.76**	**100,188.66**

14. Other current financial liabilities

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Current maturity of lease liabilities	-	7,013.09
	-	**7,013.09**

15. Other current liabilities

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Accrued employee liabilities	-	-
Statutory Liabilities (net)	3,137.20	1,659.59
Unearned revenue	7,414.74	164.79
	10,551.94	**1,824.38**

16. Current liabilities : Provisions

	As at March 31, 2025 (In ₹ '000)	As at March 31, 2024 (In ₹ '000)
Provision for employee benefits		
Leave encashment	4,693.91	2,470
Other employee benefits	16,090.42	12,367.62
	20,784.33	**14,837.95**

17. Revenue from operations (net) (refer note 26)

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
Software services	342,554.84	267,186.74
Software licenses	12,833.04	36,519.03
	355,387.88	**303,705.77**

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**
	(In ₹ '000)	**(In ₹ '000)**
Segment wise disclosure		
Segment		
BFSI	12,825.36	4,999.45
Healthcare Life Science	12,128.65	123.57
Others	330,433.87	298,582.75
	355,387.88	**303,705.77**
Geographical disclosure		
Geography		
Asia Pacific	315,936.38	212,377.10
North America	18,028.17	77,666.81
Rest of the World	21,423.33	13,661.86
Total	**355,387.88**	**303,705.77**
Onsite-offshore disclosure		
IP Led	60,963.09	284,225.20
Offshore	268,869.33	(17,196.09)
Onsite	25,555.46	36,676.66
Total	**355,387.88**	**303,705.77**

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.

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

Particulars	(In ₹ '000)
Balance at the beginning of the year	39,184.68
Revenue recognised during the year	227,194.00
Invoices raised during the year	(270,040.94)
Translation exchange difference	9,290.75
Balance at the end of the year	**5,628.49**

Changes in Unearned revenue are as follows:

Particulars	(In ₹ '000)
Balance at the beginning of the year	164.79
Revenue recognised during the year	(28,229.16)
Increase due to invoicing during the year, not recognised as revenue during the year	28,409.35
Translation exchange difference	7,069.76
Balance at the end of the year	**7,414.74**

18. Other income

	For the year ended March 31, 2025 (In ₹ '000)	For the year ended March 31, 2024 (In ₹ '000)
Interest income		
On bank deposits	1,182.26	1,425.27
Excess provision in respect of earlier years written back	1,700.43	507.84
	2,882.69	**1,933.11**

19. Personnel expenses

	For the year ended March 31, 2025 (In ₹ '000)	For the year ended March 31, 2024 (In ₹ '000)
19.1 Employee benefits expense		
Salaries, wages and bonus (refer note 26)	206,649.50	133,482.98
Defined contribution to other funds	31,117.50	18,780.56
Staff welfare and benefits	11,500.83	6,220.11
	249,267.83	**158,483.65**
19.2 Cost of technical professionals		
Technical professionals - others	21,649.74	2,372.68
Technical professionals - related parties (refer note 26)	34,166.27	77,954.55
	55,816.01	**80,327.23**
	305,083.84	**238,810.88**

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20. Other expenses

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ '000)	**(In ₹ '000)**
Travelling and conveyance	3,133.97	3,622.73
Electricity expenses (net)	1,141.75	2,537.97
Internet link expenses	6,050.15	5,377.26
Communication expenses	208.58	262.96
Recruitment expenses	525.21	245.43
Training and seminars	50.60	150.01
Purchase of software licenses and support expenses	13,623.09	22,427.45
Loss on sale of asset	91.16	-
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	2,924.96	-
Rent	4,852.02	355.66
Insurance	441.42	408.22
Rates and taxes	194.57	1,666.41
Legal and professional fees	2,043.66	1,421.73
Repairs and maintenance		
- Plant and Machinery	3,164.85	2,687.27
- Building	942.11	-
- Others	584.58	74.42
Advertisement and sponsorship fees	917.10	1,151.58
Computer consumables	312.54	33.19
Auditors' remuneration (refer note 28)	393.96	373.39
Books, memberships, subscriptions	39.52	19.23
Foreign exchange loss / (gain) (net)	4,209.39	3,603.96
Debit balance written off	3.23	(18.31)
Miscellaneous expenses	2,989.54	2,772.60
	48,837.96	**49,173.16**

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21. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹000)	(A)	(5,005.83)	3,310.20
Denominator for Basic EPS			
Weighted average number of equity shares of MYR 1 each	(B)	5,450,000	5,450,000
Denominator for Diluted EPS			
Number of equity shares of MYR 1 each	(C)	5,450,000	5,450,000
Basic Earnings per share of MYR 1 each (In ₹)	(A/B)	**(0.92)**	**0.61**
Diluted Earnings per share of MYR 1 each (In ₹) (After exceptional items)	(A/C)	**(0.92)**	**0.61**

	For the year ended	
	March 31, 2025	**March 31, 2024**
Number of shares considered as basic weighted average shares outstanding	5,450,000	5,450,000
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shared outstanding	**5,450,000**	**5,450,000**

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22. 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:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(Amount in ₹ '000)	**(Amount in ₹ '000)**
Profit before tax	(4,453.58)	6,333.08
Enacted tax rate in Malaysia	24.00%	24.00%
Computed tax expense at enacted tax rate	(1,068.86)	1,519.94
Effect of exempt income		
Non-deductible expenses	(364.09)	(232.50)
Prior Period Tax charge / (Credit)	2,665.24	395.59
Others (Net)	(680.04)	1,339.85
Income tax expense	**552.25**	**3,022.88**

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Persistent Systems Malaysia Sdn. Bhd.

NOTES FORMING PART OF FINANCIAL STATEMENTS

23. Unhedged foreign currency exposure at the end of the year

		March 31, 2025				March 31, 2024		
Particulars	**Currency**	**Amount in FC**	**Exchange Rate**	**(Amount in ₹ '000)**	**Currency**	**Amount in FC**	**Exchange Rate**	**(Amount in ₹ '000)**
Intercompany Advances received	USD	200,389.05	85.4700	17,127.25	USD	-	83.4000	-
Trade receivables	USD	1,843,166.87	85.4700	157,535.47	USD	1,329,005.07	83.4000	110,839.02
	EUR	30,000.00	92.4614	2,773.84	EUR	-	-	-
Trade payable	USD	82,452.40	85.4700	7,047.21	USD	632,909.18	83.4000	52,784.63
	INR	7,534.00	1.0000	7.53	INR	1,278,383.42	1.00	1,278.38

24. 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 18.78% of revenue. The Company's exposure to credit risk is insignificant as the top customer is renowned multi-national company. 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	EURO	INR	Others	TOTAL
Trade receivables	157,535.47	2,773.84	-	-	160,309.31
Current financial assets	17,127.25	-	-	-	17,127.25
Trade payables	7,047.21	-	7.53	-	7,054.74
Other current financial liabilities	-	-	-	-	-

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

(In ₹ '000)

	USD	EURO	INR	Others	Total
Trade receivables	110,839.02	-	-	-	110,839.02
Current financial assets	-	-	-	-	-
Trade payables	52,784.63	-	1,278.38	-	54,063.01
Other current financial liabilities	-	-	-	-	-

Foreign currency sensitivity analysis

For the year ended March 31, 2025, every percentage point depreciation / appreciation in the exchange rate between the Malaysian Ringgit and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 0.50% and 0.50% 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 ₹ 180,601.94 thousand and ₹ 95,305.23 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's 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	
	March 31, 2025	March 31, 2024
	(In ₹ '000)	(In ₹ '000)
Receivables overdue for more than 90 days	2,135.04	4,520.18
Total receivables	180,601.94	95,305.23
Overdue for more than 90 days as a % of total receivables	1.2%	4.7%

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Persistent Systems Malaysia Sdn. Bhd.

Notes forming part of financial statements

Ageing of trade receivables

(In ₹ '000)

	As at	
	March 31, 2025	**March 31, 2024**
Within the credit period	36,661.43	68,981.86
1 to 30 days past due	32,580.01	(11,283.59)
31 to 60 days past due	46,290.94	23,162.17
61 to 90 days past due	62,934.52	9,924.60
91 to 120 days past due	-	2,813.12
121 and above past due	5,105.94	1,707.06
Less: Expected credit loss	(2,970.90)	-
Net trade receivables	**180,601.94**	**95,305.22**

Movement in expected credit loss allowance

(In ₹ '000)

	As at	
	March 31, 2025	**March 31, 2024**
Opening balance	-	-
Movement in expected credit loss allowance	2,970.90	-
Translation differences	-	-
Closing balance	**2,970.90**	**-**

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As at March 31, 2025, the Company had a working capital of ₹ 244,577.98 thousand including cash and cash equivalents of ₹ 67,394.69 thousand . As at March 31, 2024, the Company had a working capital of ₹ 217,262.29 thousand including cash and cash equivalents of ₹ 170,746.48 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	46,909.52	-	100,188.66	-
Other financial liabilities	-	-	7,013.09	4,312.32

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25 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 Liabilties	4.13	2.72	51.65%	Reduction in Debtors and Cash balance
(b) Debt-Equity Ratio,	Debt	Equity	-	0.05	-100.00%	Cancellation of Lease laibilties in FY 24-25
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	-	(1.39)	-100.00%	Cancellation of Lease laibilties in FY 24-25
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	-2%	1%	-249.50%	Increase in employee cost
(e) Inventory turnover ratio,	Not applicable	Not applicable	-	-	-	NA
(f) Trade Receivables turnover ratio,	Turnover	Trade receivables	2.58	2.67	-3.52%	
(g) Trade payables turnover ratio,	Expenses	Trade payables	1.37	1.18	15.74%	
(h) Net capital turnover ratio,	Turnover	Average working Capital	1.54	1.38	11.52%	
(i) Net profit ratio,	Net Profit after tax	Turnover -	0.01	0.01	-229.23%	Increase in employee cost
(j) Return on Capital employed,	Earnings Before Interest	Average capital employed -	0.03	0.02	-243.54%	Increase in employee cost
(k) Return on investment.	Income generated from investments	Average investments			Not appliacable	

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26. Related party disclosures

I. Names of related parties

Holding Company: -
Persistent Systems Ltd.
Key Management Personnel
Mr. Azlin Ghazali, Director
Ms. NG Boon Sin, Director
Companies under same management
Persistent Systems, Inc.
Persistent Telecom Solutions Inc.

II. Related party transaction

(Amount in ₹ '000)

Nature of the transaction	Name of the related party	Nature of relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
Income				
Sale of services	Persistent Systems Ltd.	Holding company	264,397.46	124,142.84
	Persistent Systems, Inc.	Companies under same management	-	8,622.66
	Persistent Systems Germany GmbH	Companies under same management	11,730.90	-
Expense				
Cost of technical professionals	Persistent Systems Ltd.	Holding company	31,944.70	65,783.52
	Persistent Telecom Solutions Inc.	Companies under same management	-	12,171.03
	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under same management	2,221.56	
Remuneration paid Key Managerial Personnel	Ms. Boon Sin Ng	Director	8,335.65	7044.76
	- Mr. Azlin Ghazali	Director	12,969.62	11,267.48

III. Related party balances

(Amount in ₹ '000)

Particulars	Name of the related party	Relationship with the related party	As at March 31, 2025	As at March 31, 2024
Share Capital	Persistent Systems Ltd.	Holding company	102,247.08	102,247.08
Advance given*	Persistent Systems Pte. Ltd.	Companies under same management	2,031.80	1858.13
	Persistent Systems, Inc.	Companies under same management	-	1,584.08
	Persistent Telecom Solutions Inc.	Companies under same management	-	-
	Persistent Systems Ltd.	Holding company	19,068.07	-
Trade Receivable	Persistent Systems Ltd.	Holding company	133,341.88	45,585.82
	Persistent Systems, Inc.	Companies under same management	-	8,507.36
	Persistent Systems Pte. Ltd.	Companies under same management	-	-
	Persistent Systems Germany GmbH	Companies under same management	11,675.95	-
Trade Payable	Persistent Systems Lanka (Private) Ltd.	Companies under same management	-	-
	Persistent Telecom Solutions Inc.	Companies under same management	-	8,964.34
	Persistent Systems Ltd.	Holding company	17,085.67	46,067.86

*There is no repayment schedule in respect of this advance. It is repayable on demand. This amount is utilized for meeting business requirements.

27. Contingent liabilities

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

28. Auditors' remuneration

(Amount in ₹ '000)

	For the year ended March 31, 2025	March 31, 2024
As auditor:		
- Audit fee	393.96	373.39
	393.96	**373.39**

29. Lease obligation

(Amount in ₹ '000)

	As at March 31, 2025	As at March 31, 2024
Less than one year	-	7,013.09
One to five year	-	4,312.32
	-	**11,325.41**

30. Previous year comparatives

Corresponding previous year's figures have been regrouped wherever necessary to confirm with current year's classification.

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

32. 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:

(Amount 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	435.06	437.86	265.87	177.00	1,315.80	823.20

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 Malaysia Sdn. Bhd.

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

Persistent

Persistent Systems Germany GmbH

Regd. Office: Lyoner Straße 14, 60528 Frankfurt am Main, Germany

Persistent Systems Germany GmbH

Regd. Office: Lyoner Straße 14, 60528 Frankfurt am Main, Germany

Annual Report FY 2024-2025

Report of the Directors

Your Directors are pleased to present the Ninth Annual Report of your Company together with the audited statement of accounts for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India and is engaged in software development, professional and marketing services to its Europe based customers.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR in thousand)

Particulars	2024 – 2025	2023 – 2024
Total income	573,183.88	1,064,403.71
Expenditure	697,544.41	1,066,834.84
Profit /(Loss) before taxation	**(124,360.53)**	**(2,431.13)**
Total Tax Expense	14,443.22	-
Net profit/ (loss) after taxation	**(138,803.75)**	**(2,431.13)**

Business Operations

The Company is engaged in rendering software development and professional services in Europe along with a corporate office at Munchen.

Event based Disclosures

a. Receipt of Loan in form of Dividend

Your Company noted that there was a receipt of a loan in the amount of CHF 1,365,212.14 as an extraordinary dividend being the sole shareholder in Persistent Systems Switzerland AG in their extraordinary shareholders meeting held on February 7, 2024.

b. Resignation by Mr. Christian Buchholdt from the position of Managing Director with effect from January 31, 2024

Your Company noted the resolution regarding resignation of Christian Buchholdt as a Managing Director in the Company with effect from January 31, 2024.

c. Appointment of a Director – Mr. Vinit Teredesai and resignation of Mr. Sunil Sapre as a Managing Director

Your Company noted the resolution passed regarding the appointment of Mr. Vinit Teredesai and the resignation of Mr. Sunil Sapre as the Director of the Company on December 23, 2024.

Directors

Hence, the Managing Directors of the Company are:

1. Dr. Anand Deshpande, India
2. Mr. Arnaud Pierrel, France
3. Mr. Vinit Teredesai, India

Acknowledgements

Your Board would like to thank all the stakeholders for excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS GERMANY GMBH

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Germany GmbH ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in

accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 3.2 to notes forming part of the standalone financial statements. The Company executes multiple fixed-price software development contracts, where revenue is recognized using the percentage of completion method, as per the Input method prescribed under Ind AS 115 – Revenue from Contracts with Customers. Recognizing revenue for these contracts involves significant management judgment and estimation, due to the following factors that required heightened auditor attention: • Elevated inherent risk concerning revenue accuracy, considering the customized and complex nature of these contracts, and the extensive use of IT systems. • Significant estimation uncertainty associated with assessing the stage of completion, actual costs incurred to date, and the anticipated costs to complete	Our audit procedures in relation to the accuracy of revenue recognition and assessment of onerous obligations in fixed-price contracts included, but were not limited to, the following: • Gained an understanding of the systems, processes, and internal controls established by management to compute and record revenue, unbilled revenue, unearned/deferred revenue, and onerous contract obligations. • Evaluated the design and tested the operating effectiveness of relevant internal financial manual controls. and involved auditor's experts to: → Verify the IT controls ensuring completeness and accuracy of cost, effort, and revenue reports generated by the system; → Evaluate access and application controls related to resource allocation and budgeting systems, to ensure protection against unauthorized changes in the recording of incurred efforts, and to validate controls over estimating contract efforts for completion.

the remaining work. • Identification and assessment of onerous contracts and related obligations. • Determination of unbilled revenue receivables and unearned revenue as at the reporting date. Given the materiality of the amounts involved and the considerable judgment and subjectivity inherent in the estimates mentioned above, we identified the recognition of revenue from fixed-price contracts, and the assessment of onerous contracts and associated provisions, as a key audit matter for the current year audit.	• Selected samples of contracts and performed a retrospective analysis comparing actual efforts incurred with earlier estimates, to identify major variances and assess whether such variances were considered in revising estimates for remaining efforts. • Reviewed selected contracts with unbilled revenue to identify any milestone delays that might necessitate revision of estimated efforts for pending performance obligations. • Conducted analytical procedures to assess the reasonableness of incurred and estimated efforts. • Evaluated management's process for identifying onerous contracts based on the above-reviewed estimates. • Assessed the adequacy and appropriateness of the disclosures provided in the standalone financial statements regarding revenue recognition in accordance with the applicable Indian Accounting Standards.

Emphasis of Matter

We draw attention to note no 31 to the financial statements, The Board of Directors of the Company had approved the Scheme of Merger of Youperience GmbH and Parx Consulting GmbH, two wholly owned subsidiaries of the Company, with the Company via a Merger Agreement dated August 14, 2023. The Scheme of Merger was approved by the Munich District Court and Hamburg District Court, on date August 21, 2023 and August 25, 2023 for the merger of the subsidiaries with the Company,

respectively. In accordance with the effective merger date as referred in the Scheme and IND AS 103, Appendix, the merger has been accounted on April 1, 2022 and accordingly, the financial results for the corresponding and comparative periods have been restated. The other equity has decreased by Rs.7,83,046.71 thousand on April 1, 2022

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible

for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other

Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed by Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or

entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAA2845

Persistent Systems Germany GmbH

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	7,121.25	7,658.41
Right-of-use asset	5.2	226,343.08	257,460.14
		233,464.33	**265,118.55**
Non-current investments	6	1,043,090.53	1,015,476.01
Other non-current financial asset	7	19,634.55	19,114.75
Deferred tax assets (net)	8	101,687.25	98,995.21
		1,397,876.66	**1,398,704.52**
Current assets			
Financial assets			
-Trade receivables	9	167,922.54	126,154.63
-Cash and cash equivalents	10	8,727.88	21,462.94
-Other financial assets	11	16,675.94	15,631.34
Other current assets	12	4,221.74	3,326.59
Current tax assets (net)		-	14,040.76
		197,548.10	**180,616.26**
TOTAL		**1,595,424.76**	**1,579,320.78**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	1,413,301.11	1,413,301.11
Other equity		(1,280,243.18)	(1,144,850.89)
		133,057.93	**268,450.22**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	13	787,609.62	673,946.30
-Other non current financial liabilities	14	256,551.69	246,943.53
		1,044,161.31	**920,889.83**
Current Liabilities			
Financial liabilities			
-Trade payables	15	332,568.16	281,466.24
-Other financial liabilities	16	47,639.98	41,275.76
Other current liabilities	17	15,087.98	28,182.49
Provisions	18	22,909.40	39,056.24
		418,205.52	**389,980.73**
TOTAL		**1,595,424.76**	**1,579,320.78**
Summary of material accounting policy information	3		

The accompanying notes form 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 Germany GmbH

Arnaud Pierrel	Anand Deshpande
Director	Director
Place: France	Place: USA
Date : April 21, 2025	Date : April 21, 2025

Persistent Systems Germany GmbH

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Note	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Income			
Revenue from operations (net)	19	457,440.92	530,760.80
Other income	20	115,742.96	533,642.91
Total income (A)		**573,183.88**	**1,064,403.71**
Expenses			
Employee benefits expense	21.1	359,383.87	480,031.75
Cost of technical professionals	21.2	165,562.15	365,674.66
Finance costs	22	45,749.61	41,935.44
Depreciation and amortization expense	5.3	44,990.66	45,771.07
Other expenses	23	81,858.12	133,421.92
Total expenses (B)		**697,544.41**	**1,066,834.84**
Profit/(Loss) before tax (A - B)		**(124,360.53)**	**(2,431.13)**
Tax expense			
Current tax		-	
Tax charge in respect of earlier years		14,443.22	-
Deferred tax Charge/(Credit)		-	-
Total tax expense		**14,443.22**	**-**
Profit/(Loss) for the year (C)		**(138,803.75)**	**(2,431.13)**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)		-	-
		-	**-**
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		3,411.45	(16,312.04)
		3,411.45	**(16,312.04)**
Total comprehensive income for the year (C) + (D) + (E)		**(135,392.30)**	**(18,743.17)**
Earnings per equity share [nominal value of Share EUR 1]	24		
Basic (In ₹)		(8.30)	(0.15)
Diluted (In ₹)		(8.30)	(0.15)
Summary of material accounting policy information	3		

The accompanying notes form 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 Germany GmbH

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Persistent Systems Germany GmbH

CASH FLOW STATEMENT FOR YEAR THE ENDED MARCH 31, 2025

		For year the ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Cash flow from operating activities			
Profit before tax		**(124,360.53)**	**(2,431.13)**
Adjustments for:			
Miscellaneous income		(1,013.48)	(28,052.25)
Depreciation and amortization expense		44,990.66	45,771.07
Unrealised exchange loss/ (gain) (net)		3,195.42	2,309.89
Dividend Income		(113,369.53)	(489,782.60)
Currency translation reserve		(3,344.87)	(2,253.34)
Excess provision written back		(1,359.95)	(10,950.98)
Finance cost		45,749.61	41,935.91
Gain on sale of assets		-	406.99
Sundry balances written off		451.75	1,663.99
Tax charge in respect of earlier years		(14,443.22)	
Provision for doubtful debts		35.40	-
Operating profit before working capital changes		**(163,468.74)**	**(441,382.45)**
Movements in working capital :			
Increase in trade receivables		(41,599.73)	(47,219.69)
(Increase) / Decrease in loans and advances		(1,939.75)	18,290.36
(Increase) / Decrease in other current assets		14,040.76	146,174.25
Increase in trade payables and current liabilities		24,183.24	-
Operating profit after working capital changes		**(168,784.22)**	**(324,137.52)**
Direct taxes paid (net of refunds)		-	-
Net cash generated from/ used in operating activities	**(A)**	**(168,784.22)**	**(324,137.52)**
Cash flows from investing activities			
Payment towards capital expenditure		(2,252.77)	(11,808.04)
Sales proceeds on fixed asset		21.86	-
Investment in subsidiary		-	-
Divdends received		113,369.53	181,828.21
Net cash (used in) investing activities	**(B)**	**111,138.62**	**170,020.17**
Cash flows from financing activities			
Payment towards lease liability		(47,790.66)	(44,130.06)
ICD interest payment		-	(19,384.18)
Proceeds from issuance of intercorporate deposits		92,701.20	497,545.56
Interest repaid on Intercorporate deposit received		-	-
Repayment of inter corporate deposits		-	(295,322.10)
Net cash generated/ used in financing activities	**(C)**	**44,910.54**	**138,709.22**
Net increase in cash and cash equivalents (A + B + C)		(12,735.06)	(15,408.57)
Cash and cash equivalents at the beginning of the year		21,462.94	36,871.51
Cash and cash equivalents at the end of the year		**8,727.88**	**21,462.94**
Components of cash and cash equivalents			
Current account		8,727.88	21,462.94
Cash and cash equivalents as per note 10		**8,727.88**	**21,462.94**

Summary of material accounting policy information - Refer note 3

The accompanying notes form 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 Germany GmbH

per Tejashree Joshi	Arnaud Pierrel	Anand Deshpande
Partner	Director	Director
Membership No. 139807		
Place: India	Place: France	Place: USA
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent Systems Germany GmbH

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
1,413,301.11		-	1,413,301.11

(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
959,816.19		453,484.92	1,413,301.11

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Persistent Systems Germany GmbH

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹'000)

Particulars	Reserves and surplus			Items of other comprehensive income	
	Securities Premium	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Total
Balance as at April 01, 2024	306,098.16	293,175.30	(1,763,214.35)	19,090.01	(1,144,850.88)
Net profit/(loss) for the year	-		(138,803.75)	-	(138,803.75)
Other comprehensive income for the year	-		-	3,411.45	3,411.45
Balance at March 31, 2025	**306,098.16**	**293,175.30**	**(1,902,018.10)**	**22,501.46**	**(1,280,243.18)**

(In ₹'000)

Particulars	Reserves and surplus			Items of other comprehensive income	
	Securities Premium	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Total
Restated balance as at April 01, 2023*	**306,098.16**	**293,175.30**	(1,760,783.22)	35,402.05	**(1,126,107.71)**
Net profit/(loss) for the year	-		(2,431.13)	-	(2,431.13)
Other comprehensive income for the year	-		-	(16,312.04)	(16,312.04)
Balance at March 31, 2024	**306,098.16**	**293,175.30**	**(1,763,214.35)**	**19,090.01**	**(1,144,850.89)**

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 form 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 Germany GmbH

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Persistent Systems Germany GmbH

Notes forming part of financial statements

1 Nature of operations

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

2 Basis of preparation

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

The accompanying financial statements have been prepared solely to assist the management of Persistent Systems Limited in preparation of its consolidated financial

3 Material accounting policy information

A Accounting year

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

B Functional currency

The Company's functional currency is the EUR. 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 and judgements

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 crtitical accounting estimates involiving 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.

3.2 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

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 lossed 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.

ivProvisions 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. The compaby uses significant judgements to assess contingent liabilities.

vLeases

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.

3.3 Summary of Significant accounting Policies

a) Current vs 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.

b) Property, plant and equipment

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

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

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

c) Intangible assets

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

b) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when The Company can demonstrate:

technical feasibility of completing the intangible asset so that it will be available for use or sale;

-its intention to complete the asset and use or sell it;

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.

(This space is intentionally left blank)

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 life
Computers *	4 years
Computers-Servers and networks*	4 years
Office equipment	5 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.

e) Impairment of Property, Plant and Equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired

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

f) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

Financial assets at fair value through profit or loss (FVTPL)
Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts 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 amortised cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

c) Impairment of financial assets

i) Financial assets

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

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

ii) Non-financial assets

The carrying amounts of Property, plant and equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

g) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

h) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

i) 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, 2018, 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.

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.

In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

ii. Interest
Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

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

j) Investments

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

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

k) Foreign currency transactions

iInitial recognition

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

iiConversion

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

iii Exchange differences

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

iii. 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.

iv.Translation of foreign operations

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

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Federal Central tax Office (Bundeszentralamt für Steuern),Germany. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

m) Earnings per share (EPS)

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

n) Provisions

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

o) Contingent liabilities

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

p) Cash and cash equivalents

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

q) Business Combination

Business combinations arising from transfer of interest in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholders equity.

Persistent Systems Germany GmbH

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
16,727.52 Thousand equity shares of EUR 1 each (in Thousand)	EUR 16,727.52	EUR 16,727.52
	EUR 16,727.52	**EUR 16,727.52**
Issued, subscribed and fully paid-up shares (in ₹'000)		
16,727.52 Thousand equity shares of EUR 1 each (in ₹ Thousand)	₹ 1,413,301.11	₹ 1,413,301.11
Issued, subscribed and fully paid-up share capital	**₹ 1,413,301.11**	**₹ 1,413,301.11**

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares (in '000)	(Amount in ₹ '000)	No of shares (in '000)	(Amount in ₹ '000)
Number of shares at the beginning of the year	16,727.52	1,413,301.11	16,727.52	1,413,301.11
Add: Issued during the year	-	-	-	-
Number of shares at the end of the year	**16,727.52**	**1,413,301.11**	**16,727.52**	**1,413,301.11**

b) Terms / rights attached to equity shares

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

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

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 the total shares	% change during the year
Persistent Systems Ltd	16,727.52	-	16,727.52	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 the total shares	% change during the year
Persistent Systems Ltd	16,727.52	-	16,727.52	100%	0%

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Persistent Systems Germany GmbH

Notes forming part of financial statements

5.1. Property, Plant and Equipment **(In ₹'000)**

	Computers	Office equipments	Plant & Machinery	Furniture and Fixtures	Total
Gross block (At cost)					
As at April 1, 2024	33,730.62	1,345.90	3,546.35	8,426.57	47,049.44
Additions	2,252.77	-	-	-	2,252.77
Deletions	(62.86)	-	-	-	(62.86)
- Exchange differences	970.01	36.60	96.43	229.15	1,332.19
As at March 31, 2025	**36,890.54**	**1,382.50**	**3,642.78**	**8,655.72**	**50,571.54**
Depreciation and amortization					
As at April 1, 2024	26,682.54	1,292.52	3,404.64	8,011.34	39,391.04
Charge for the year	2,707.50	19.32	48.60	195.19	2,970.61
Deletions	(41.00)	-	-	-	(41.00)
- Exchange differences	779.20	35.31	93.52	221.62	1,129.65
As at March 31, 2025	**30,128.24**	**1,347.15**	**3,546.76**	**8,428.15**	**43,450.30**
As at March 31, 2025	**6,762.30**	**35.36**	**96.02**	**227.57**	**7,121.25**
As at March 31, 2024	**7,048.08**	**53.39**	**141.71**	**415.23**	**7,658.41**

(In ₹'000)

	Computers	Office equipments	Plant & Machinery	Furniture and Fixtures	Total
Gross block (At cost)					
As at April 1, 2023	27,916.46	1,396.13	3,971.22	8,660.21	41,944.02
Additions	11,627.25	-	180.79	-	11,808.04
Deletions	(6,224.12)	(60.20)	(632.93)	(295.83)	(7,213.08)
- Exchange differences	411.03	9.98	27.27	62.19	510.46
As at March 31, 2024	**33,730.62**	**1,345.90**	**3,546.35**	**8,426.57**	**47,049.44**
Depreciation and amortization					
As at April 1, 2023	22,251.06	1,249.81	3,589.63	7,880.00	34,970.50
Charge for the year	4,808.91	48.69	94.77	156.38	5,108.75
Deletions	(1,141.70)	-	-	-	(1,141.70)
- Exchange differences	764.27	(5.98)	(279.76)	(25.04)	453.49
As at March 31, 2024	**26,682.54**	**1,292.52**	**3,404.64**	**8,011.34**	**39,391.04**
As at March 31, 2024	**7,048.08**	**53.39**	**141.71**	**415.23**	**7,658.41**
As at March 31, 2023	**5,665.40**	**146.32**	**381.59**	**780.21**	**6,973.52**

5.2 Right of use assets

	Right of use asset	Total
		(In ₹'000)
Gross Block (at cost)		
As at April 1, 2024	394,583.80	394,583.80
Additional	4,667.04	4,667.04
- Exchange differences	10,780.73	10,780.73
As at March 31, 2025	**410,031.57**	**410,031.57**
Amortisation		
As at April 1, 2023	137,123.66	137,123.66
Charge for the year	42,020.05	42,020.05
Deletions	-	-
- Exchange differences	4,544.78	4,544.78
As at March 31, 2025	**183,688.49**	**183,688.49**
Net block		
As at March 31, 2025	**226,343.08**	**226,343.08**
As at March 31, 2024	**257,460.14**	**257,460.14**

	Right of use asset	Total
		(In ₹'000)
Gross Block (at cost)		
As at April 1, 2023	-	-
Addition on account of merger	394,838.68	394,838.68
Additions	16,951.01	16,951.01
Deletions	-	-
- Exchange differences	(17,205.89)	(17,205.89)
As at March 31, 2024	**394,583.80**	**394,583.80**
Amortisation		
As at April 1, 2023		
Charge for the year on account of merger	115,668.17	115,668.17
Charge for the year	40,562.51	40,562.51
Deletions	-	-
- Exchange differences	(19,107.02)	(19,107.02)
As at March 31, 2024	**137,123.66**	**137,123.66**
Net block		
As at March 31, 2024	**257,460.14**	**257,460.14**
As at March 31, 2023*	**279,170.51**	**279,170.51**

5.3 Depreciation and amortisation

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹000)	**(In ₹000)**
Property, Plant and Equipment	2,970.61	5,208.56
Right of use asset	42,020.05	40,562.51
	44,990.66	**45,771.07**

6. Non-current investments

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Investments carried at fair value		
Unquoted investments		
Investments in equity instruments		
- In wholly owned subsidiary companies (Refer note 26)		
Persistent Systems Switzerland AG (FKA Parx Werk AG) 250 Thousand Shares (100% held by the company) of CHF 1 each	708,872.53	690,106.02
Persistent Systems Costa Rica Limitada 0.004 Thousand Shares of CRC 10,000 each	323,799.95	315,227.75
Persistent Systems S.R.L.- Romania 45 Thousand Shares of 10 LEI each	10,418.05	10,142.25
	1,043,090.53	**1,015,476.01**

7. Other non-current financial asset

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good - Deposits Long term		
Security Deposits	19,634.55	19,114.75
	19,634.55	**19,114.75**

8. Deferred tax assets (net)

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deferred tax assets (net) (Refer note 35)	101,687.25	98,995.21
	101,687.25	***98,995.21***

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Persistent Systems Germany GmbH

Notes forming part of financial statements

9. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good (Refer note 26 & 29)	167,922.54	126,154.63
Unsecured, considered doubtful	36.84	-
	167,959.38	126,154.63
Less : Expected credit loss	(36.84)	-
	167,922.54	**126,154.63**
	167,922.54	**126,154.63**

Trade receivables Ageing Schedule

	Curent 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	38,096.44	129,826.10	-	-	-	-	167,922.54
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	**38,096.44**	**129,826.10**	**-**	**-**	**-**	**-**	**167,922.54**

	Curent 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	106,131.33	20,023.30	-	-	-	-	126,154.63
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, 2024	**106,131.33**	**20,023.30**	**-**	**-**	**-**	**-**	**126,154.63**

10. 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	8,727.88	21,462.94
	8,727.88	**21,462.94**

11. Other current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Interest accrued on intercompany deposit (Refer note 26)		-
Advance to vendors	-	630.96
Advance to related parties (Unsecured, considered good) (Refer note 26)	-	-
-Persistent Systems s.p.z.o.o.	-	2,305.95
-Persistent Systems S.R.L.- Romania	24.84	
-Persistent Systems Ltd	1,707.01	-
-Persistent Systems UK Limited	6,550.32	-
-Persistent Systems Inc.	891.62	
Unbilled revenue	7,502.15	12,694.43
	16,675.94	**15,631.34**

12. Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advances recoverable in cash or in kind	2,588.76	3,326.59
VAT receivable	1,632.98	-
	4,221.74	**3,326.59**

13. Non-current financial liabilities : Borrowings

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured		
Borrowings from related party (Refer note 26)		
- Persistent Systems Inc.	787,609.62	673,946.30
(Repayment Terms : After 36 months)		
(Rate of interest: 3 month EURIBOR plus 225 basis points)		
	787,609.62	**673,946.30**

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14. Other non current financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Lease liability	237,958.90	268,838.89
Less: current maturity of lease liability (refer note 16)	(43,840.00)	(41,275.76)
Interest accrued but not due on loans		
-Persistent Systems Inc.(refer note 26)	62,432.79	19,380.40
	256,551.69	**246,943.53**

Movement of lease liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Opening balance	268,838.90	290,016.22
Additions	4,667.04	16,951.01
Deletions	-	-
Add: interest recognised during the year (Ref. Note 22)	3,977.54	4,423.87
Less: payments made	(47,790.66)	(44,130.06)
Translation Adjustment	8,266.08	1,577.86
Closing balance	**237,958.90**	**268,838.90**

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Persistent Systems Germany GmbH

Notes forming part of financial statements

15. Trade payable

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services (refer note-26)	332,568.16	281,466.24
	332,568.16	**281,466.24**

Trade payables Ageing Schedule

	Curent but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	41,982.82	180,956.52	109,628.82	-	-	332,568.16
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	
As At March 31, 2025	**41,982.82**	**180,956.52**	**109,628.82**	**-**	**-**	**332,568.16**

	Curent but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	75,442.75	205,514.80	508.70	-	-	281,466.25
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2024	**75,442.75**	**205,514.80**	**508.70**	**-**	**-**	**281,466.25**

16. Other current 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 France SAS	3,799.98	-
Interest accrued but not due on loans (Refer note 26)		
Current maturity of lease liability	43,840.00	41,275.76
	47,639.98	**41,275.76**

17. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unearned revenue	15,087.98	18,762.09
VAT payable	-	6,782.28
Statutory liabilities	-	2,638.12
	15,087.98	**28,182.49**

18. Current liabilities: Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Other employee benefits	2.66	45.91
Provsion for Leave encashment	4,537.78	5,320.07
Provision for bonus	18,368.96	33,690.26
	22,909.40	**39,056.24**

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19. Revenue from operations

	For year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Sale of Services (Refer note 26)	445,143.65	523,601.65
Sale of Products	12,297.27	7,159.15
	457,440.92	**530,760.80**

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 year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Segment wise disclosure		
Industrial Services	403,565.79	427,298.20
BFSI	-	16,442.89
LSHC	53,875.13	87,019.71
Total	**457,440.92**	**530,760.80**
Geographical disclosure		
India	206,810.84	25,817.36
North America	-	-
Rest of the World	250,630.08	504,943.44
Total	**457,440.92**	**530,760.80**
Onsite / offshore		
IP Led	12,508.01	11,533.81
Offshore	319,849.76	129,294.21
Onsite	125,083.15	389,932.78
Total	**457,440.92**	**530,760.80**

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.

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

Particulars	**March 31, 2025**	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Balance at the beginning of the year	12,694.43	30,880.10
Revenue recognised during the year	99,023.02	117,526.11
Invoices raised during the year	(111,748.61)	(104,881.71)
Translation exchange difference	7,533.31	(30,830.07)
Balance at the end of the year	**7,502.15**	**12,694.43**

Changes in Unearned revenue are as follows:

Particulars	**March 31, 2025**	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Balance at the beginning of the year	18,762.09	8,866.66
Revenue recognised during the year	(14,535.71)	(74,777.55)
Increase due to invoicing during the year, not recognised as revenue during the year	10,738.16	91,799.12
Translation exchange difference	123.44	(7,126.14)
Balance at the end of the year	**15,087.98**	**18,762.09**

20. Other Income

	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Dividend Income (Refer note 26)	113,369.53	489,782.60
Sundry balance written back	-	4,857.08
Miscellaneous Income	1,013.48	28,052.25
Excess Provision written back	1,359.95	10,950.98
	115,742.96	**533,642.91**

21. Personnel expenses

	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
21.1 Employee benefit expenses		
Salaries wages and bonus	308,360.53	418,055.61
Defined contribution to other funds	48,925.22	57,939.94
Staff welfare and benefits	2,098.12	4,036.20
	359,383.87	**480,031.75**
21.2 Cost of technical, professionals		
Technical professionals - Related parties (Refer note 26)	150,392.17	314,934.65
Technical professionals - Others	15,169.98	50,740.01
	165,562.15	**365,674.66**
	524,946.02	**845,706.41**

22. Finance costs

	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Intercompany Interest expenses(Refer note 26)	41,772.07	37,514.00
Interest on lease liability	3,977.54	4,421.44
	45,749.61	**41,935.44**

23. Other expenses

	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Traveling and conveyance	4,957.05	19,821.21
Electricity expenses	449.65	297.59
Internet link expenses	1,678.32	1,134.10
Communication expenses	2,672.15	3,435.27
Recruitment expenses	(1.34)	2,116.81
Training and seminars	53.67	374.77
Purchase of software licenses and support expenses	5,234.48	11,085.67
Allowances/(Reversal) for Expected Credit Loss (Net)	35.40	-
Books & Subscription	49.80	21.53
Rent-Others	1,304.25	4,023.14
Rent-Office	4,849.85	3,486.27
Office expenses	5,645.03	-
Insurance	63.68	117.22
Rates and taxes	-	58.11
Legal and professional fees	46,559.80	56,196.05
Repairs and maintenance		
Plant and machinery	545.52	789.25
Others	-	307.16
Registration & Stamping Chgs	-	6,061.15
Advertisement and sponsorship fees	-	583.44
Auditors' remuneration (Refer note 33)	2,037.06	1,793.18
Computer consumables	4.99	626.16
Foreign exchange loss (net)	3,195.42	1,499.88
Sundry Balance Written Off	451.75	6,521.07
Loss on sale of Assets	-	406.99
Miscellaneous expenses	2,071.59	12,665.90
	81,858.12	**133,421.92**

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24. Earnings per share

Particulars		For year ended	
		March 31, 2025	March 31, 2024
Basic earnings per share			
Numerator			
Net Profit / (loss) after tax (in ₹'000)	A	(138,803.75)	(2,431.13)
Denominator for basic EPS	B	16,727,520	16,727,520
Denominator for diluted EPS			
Weighted average number of equity share	C	16,727,520	16,727,520
Basic earnings per share (Face value of EUR 1 each) (in ₹)	A / B	(8.30)	(0.15)
Diluted earnings per share (Face value of EUR 1 each) (in ₹)	A/C	(8.30)	(0.15)

	As at March 31, 2025	As at March 31, 2024
Number of shares considered as basic weighted average shares outstanding	16,727,520.00	16,727,520
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**16,727,520.00**	**16,727,520**

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25 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 Liabilties	0.47	0.46	2%	-
(b) Debt-Equity Ratio,	Debt	Average Equity	5.11	3.39	51%	Taken additional loan from PSI
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	(0.70)	0.25	-380%	Increased in debt obligations
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	(0.69)	(0.01)	7801%	Dividend received in last FY.
(e) Inventory turnover ratio,	-	-		Not applicable		-
(f) Trade Receivables turnover ratio,	Turnover	Average Trade Receivables	3.11	6.01	-48%	Delayed in collection during current FY
(g) Trade payables turnover ratio,	Purchases	Average Trade Payables	0.81	2.25	-64%	Delayed to processed the payment during the current FY
(h) Net capital turnover ratio,	Turnover	Average working Capital	(2.13)	(1.25)	-194%	Increased in loan
(i) Net profit ratio,	Net Profit after tax	Turnover	(0.30)	(0.00)	6525%	Dividend received in last FY.
(j) Return on Capital employed,	Earnings Before Interest	Capital employed	(0.17)	(0.41)	-59%	Decreased in Revenue
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	11%	48%	-77%	Reduction in non opearting income (Intercompany Dividend)

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Persistent Systems Germany GmbH

Notes forming part of financial statements

26. Related Party Disclosures

i) Names of related parties and their related party relationships

Holding Company
- Persistent System Ltd

Subsidiary Company

Persistent Systems Costa Rica Limitada
Persistent Systems Switzerland AG
Persistent Systems S.R.L.- Romania

Companies under same management:

Persistent Systems Inc
Persistent Systems France SAS
Persistent Systems UK Ltd (FKA Aepona LTD)
Persistent Systems s.p.z.o.o.
Persistent Systems Malaysia Sdn. Bhd.

ii) Related Party Transactions

(In ₹000)

Nature of Transaction	Name of related party	Relationship with the company	Year ended March 31, 2025	Year ended March 31, 2024
Interest expense on intercorporate deposit	Persistent Systems Inc.	Companies under same management	41,772.07	32,705.03
	Persistent Systems Switzerland AG	Subsidiary Company	-	4808,97
Sale of Services	Persistent Systems Inc.	Companies under same management	-	22,908.06
	Persistent Systems Switzerland AG	Subsidiary Company	13,815.37	34,380.49
	Persisten Systems Ltd	Holding Company	206,810.84	29,544.04
	Persistent Systems France SAS	Companies under same management	5,346.95	1,820.20
	Persistent Systems UK Ltd (FKA Aepona LTD)	Companies under same management	436.91	1,661.21
Professional fees	Persisten Systems Ltd	Holding Company	95,357.71	211,289.84
	Persistent Systems Inc.	Companies under same management		-
	Persistent Systems Switzerland AG	Subsidiary Company	18,070.62	78,085.98
	Persistent Systems S.R.L.- Romania	Subsidiary Company	13,785.48	25,558.83
	Persistent Systems UK Ltd (FKA Aepona LTD)	Subsidiary Company	11,501.89	-
	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	11,676.47	-
Dividend received	Persistent Systems Costa Rica Limitada	Subsidiary Company	-	181,828.21
	Persistent System Switzerland AG	Subsidiary Company	113,369.53	298,384.49
Intercorporate deposit given (#)	Persistent Systems Switzerland AG	Subsidiary Company	-	298,384.49
Intercorporate deposit repaid (#)	Persistent Systems Switzerland AG	Subsidiary Company	-	298,384.49

iii) Related Party Balances

(In ₹000)

Particulars	Name of related party	Relationship with the company	As at March 31, 2025	As at March 31, 2024
Share Capital	Persistent Systems Limited	Holding Company	1,413,301.11	14,13,301.11
Securities Premium	Persistent Systems Limited	Holding Company	306,098.16	306,098.16
Non current investment	Persistent Systems Switzerland AG	Subsidiary Company	708,872.53	690,106.02
	Persistent Systems Costa Rica Limitada	Subsidiary Company	323,799.95	315,227.75
	Persistent Systems S.R.L- Romania	Subsidiary Company	10,418.05	10,142.25
Advance received	Persistent Systems France SAS	Companies under same management	3,799.98	-
Advance given	Persistent Systems s.p.z.o.o.	Companies under same management	-	2,305.95
	Persistent Systems S.R.L.- Romania	Subsidiary Company	24.84	-
	Persistent Systems Limited	Holding Company	1,707.01	-
	Persistent Systems Inc.	Companies under same management	891.62	-
	Persistent Systems UK Limited (FKA Aepona Limited)	Subsidiary Company	6,550.32	-
Intercorporate deposit received	Persistent Systems Inc.	Companies under same management	787,609.62	673,946.30
	Persistent Systems Switzerland AG	Subsidiary Company	-	-
	Persistent Systems Limited	Holding Company	-	-
Interest accured on intercorporate deposit	Persistent Systems Inc.	Companies under same management	62,432.79	19,380.41
Trade payable	Persistent Systems Limited	Holding Company	253,198.56	200,876.50
	Persistent Systems Inc.	Companies under same management	11,454.56	5,641.12
	Persistent Systems Switzerland AG	Subsidiary Company	4,311.65	47,817.40
	Persistent Systems Malaysia Sdn. Bhd.	Subsidiary Company	11,675.96	-
	Persistent Systems UK Ltd (FKA Aepona LTD)	Companies under same management	11,929.70	
	Persistent Systems S.R.L.- Romania	Subsidiary Company	14,062.02	4,774.32
Trade receivables	Persistent Systems Limited	Holding Company	121,944.48	4,603.96
	Persistent Systems Inc	Companies under same management	(5,076.80)	- 4,942.40
	Persistent Systems Switzerland AG	Subsidiary Company	6,085.84	5,999.61
	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	2,637.27	-
	Persistent Systems UK Limited (FKA Aepona Limited)	Subsidiary Company	36.05	-
	Persistent Systems France SAS	Companies under same management	2,226.90	79.64

In the month of August 2023, regulatory authorities have approved the Merger of Youperience GmbH and Parx Consulting GmbH, with the Persistent Systems Germany GmbH. The effective merger date is considered as April 01, 2022 in accordance with IND AS 103, accordingly previous year figures have been restated wherever applicable.

@ On account of Investment in Parx Consulting GmbH Refer note 30

Persistent Systems Germany GmbH

Notes forming part of financial statements

27. Unhedged balances **(In ₹000)**

Particulars	Mar-25			Mar-24		
	Foreign currency	Convesation rate	Amount in Rs	Foreign currency	Convesation rate	Amount in Rs
Trade payable	CHF 40.14	97.0037	3,893.50	CHF 507.87	92.1140	46,779.91
	GBP 22.13	110.6324	2,448.63	INR 172.58	1.0000	172.58
	PLN 1.56	22.1591	34.65	USD 57.60	83.4000	4,803.84
	USD 301.57	85.4700	25,774.88	GBP 59.21	105.2675	6,233.04
	INR 323.41	1.0000	323.41	USD 405.11	83.4000	33,786.17
Trade Receivables	CHF 62.74	97.0037	6,085.84	-	-	-
	USD 180.86	85.4700	15,458.49	-	-	-
	GBP 59.21	110.6324	6,550.32	-	-	-

28. Lease

(In ₹000)

Particulars	31-Mar-25	31-Mar-24
- Not later than one year	47,233.87	44,990.00
- Later than one year and not later than five	200,743.97	179,970.00
- Later than five years	-	56,240.00

29.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		(In ₹000)
	March-31-2025	March-31-2024
Trade receivebles	28,094.65	40,019.21
Trade payable	32,151.66	51,756.33

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 tax margin (PBT) by approximately (0.03%) and 0 .03% 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 in thousand 167,922.54 as at March 31,2025 and 126,154.63 in thousand as at 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

(In ₹000)

	As at March 31,2025	As at March 31,2024
Receivables overdue for more than 90 days	-	20,023.30
Trade receivables	167,922.54	126,154.63
Overdue for more than 90 days as a % of total receivables	0%	16%

Ageing of trade receivables

(In ₹000)

	As at March 31,2025	As at March 31,2024
Within the credit period	38,096.44	106,131.33
1 to 30 days past due	129,726.29	-
31 to 60 days past due	99.81	-
61 to 90 days past due	-	-
91 to 120 days past due		20,023.30
121 and above past due	36.84	-
Less: Expected credit loss	- **36.84**	-
Net trade receivables	**167,922.54**	**126,154.63**

-

Movement in expected credit loss allowance

(In ₹000)

	As at March 31,2025	As at March 31,2024
Opening balance	-	-
Movement in expected credit loss allowance	36.84	-
Translation differences	-	-
Closing balance	**36.84**	-

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 (Rs.220,657.04) Thousand including cash and cash equivalents and other bank balances of Rs.8,727.88 Thousand. As at March 31, 2024, the Company had a working capital of (Rs.209,364.46)Thousand including cash and cash equivalents and other bank balances of Rs.21,462.94 Thousand.

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

(In ₹000)

	As at March 31,2025		As at March 31,2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade Payable	332,568.16	-	281,466.24	-
Other financial liabilities	43,840.00	1,044,161.31	41,275.76	920,889.83

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:

(In ₹000)

	For the year ended	
	March 31,2025	**March 31,2024**
Profit before tax as per statement of profit and	(124,360.54)	(2,431.13)
Add :- Adjustment as per Ind AS financials (Refer Note 30)	-	54,206.98
Profit/(loss) before tax	(39,702.10)	51,775.85
Enacted tax rate	31.93%	31.93%
Computed tax expense at enacted tax rate	(39,702.10)	16,529.44
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Prior Period Tax charge / (Credit)	14,443.22	(148,544.94)
Non-deductible expenses		7,818.15
Unused tax losses not recognised as deferred tax assets	39,702.10	124,197.35
Income tax expense	**14,443.22**	**-**

(In ₹000)

Entity Name	**Country**	**Currency**	**Carry forward operating loss as on March 31, 2025**	**Carry forward operating loss as on March 31, 2025 - Eqv. INR**
Persistent Systems Germany GmbH	Germany	Euro	11.10	1,007.04

Persistent Systems Germany GmbH has carry-forward tax loss as on March 31, 2025 as per details provided in below table. The Company expects that this loss shall be utilised against future taxable income. As on March 31, 2024, the Company has recognized deferred tax asset on this loss to the extent of Euro 1,187,525 in its financial statements

31. The Board of Directors of the Company had approved the Scheme of Merger of Youperience GmbH and Parx Consulting GmbH, two wholly owned subsidiaries of the Company, with the Company via a Merger Agreement dated August 14, 2023.The Scheme of Merger was approved by the Munich District Court and Hamburg District Court, on date August 21, 2023 and August 25, 2023 for the merger of the subsidiaries with the Company, respectively. In accordance with the effective merger date as referred in the Scheme and IND AS 103, the financial results for the corresponding and comparative periods have been restated. The other equity has decreased by Appendix, the merger has been accounted on April 1, 2022 and accordingly, Rs.7,83,046.71 Thousand on April 1, 2022

Impact in other equity on account of merger of Youperience GmBh

Particulars	**(In ₹000)**
Assets	
Property, Plant & Equipment	4,169.06
Other Non Current Financial Assets	5,117.97
Deferred Tax Assets	29,337.36
Trade Receivables	12,580.86
Cash & Cash Equivalent	14,705.41
Other Current Assets	58,081.40
Total Assets (A)	**123,992.06**
Liabilities	
Borrowings	133,247.15
Trade Payables	58,586.12
Other Current Liabilities	11,325.69
Current Tax Liabilities (Net)	9,707.22
Total Liabilities (B)	**212,866.18**
Accumlated earnings (C)	**10,209.64**
Net Assets Transferred (D=A-B-C)	**(99,083.76)**
Investment Value (E)	562,287.74
Capital Reserve - Original balances prior to merger (F)	(176,225.70)
Capital Reserve - Original balances prior to merger (G)	(7,857.50)
Capital Reserve (E+F+G-D)	**477,288.30**

Impact in other equity on account of merger of Parx consulting GmBh

Particulars	**(In ₹000)**
Assets	
Property, Plant & Equipment	1,601.80
Right-Of-Use Asset	237,286.45
Other Non Current Financial Assets	15,829.16
Deferred Tax Assets	9,577.99
Trade Receivables	21,726.72
Cash & Cash Equivalent	30,131.94
Loans	34,802.41
Other Current Assets	32,533.18
Total Assets (A)	**383,489.65**
Liabilities	
Borrowings	119,249.97
Trade Payables	41,934.85
Other Current Liabilities	249,145.26
Total Liabilities (B)	**410,330.08**
Accumlated earnings (C)	**1,740.12**
Net Assets Transferred (D=A-B-C)	**(28,580.55)**
Investment Value (E)	386,269.95
Capital Reserve - Original balances prior to merger (F)	(109,092.10)
Capital Reserve (E+F-D)	**305,758.41**

Notes forming part of financial statements

32.Contingent liabilities:

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

33.Auditors Remuneration

(In ₹000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit Fees	2,037.06	1,793.18

34.Capital commitments

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

35 Deferred tax asset

(In ₹000)

Particulars	As at March-2025	As at March-2024
Deferred tax on unabsorbed losses	101,687.25	98,276.28

The Company has cumulative unutilized corporate income tax losses as of March 2025. These tax losses are available for future utilization to offset future taxable profits of the Company, subject to the applicable tax laws and regulations. As at the balance sheet date, the Company has not recognized deferred tax asset with respect to the aforesaid unutilized corporate income tax losses. The details are provided in below table:

Carry forward losses		Unrecognized Deferred Tax Asset	
31-Mar-25	31-Mar-25	31-Mar-25	31-Mar-25
EUR in thousand	Rs. in thousand	EUR in thousand	Rs. in thousand
11,100.00	1,007,040.00	2,360.00	214,410.00

36. The financial statements are presented in ₹-"000 except for per share information or as otherwise stated

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

38. 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 equipme nt 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	540.62	292.13	238.08	192.19	1,263.03	772.89

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 Germany GmbH

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Persistent

Persistent Telecom Solutions INC.

2055, Laurelwood Road, Suite 210, Santa Clara CA 95054, USA

Persistent Telecom Solutions Inc.

2055, Laurelwood Road, Suite 210, Santa Clara CA 95054, USA

Annual Report 2024-25

Report of the Directors

Your directors are pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc., USA, having its office in the USA.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total Income	368.51	486.89
Total Expenditure	362.20	376.33
Profit/ (Loss) before tax	6.31	110.56
Total Tax Expense	6.86	2.15
Net profit/ (Loss) after tax	**(0.55)**	**108.41**

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Dr. Anand Deshpande
b. Mr. Thomas Klein

Acknowledgments

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT TELECOM SOLUTIONS INC.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Telecom Solutions Inc.("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide

a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAD6367

Persistent Telecom Solutions Inc.

BALANCE SHEET AS AT MARCH 31, 2025

	Note	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
ASSETS			
Non-current assets			
Property, plant and equipment	5	-	-
Other intangible assets	5	-	-
		-	**-**
Financial assets			
Deferred tax asset (net)	6	67.09	68.39
		67.09	**68.39**
Current assets			
Trade receivables	7	488.83	483.08
Cash and cash equivalents	8	55.45	44.34
Other current financial assets	9	3.91	14.52
Other current assets	10	41.45	47.74
		589.64	**589.68**
TOTAL		**656.73**	**658.07**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	-	-
Other equity		289.60	283.66
		289.60	**283.66**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Trade payables	11	220.68	247.77
Other current liabilities	12	85.98	70.32
Provisions	13	8.03	8.72
Current tax liabilities (net)		52.44	47.60
		367.13	**374.41**
TOTAL		**656.73**	**658.07**
Summary of material accounting policies	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

Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent Telecom Solutions Inc.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Note	For the year ended	
		March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
Income			
Revenue from operations	14	343.22	470.68
Other income	15	25.29	16.21
Total income (A)		**368.51**	**486.89**
Expenses			
Employee benefit expenses	16.1	70.62	73.00
Cost of technical professionals	16.2	187.81	189.69
Depreciation and amortization expenses	5.1	-	-
Other expenses	17	103.77	113.64
Total expenses (B)		**362.20**	**376.33**
Profit/(Loss) before tax (A-B)		**6.31**	**110.56**
Tax expense			
Current tax		0.02	13.77
Tax charge/(credit) in respect of earlier year		3.64	2.87
Deferred tax (credit)/charge		3.20	(14.49)
Total tax expense		**6.86**	**2.15**
Net Profit/(Loss) for the year (C)		**(0.55)**	**108.41**
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 of foreign operations		6.49	3.35
		6.49	**3.35**
Total comprehensive income/(expense) for the year (C) + (D) + (E)		**5.94**	**111.76**
Earnings per equity share [nominal value of share $ 0.001 (previous year $ 0.001)]	18		
Basic `		(221.77)	43,713.71
Diluted `		(221.77)	43,713.71
Summary of material accounting policies	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

Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent Telecom Solutions Inc.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended	
		March 31, 2025 (In ₹ million)	**March 31, 2024 (In ₹ million)**
Cash flow from operating activities			
Profit/(Loss) before tax		**6.31**	**110.56**
Adjustments for:			
Foreign currency translation reserve		6.49	3.35
Unrealised foreign exchange (loss)/gain		(0.72)	(1.23)
Interest income		(6.09)	(4.29)
Excess provision in respect of earlier years written back		(19.17)	(10.75)
Provision for doubtful debts (net)		2.66	-
Operating profit before working capital changes		**(10.52)**	**97.64**
Movements in working capital :			
Decrease/(Increase) in trade receivables		(8.41)	28.88
Decrease/(Increase) in other current assets		6.30	5.79
Decrease/(Increase) in loans and advances		10.61	16.13
(Decrease)/Increase in trade payables and current liabilities		7.74	(150.61)
(Decrease)/Increase in provisions		(0.70)	(10.57)
Operating profit after working capital changes		**5.02**	**(12.74)**
Direct taxes paid (net of refunds)		-	0.93
Net cash (used in)/generated from operating activities	**A**	**5.02**	**(11.81)**
Cash flows from investing activities			
Interest received		6.09	4.29
Net cash generated from/(used in) investing activities	**B**	**6.09**	**4.29**
Cash flows from financing activities			
Interest paid		-	-
Net cash generated from/(used in) financing activities	**C**	**-**	**-**
Net (decrease)/increase in cash and cash equivalents **(A + B + C)**		11.11	(7.52)
Cash and cash equivalents at the beginning of the reporting year		44.34	51.86
Cash and cash equivalents at the end of the reporting year		**55.45**	**44.34**
Components of cash and cash equivalents		**As at March 31, 2025**	**As at March 31, 2024**
Balances with banks		55.45	44.34
Cash and cash equivalents as per note 8		**55.45**	**44.34**
Summary of material accounting policies	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 Telecom Solutions Inc.

Tejashree Joshi
Partner
Membership No.139807

Dr. Anand Deshpande
Director

Thomas Klein
Director

Place: India
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Persistent Telecom Solutions Inc.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. Equity share capital* (refer note: 4)

(In ₹ million)

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
-	-	-

(In ₹ million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
-	-	-

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Persistent Telecom Solutions Inc.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities/asset	
Balance as at April 1, 2024	306.93	(110.78)	86.39	1.12	283.66
Net profit for the year	-	(0.55)	-	-	(0.55)
Change during the year	-	-	6.49	-	6.49
Balance at March 31, 2025	**306.93**	**(111.33)**	**92.88**	**1.12**	**289.60**

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income		Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	Remeasurements of the defined benefit liabilities/asset	
Balance as at April 1, 2023	306.93	(219.19)	83.04	1.12	171.90
Net profit for the year	-	108.41	-	-	108.41
Change during the year	-	-	3.35	-	3.35
Balance at March 31, 2024	**306.93**	**(110.78)**	**86.39**	**1.12**	**283.66**

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.

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

Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

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

Dr. Anand Deshpande
Director

Place: USA
Date : April 21, 2025

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Persistent Telecom Solutions Inc.

Notes forming part of financial statements

1 Nature of operations

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

2 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments which have been measured at fair value. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except 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 financial statements are presented in ₹ Million.

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 25.

3 Material accounting policy information

3,1 Accounting year

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

3.2 Functional currency

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

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".

3.3 Use of estimates and judgements

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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is USA. 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.

c) 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.

d) 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.

e) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

c) 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. 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.

ii) 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 and use or sell it;

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

*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.

e) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

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

b) 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

c) Impairment of financial assets

i) Financial assets

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

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

ii) Non-financial assets

The carrying amounts of Property, plant and equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

f) Impairment of Property, Plant and Equipment and Other intangible assets

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

g) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

h) Investments

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

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

i) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

j) Foreign currency transactions

iInitial recognition

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

iiConversion

The transactions are in US Dollars, 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 and investments 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 year.

The exchange difference arising out of the year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

iiiSettlement

Revenue, 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 year in which the transaction is settled.

k) Retirement and other employee benefits

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

Superannuation
The Company does not have any superannuation scheme.

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

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

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities 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 assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

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

n) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

o) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p) 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.

q) Contingent liabilities

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

r) Employee stock compensation expenses

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
5,000 (Previous year : 5,000) Common Shares of $0.001 each.	US $ 5	US $ 5
	US $ 5	**US $ 5**

* Represent value less than ₹ Millions

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

There is no movement in the shares outstanding at the beginning and at the end of the reporting year.

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Persistent Telecom Solutions Inc.

Notes forming part of financial statements

5. Property, plant and equipment & other intangible assets

(In ₹ million)

	Computers	Plant & Machinery	Office equipment	Furniture & fixtures	Sub total tangibles	Software	Acquired contractual rights	Sub total intangibles	Total
Gross Block									
As at April 1, 2024	142.07	1.44	0.34	1.29	145.14	597.10	785.25	1,382.35	1,527.49
Disposals	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	3.53	0.03	0.02	0.03	3.61	13.90	20.40	34.30	37.91
As at March 31, 2025	**145.60**	**1.47**	**0.36**	**1.32**	**148.75**	**611.00**	**805.65**	**1,416.65**	**1,565.40**
Accumulated depreciation & amortization									
As at April 1, 2024	142.07	1.44	0.34	1.29	145.14	597.10	785.25	1,382.35	1,527.49
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	3.53	0.03	0.02	0.03	3.61	13.90	20.40	34.30	37.91
As at March 31, 2025	**145.60**	**1.47**	**0.36**	**1.32**	**148.75**	**611.00**	**805.65**	**1,416.65**	**1,565.40**
Net Block									
As at March 31, 2025	-	-	-	-	-	-	-	-	-
As at March 31, 2024	-	-	-	-	-	-	-	-	-
Gross Block									
As at April 1, 2023	140.12	1.42	0.33	1.27	143.14	585.50	776.45	1,361.95	1,505.09
Disposals	0.15	-	-	-	0.15	-	-	-	0.15
Effect of foreign currency translation from functional currency to reporting currency	2.10	0.02	0.01	0.02	2.15	11.60	8.80	20.40	22.55
As at March 31, 2024	**142.07**	**1.44**	**0.34**	**1.29**	**145.14**	**597.10**	**785.25**	**1,382.35**	**1,527.49**
Accumulated depreciation & amortization									
As at April 1, 2023	140.12	1.42	0.33	1.27	143.14	585.50	776.45	1,361.95	1,505.09
Charge for the year	-	-	-	-	-	-	-	-	-
Disposals	0.15	-	-	-	0.15	-	-	-	0.15
Effect of foreign currency translation from functional currency to reporting currency	2.10	0.02	0.01	0.02	2.15	11.60	8.80	20.40	22.55
As at March 31, 2024	**142.07**	**1.44**	**0.34**	**1.29**	**145.14**	**597.10**	**785.25**	**1,382.35**	**1,527.49**
Net Block									
As at March 31, 2024	-	-	-	-	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-	-	-	-	-

5.1 Depreciation and amortization expense

(In ₹ million)

	For the year ended March 31, 2025	For the year ended March 31, 2024
On Property, plant and equipment	-	-
On Other intangible assets	-	-
	-	-

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Notes forming part of financial statements

6. Deferred tax assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Deferred tax assets		
Provision for leave encashment	0.84	0.99
Provision for long service awards	0.84	0.29
Differences in depreciation and amortization and other differences in a block of tangible and intangible assets as per the US tax books and financial books	-	40.33
Brought forward and current year losses	31.23	26.26
Unbilled revenue	2.19	0.68
Others*	0.57	-
Deferred tax asset	**35.67**	**68.55**
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	(31.56)	-
Others	0.15	0.16
Deferred tax asset (net)	**67.09**	**68.39**

*The Company along with its Parent Company – Persistent Systems Inc. ("Parent Company") has opted for the consolidated direct tax filing in the United States since FY 2014-15 to optimize the tax liability at a group level.

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7. Trade receivables*

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unsecured (considered good)	488.83	483.08
Unsecured (credit impaired)	2.73	-
	491.56	483.08
Less : Allowance for doubtful trade receivables	(2.73)	-
	488.83	**483.08**

* Includes dues from related parties (refer note 19)

Trade receivables Ageing Schedule (In ₹ million)

	Curent 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	199.57	61.87	227.39	-	-	-	488.83
Undisputed Trade receivable – credit impaired	-	-	-	-	2.73	-	2.73
As At March 31, 2025	**199.57**	**61.87**	**227.39**	**-**	**2.73**	**-**	**491.56**

(In ₹ million)

	Curent 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	260.97	222.11	-	-	-	-	483.08
As At March 31, 2024	**260.97**	**222.11**	**-**	**-**	**-**	**-**	**483.08**

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Persistent Telecom Solutions Inc.

Notes forming part of financial statements

8. Cash and cash equivalents

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
- On current account	55.45	44.34
	55.45	**44.34**

9. Other current financial assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unsecured (considered good)		
Advance to related parties (Unsecured, considered good)		
-Persistent Systems Inc. (Refer note 19)	-	-
Unbilled revenue	3.91	14.52
	3.91	**14.52**

10. Other current assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	41.45	47.74
	41.45	**47.74**

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11. Trade payables*

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Trade payables for goods and services	220.68	247.77
	220.68	**247.77**

* Includes payables to related parties (Refer note 19)

Trade payables Ageing Schedule **(In ₹ million)**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.70	143.64	-	16.08	60.26	220.68
As At March 31, 2025	**0.70**	**143.64**	**-**	**16.08**	**60.26**	**220.68**

(In ₹ million)

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	7.16	240.61	-	-	-	247.77
As At March 31, 2024	**7.16**	**240.61**	**-**	**-**	**-**	**247.77**

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Notes forming part of financial statements

12. Other current liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unearned revenue	70.35	63.87
Advance from related parties (Unsecured, considered good)		
- Persistent Systems Inc.	8.09	-
Other payables		
- Statutory liabilities	2.42	1.55
Other (Unearned interest income)	5.12	4.90
	85.98	**70.32**

13. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Provision for employee benefits		
- Leave encashment	4.01	4.43
- Other employee benefits	4.02	4.29
	8.03	**8.72**

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Notes forming part of financial statements

14. Revenue from operations

	For the year ended	
	March 31, 2025 (In ₹ million)	**March 31, 2024 (In ₹ million)**
Sale of licenses (net) (refer note 19)	162.74	136.13
Sale of software services (net) (refer note 19)	180.48	334.55
	343.22	**470.68**

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 (In ₹ Million)	**March 31, 2024 (In ₹ Million)**
Segment wise disclosure		
Segment		
BFSI	120.04	77.64
Healthcare Life Science	1.00	15.37
Industrials	222.18	377.67
Total	**343.22**	**470.68**
Geographical disclosure		
Geography		
India	90.09	100.29
North America	251.66	246.52
Rest of the World	1.47	123.87
Total	**343.22**	**470.68**
Onsite-offshore disclosure		
IP Led	208.78	371.69
Offshore	8.50	35.89
Onsite	125.94	63.10
Total	**343.22**	**470.68**

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.

Notes forming part of financial statements

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

Particulars	In ₹ Million	In ₹ Million
Balance at the beginning of the year	**14.52**	**6.21**
Revenue recognised during the year	54.87	80.14
Invoices raised during the year	(65.84)	(71.99)
Translation exchange difference	0.36	0.16
Balance at the end of the year	**3.91**	**14.52**

Changes in Unearned revenue are as follows:

Particulars	In ₹ Million	
Balance at the beginning of the year	**63.87**	**88.04**
Revenue recognised during the year	689.32	89.61
Increase due to invoicing during the year, not recognised as revenue during the year	(694.63)	(114.88)
Translation exchange difference	11.79	1.10
Balance at the end of the year	**70.35**	**63.87**

15. Other income

	For the year ended	
	March 31, 2025 (In ₹ million)	**March 31, 2024 (In ₹ million)**
Interest income	6.09	4.29
Excess provision written back	19.17	10.75
Miscellaneous income	0.03	1.17
	25.29	**16.21**

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Notes forming part of financial statements

16. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹ million)	**March 31, 2024 (In ₹ million)**
16.1 Employee benefit expenses		
Salaries, wages and bonus	69.10	72.81
Staff welfare and benefits	1.52	0.19
	70.62	**73.00**
16.2 Cost of technical professionals		
- Related Parties (Refer note 19)	187.81	189.69
	187.81	**189.69**
	258.43	**262.69**

17. Other expenses

	For the year ended	
	March 31, 2025 (In ₹ million)	**March 31, 2024 (In ₹ million)**
Travelling and conveyance	0.08	0.33
Internet link expenses	-	1.62
Communication expenses	0.44	0.36
Training and seminars	0.03	0.03
Royalty expenses	69.70	59.55
Third party hosting and software fees	24.74	24.15
Purchase of software licenses and support expenses	2.20	1.67
Provision for doubtful debts	2.66	-
Rates, fees and profession tax	0.71	0.71
Legal and professional fees	0.82	4.57
Repairs and maintenance		
- Others	-	0.20
Commission on sales to other than sole selling agents	-	18.51
Advertisement and sponsorship fees	0.38	0.01
Books, memberships, subscriptions	0.52	0.07
Miscellaneous expenses	1.49	1.86
	103.77	**113.64**

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Notes forming part of financial statements

18. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Basic earnings per share			
Numerator			
Net Profit/(loss) after tax (In ₹ million)	A	(0.55)	108.41
Denominator			
Weighted average number of equity shares	B	2,480	2,480
Basic/Diluted earnings per share (Face value of US $ 0.001 each)	A / B	(221.77)	43,713.71

	For the year ended	
	March 31, 2025	**March 31, 2024**
Number of shares considered as basic weighted average shares outstanding	2,480	2,480
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**2,480**	**2,480**

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Persistent Telecom Solutions Inc.

Notes forming part of financial statements

19. Related party transactions

I. Names of related parties

Holding Company:
Persistent Systems Inc.

Companies under same Management
Persistent Systems Limited
Persistent Systems Pte. Ltd.
Persistent Malaysia Systems Sdn Bhd
Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)
Persistent Systems France SAS
Persistent Systems Lanka (Private) Limited
Persistent Systems Costa Rica Limitada

II. Related party transactions

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ Million)	March 31, 2024 (In ₹ Million)
Income				
Software Professional Services	Persistent Systems Limited	Companies under the same management	25.24	10.79
	Persistent Systems, Inc.	Holding Company	1.11	87.44
	Persistent Systems Malaysia Sdn. Bhd.	Companies under the same management	-	11.92
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Companies under the same management	1.36	14.62
	Persistent Systems Lanka (Private) Limited	Companies under the same management	0.88	-
Professional fees for sales enablement	Persistent Systems Limited	Companies under the same management	-	-
Licensing of distribution rights for software products and related services	Persistent Systems Limited	Companies under the same management	49.12	62.83
Fees for Sales and marketing services	Persistent Systems, Inc.	Holding Company	-	1.93
Expenses				
Technical Professional charges	Persistent Systems Limited	Companies under the same management	73.10	93.09
	Persistent Systems Lanka (Private) Limited	Companies under the same management		3.58
	Persistent Systems, Inc.	Holding Company	115.59	21.68
	Persistent Systems Costa Rica Limitada	Companies under the same management		5.58
Fees for Sales and marketing services	Persistent Systems, Inc.	Holding Company	-	10.53
	Persistent Systems Limited	Companies under the same management	-	-

***** These transactions are disclosed at exchange rate of INR-USD as on transaction date.
** Remuneration to Key Management Personnel does not include the provision made for leave benefits as they are determined on an acturial basis for company as a whole.

Persistent Telecom Solutions Inc.

Notes forming part of financial statements

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at March 31, 2025 (In ₹ Million)	As at March 31, 2024 (In ₹ Million)
Share capital*	Persistent Systems, Inc.	Holding Company	-	-
Securities Premium	Persistent Systems, Inc.	Holding Company	306.93	306.93
Trade payables	Persistent Systems Limited	Companies under the same management	47.87	152.84
	Persistent Systems, Inc.	Holding Company	126.03	162.13
	Persistent Systems Lanka (Private) Limited	Companies under the same management	19.12	19.51
	Persistent Systems Costa Rica Limitada	Companies under the same management	-	0.38
Advance recoverable in cash or kind	Persistent Systems, Inc.	Holding Company	1.39	4.14
Advance taken	Persistent Systems, Inc.	Holding Company	8.09	-
Trade receivables	Persistent Systems Limited	Companies under the same management	98.67	74.60
	Persistent Systems, Inc.	Holding Company	177.50	188.78
	Persistent Systems France SAS	Companies under the same management	-	0.43
	Persistent Malaysia Systems Sdn Bhd	Companies under the same management	-	8.96
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	Companies under the same management	1.40	14.72
Unearned revenue	Persistent Systems Limited	Companies under the same management	0.04	0.44

* Represent value less then ₹ Millions

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20. 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:

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹ Million)	(In ₹ Million)
Profit before tax	6.31	110.56
Enacted tax rate	21.00%	21.00%
Computed tax expense at enacted tax rate	1.33	23.22
Others	1.87	(23.93)
Prior Period Tax	3.66	2.86
Income tax expense	**6.86**	**2.15**

The company along with its holding company has decided to opt for filing consolidated income tax return in compliance with the applicable tax regulations in the United States from financial year 2014-15.
This enables the company to set off its business losses (if any) against the profits of the holding company. As it is probable that taxable profits will be available in the company/ holding company in future years, full deferred tax asset against accumulated tax losses of the company is recognized in the financial statements of the company.

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21. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: 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 Company does not foresee any major foreign exchange risk as majority of the revenue is generated and expenses are incurred in the Company's functional currency. 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.

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 ₹ 491.56 and ₹ 483.08 In Millions 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:

(In ₹ Million)

	As at	
	March 31, 2025	**March 31, 2024**
Receivables overdue for more than 90 days	231.15	216.08
Total receivables	488.83	483.08
Overdue for more than 90 days as a % of total receivables	47%	45%

Ageing of trade receivables

(In ₹ Million)

	As at	
	March 31, 2025	**March 31, 2024**
Within the credit period	199.57	260.97
1 to 30 days past due	55.45	-
31 to 60 days past due	0.43	2.87
61 to 90 days past due	4.96	3.16
91 to 120 days past due	-	1.11
121 and above past due	231.15	214.97
Less: Expected credit loss	(2.73)	-
Net trade receivables	**488.83**	**483.08**

Movement in expected credit loss allowance

(In ₹ Million)

	As at	
	March 31, 2025	**March 31, 2024**
Opening balance	-	-
Movement in expected credit loss allowance	(2.73)	-
Closing balance	**(2.73)**	**-**

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 ₹ In Millions 222.51 including cash and cash equivalents of ₹ In Millions 55.45. As at March 31, 2024, the Company had a working capital of ₹ In Millions 215.27 including cash and cash equivalents of ₹ in Millions 44.34.

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

(In ₹ Million)

	As at			
	March 31, 2025		**March 31, 2024**	
	Less than 1 year	**More than 1 year**	**Less than 1 year**	**More than 1 year**
Borrowings	-	-	-	-
Trade payables	144.34	76.34	247.77	-
Other financial liabilities	-	-	-	-

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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 Liabilties	1.61	1.57	2%	Improved collection and subsequent reduction in creditors
(b) Debt-Equity Ratio,	Debt	Equity	Not applicable	Not applicable		
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	Not applicable	Not applicable		
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	-0.00	0.48	-100%	Decrease in Revenue in current year as against no decrease in cost.
(e) Inventory turnover ratio,	-	-	Not applicable	Not applicable		
(f) Trade Receivables turnover ratio,	Turnover	Trade receivables	0.71	0.96	-26%	Decrease in Turnover in current year
(g) Trade payables turnover ratio,	Total expenses	Trade payables	1.24	1.22	2%	Decrease in Trade payable
(h) Net capital turnover ratio,	Turnover	Average Capital employed	1.20	2.07	-87%	YoY reduction in AMC and Subscription revenue, hence lower net capital turnover
(i) Net profit ratio,	Net Profit after tax	Turnover	0.00	0.23	-101%	Decrease in Revenue in current year as against no decrease in cost.
(j) Return on Capital employed,	Net Profit/(Loss) for the year	Capital employed	-0.00	0.48	-100%	Decrease in Revenue in current year as against no decrease in cost.
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	Not applicable	Not applicable		

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23. Contingent liability

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

24. The financial statements are presented in ₹ Millions except for per share information or as otherwise stated.

25. Previous year comparatives
Corresponding year's comparative figures are regrouped wherever necessary to conform to current year's classification.

The accompanying notes are an integral part of the financial statements

As per our report of even date.

For Joshi Apte &Co.,	**For and on behalf of the Board of Directors of**
Firm registration no. 104370W	**Persistent Telecom Solutions Inc.**
Chartered Accountants	

Tejashree Joshi	**Dr. Anand Deshpande**	**Thomas Klein**
Partner	Director	Director
Membership No.139807		
Place: India	Place: USA	Place: USA
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Aepona Group Limited

Regd. Office: 9, Exchange Place, International Financial Services Centre, Dublin 1, Dublin 1, Ireland

Annual Report FY 2024-2025

Report of the Directors

The Directors have pleasure in presenting the Twenty Fifth Annual Report of the Company to the Members together with the audited financial statements of the Company for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc, USA, carrying out operations from its registered office located at Dublin Ireland.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR Million)

Particulars	2024 – 2025	2023 – 2024
	Equivalent amount in INR Thousand	Equivalent amount in INR Thousand
Total income	517,848.34	1,307,368.49
Expenditure	104,599.70	536,229.42
Profit /(Loss) before taxation	**413,248.64**	**771,139.07**
Total Tax Expense	12,197.21	-
Net profit/ (loss) after taxation	**401,051.43**	**771,139.07**

Business Operations

The Company is engaged in rendering software development and professional services in the Ireland.

Directors

The Members may note that Your company has appointed Mr. Vinit Teredesai as a Director of the Company.

1. Mr. Arnaud Pierrel Director
2. Mr. Narasinha Upadhye Director
3. Mr. Vinit Teredesai Director

Event based Disclosures

1. **Transfer of Shares**
   Your Company transferred (Sell) of shares of Persistent Systems UK Limited from Aepona Group Limited, (the 'Company') Ireland to Persistent Systems Limited, India, and executed the stock transfer form and Share Purchase Agreement

2. **Issuance of Duplicate Share Certificates to the Parent Company after conversion of share capital from GBP to EUR**
   Your Company issued duplicate share certificates. The new Share Certificates were adopted and issued to Persistent Systems Limited upon conversion of the Share Capital from GBP to EUR. This effect was given due to the change in the maintenance of the Books of accounts i,e the change in the accounting currency from GBP to EUR.

3. **Appointment of a Director – Mr. Vinit Teredesai and resignation of Mr. Sunil Sapre as a Director**

Your Company noted the appointment of Mr. Vinit Teredesai and the resignation of Mr. Sunil Sapre as the Director of the Company on December 17, 2024.

Office bearers

As on the date of this Report, following were the office bearers:

1. Mr. Narasinha Upadhye – Treasurer
2. Broc Secretarial Services Limited – Secretary

Acknowledgments

The Board would like to thank all the stakeholders of the Company for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AEPONA GROUP LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Aepona Group Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial

statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial

reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the

standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAF6966

Aepona Group 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			
Right-of-use Asset	5.1	1,833.11	4,022.73
		1,833.11	**4,022.73**
Financial Assets			
-Loans and Advances	6	916,976.34	-
-Non current investments	7	7.26	7.14
-Other non current financial assets	8	774.47	189.04
		919,591.18	**4,218.91**
Current assets			
Financial Assets			
- Trade receivables	9	61,752.16	-
- Cash and cash equivalents	10	152,401.10	-
- Other financial assets	11	138,947.03	824,809.93
Other current assets	12	457.79	232.51
		353,558.08	**825,042.44**
TOTAL		**1,273,149.26**	**829,261.35**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	4	61,774.86	58,193.59
Other equity		1,184,921.49	761,499.78
		1,246,696.35	**819,693.37**
Non- current liabilities			
Financial Liabilities			
- Borrowings			
-Other non current financial liabilities	13	-	1,942.89
		-	**1,942.89**
Current Libilities			
- Trade payables	14	4,307.82	1,167.73
Other current liabilities	15	10,016.20	6,457.36
Current tax liabilities		12,128.89	-
		26,452.91	**7,625.09**
TOTAL		**1,273,149.26**	**829,261.35**
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

Tejashree Joshi
Partner
Membership no. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Aepona Group Limited

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Aepona Group Limited

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025.

	Notes	For the year ended	
		March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Income			
Revenue from operations (net)	16	115,698.08	3,463.90
Other income	17	402,150.26	1,303,904.59
Total income (A)		**517,848.34**	**1,307,368.49**
Expenses			
Employee benefits expense	18	97,276.14	2,738.80
Finance costs		210.20	54.37
Depreciation and amortization expense	5.2	2,144.52	354.34
Other expenses	19	4,968.84	516,279.97
Provision for doubtful ICD		-	16,801.94
Total expenses (B)		**104,599.70**	**536,229.42**
Profit/ (loss) before tax (A - B)		**413,248.64**	**771,139.07**
Tax expense			
Current tax		12,197.21	-
MAT credit entitlement		-	-
Tax credit in respect of earlier years		-	-
Deferred tax charge / (credit)		-	-
Total tax expense		**12,197.21**	**-**
Net profit/ (loss) for the period / year (C)		**401,051.43**	**771,139.07**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / (asset)			
		-	**-**
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		19,887.34	11,832.39
Total other comprehensive income for the period/year (D) + (E)		**19,887.34**	**11,832.39**
Total comprehensive income for the period/year (C) + (D) + (E)		**420,938.77**	**782,971.46**
Earnings per equity share (Refer note 6 for nominal value of the shares and note 7 for earnings per equity share)	20		
Basic (In ₹)		0.00	0.00
Diluted (In ₹)		0.00	0.00
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

Tejashree Joshi	Arnaud Pierrel	Narasinha Upadhye
Partner	Director	Director
Membership no. 139807		
Place: India	Place: France	Place: India
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Aepona Group Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended	
		March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Cash flow from operating activities			
Profit/(Loss) before tax		**413,248.64**	**771,139.07**
Adjustments for:			
Depreciation and amortization expense		2,144.52	354.34
Interest income		(71,215.99)	(16,801.94)
Foreign currency translation reserve		19,887.34	11,832.39
Unrealised exchange (gain)/ loss (net)		(46,424.37)	(1,927.63)
Finance Cost		210.2	54.37
Provision for doubtful ICD		-	16,801.94
Profit/(loss) on sale of Investment in wholly own subsidiary		-	(515,494.92)
Provision (including reversal) in respect of Investment		(230.35)	(1,287,102.65)
Provision (including reversal) in respect of ICD written back		(318,070.98)	-
(Operating loss) before working capital changes		**(450.98)**	**(1,021,145.03)**
Movements in working capital :			
(Increase)/decrease in other current assets		624,105.67	1,018,056.48
(Increase)/decrease in loans and advances		(717,899.41)	-
Increase/(decrease) in trade payables and current liabilities		51,163.02	3,728.03
Operating (loss)/ profit after working capital changes		**(43,081.71)**	**639.48**
Direct taxes paid (net of refunds)		-	-
Net cash generated from operating activities	**(A)**	**(43,081.71)**	**639.48**
Cash flows from investing activities			
Inter corporate deposit given		-	-
Receipt of funds against sale of Investment in UK subsidiary		782,137.53	
Security Deposit given		(585.43)	(189.04)
Net cash generated from investing activities	**(B)**	**781,552.10**	**(189.04)**
Cash flows from financing activities			**-**
Payment towards lease liability		(2,530.20)	(450.44)
Inter corporate deposit given		(759,554.05)	
Receipt of intercorporate deposit given		133,474.52	
Receipt of Interest on intercorporate deposit		42,540.45	
Net cash generated from financing activities	**(C)**	**(586,069.28)**	**(450.44)**
Net increase in cash and cash equivalents (A + B + C)		**152,401.10**	**-**
Cash and cash equivalents at the beginning of the period/year		-	-
Cash and cash equivalents at the end of the period/ year		**152,401.10**	**-**

Components of cash and cash equivalents	**As at March 31, 2025 (In ₹'000)**	**As at March 31, 2024 (In ₹'000)**
Cash on hand	-	**-**
Balances with banks		
- on current account	152,401.10	-
Cash and cash equivalents in cash flow statement	**152,401.10**	**-**

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

Tejashree Joshi
Partner
Membership no. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Aepona Group Limited

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Aepona Group Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

4(a)

(In ₹'000)

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
Class A		
4,167.91	-	4,167.91
Class B	-	
54,025.68	3,581.27	57,606.95
58,193.59	**3,581.27**	**61,774.86**

(In ₹'000)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
Class A		
4,167.91	-	4,167.91
Class B		
54,025.68	-	54,025.68
58,193.59	**-**	**58,193.59**

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Aepona Group Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

4 (b)

(In ₹'000)

Particulars	Reserves and surplus		Other comprehensive income	Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	2,897,682.44	(2,046,795.86)	(93,455.46)	761,499.78
Changes in Equity during the Year	-	2,482.94	-	2,482.94
Other Comprehensive income during the year	-	-	19,887.34	19,887.34
Net profit/(loss) during the year		401,051.43	-	401,051.43
Balance at March 31, 2025	**2,897,682.44**	**(1,643,261.49)**	**(73,568.12)**	**1,184,921.49**

(In ₹'000)

Particulars	Reserves and surplus		Other comprehensive income	Total
	Securities premium reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2023	2,897,682.44	(2,817,934.93)	(105,287.85)	(21,471.68)
Other Comprehensive income during the year	-	-	11,832.39	11,832.39
Net profit/(loss) during the year	-	771,139.07	-	771,139.07
Balance at March 31, 2024	**2,897,682.44**	**(2,046,795.86)**	**(93,455.46)**	**761,499.78**

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

Tejashree Joshi
Partner
Membership no. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Aepona Group Limited

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Nature and purpose of reserves

a) Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

b) General reserve

General reserve represents amounts transferred from profit for the period and from Share options outstanding reserve on exercise / expiry of employee share options. It is a free reserve in terms of section 2 (43) of the Companies Act, 2013.

c) 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.

Aepona Group Limited

Notes forming part of financial statements

1 Nature of operations

Aepona Group Limited (an Ireland based wholly owned subsidiary of Persistent Systems, Inc.) The company is specialised in software development services.

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 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

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 ₹ Thousands.

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 EUR. 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 crtitical accounting estimates involiving 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 lossed 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. The compaby uses significant judgements to assess contingent liabilities.

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.

(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

*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.

(f) 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.

(g) 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.

Amendment to Ind AS 23 Borrowing costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact related to this amendment.

(h) 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 of the lease and
- 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 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 recognized 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 recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

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 recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

(i) 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, 2018, 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.

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 Group. Hence, they are excluded from revenue.

(ii) Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

(iii) Dividend

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date. Dividend income is included under the head 'Other income' in the statement of profit and loss.

(j) 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.

(k) 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 Irish Tax and Customs Service. 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.

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.

(l) 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.

(m) 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.

(n) 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.

(o) 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.

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized shares		
Class A		
1,000,000 thousand Ordinary Shares of €0.012 each.	EUR 12,000	EUR 12,000
Class B		
1521,000,000 thousand Ordinary Shares of £0.000001 each	GBP 1,521	GBP 1,521
Issued, subscribed and fully paid-up shares		
Class A		
5,644.82 thousand Ordinary Shares of €0.012 each.	4,167.91	4,167.91
Class B		
544,417,875.49 thousand Ordinary Shares of £0.000001 each	54,025.68	54,025.68
Issued, subscribed and fully paid-up share capital	**58,193.59**	**58,193.59**

All the shares are held by Persistent Systems Inc

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

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

(In ₹'000)

	March 31, 2025		March 31, 2024	
	No of shares	(in ₹ '000)	No of shares	(in ₹ '000)
Number of shares at the beginning of the year	10,000,00	61,774.86	10,000,00	58,193.59
Add: Issued during the period / year	-	-	-	-
Number of shares at the end of the year	**10,000,00**	**61,774.86**	**10,000,00**	**58,193.59**

b) Terms / rights attached to equity shares

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

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

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
Persistent Systems Inc	**10,000.00**	-	**10,000.00**	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
Persistent Systems Inc	**10,000.00**	-	**10,000.00**	100%	-

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5.1. Right -of- use assets

(In ₹'000)

	Right -of- use assets	Total
Gross block (At Cost)		
As at April 1, 2024	4,381.90	4,381.90
Additions	(70.00)	(70.00)
Deletions	-	-
Effect of foreign currency exchange differences	73.18	73.18
As at March 31, 2025	**4,385.08**	**4,385.08**
Amortization		
As at April 1, 2024	359.17	359.17
Charge for the period	2,144.52	2,144.52
Effect of foreign currency exchange differences	48.28	48.28
As at March 31, 2025	**2,551.97**	**2,551.97**
Net block		
As at March 31, 2025	**1,833.11**	**1,833.11**
As at March 31, 2024	**4,022.73**	**4,022.73**

(In ₹'000)

	Right -of- use assets	Total
Gross block (At Cost)		
As at April 1, 2023	-	-
Additions	4,381.90	4,381.90
Disposals		-
Effect of foreign currency exchange differences	-	-
As at March 31, 2024	**4,381.90**	**4,381.90**
Amortization		
As at April 1, 2023	-	-
Charge for the period	354.34	354.34
Reversals/ Disposals during the period		-
Effect of foreign currency exchange differences	4.83	4.83
As at March 31, 2024	**359.17**	**359.17**
Net block		
As at March 31, 2024	**4,022.73**	**4,022.73**
As at March 31, 2023	**-**	**-**

5.2 Depreciation and amortization expense

(In ₹000)

	For the year ended	
	March 31, 2025	**March 31, 2024**
Right of Use of Assets	2,144.52	354.34
	2,144.52	**354.34**

Aepona Group Limited
Notes forming part of financial statements

6. Loans and Advances

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Intercorporate Deposit given to Persistent Systems UK Limited (formerly known as Aepona Limited) Inter corporate deposit given to Persistent Systems UK Limited (formerly known as Aepona Limited) (Repayment terms : After 36 months @ EURIBOR plus 3%) Inter corporate deposit given to Persistent Systems UK Limited (formerly known as Aepona Limited) (Repayments terms: After 36 months @ SONIA plus 2.5%)	916,976.34	256,283.58
Less: Provision for doubtful deposits	-	(256,283.58)
	916,976.34	**-**

7. Non-current investments

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Investments in Equity Instruments (At cost)		
In wholly owned subsidiary companies		
Investment in Persistent Systems UK Limited (formerly known as Aepona Limited) (12,393.83 thousand Ordinary shares of GBP 1 each fully paid up.)	-	-
Less: Provision for diminution in value of investment	-	-
	-	-
Investment in Persistent Systems (Lanka) Limited	7.26	7.14
	7.26	**7.14**

8. Non-Current Financial Asset

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Security Deposit	774.47	189.04
	774.47	**189.04**

9. Trade Receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade Receivables	61,752.16	-
	61,752.16	-

Trade receivables Ageing Schedule

	Curent 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	21,349.09	40,403.07	-	-	-	-	61,752.16
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	**21,349.09**	**40,403.07**	**-**	**-**	**-**	**-**	**61,752.16**

	Curent 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	-	-	-	-	-	-	-
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	**-**	**-**	**-**	**-**	**-**	**-**	**-**

10. 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	152,401.09	-
	152,401.10	**-**

11. Other financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Interest on intercorporate deposit		
- Persistent Systems UK Limited (formerly known as Aepona Limited)	98,849.16	66,011.46
Less: Provision for doubtful deposits	-	(65,975.92)
	98,849.16	35.54
Advance to related parties		
- Persistent Systems Inc	40,097.87	39,125.69
Intecompany receivable for sale of shares		
- Persistent Systems Limited	-	782,137.53
	138,947.03	**821,298.76**
Unbilled revenue	-	3,511.17
	138,947.03	**824,809.93**

12. Other current Asset

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advances recoverable in cash or in kind	395.02	232.51
VAT Receivable	62.77	-
	457.79	**232.51**

Notes forming part of financial statements

13. Other long term financial liabilities

	As at March 31 ,2025 (In ₹'000)	As at March 31 ,2024 (In ₹'000)
Lease liabilities	2,036.20	3,971.98
Less: Current maturity of lease liabilities	(2,036.20)	(2,029.09)
	-	1,942.89

Movement of lease liabilities

	As at March 31 ,2025 (In ₹'000)	As at March 31 ,2024 (In ₹'000)
Opening balance	3,971.98	-
Additional Lease	(77.77)	4,295.38
Add: Interest recognised during the period	210.20	54.37
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	251.79	18.30
Less: Payments made	(2,320.00)	(396.07)
Closing balance	**2,036.20**	**3,971.98**

14. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31 ,2024 (In ₹'000)
Intercompany trade payables	4,307.82	1,167.73
	4,307.82	1,167.73

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	3,747.00	-	560.82	-	-	4,307.82
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2025	**3,747.00**	**-**	**560.82**	**-**	**-**	**4,307.82**

	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	454.41	-	-	713.32	-	1,167.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2024	**454.41**	**-**	**-**	**713.32**	**-**	**1,167.73**

15. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31 ,2024 (In ₹'000)
Advance from related party		
'Persistent Systems UK Limited (formerly known as Aepona Limited)	929.26	3,584.77
Current maturity of lease liabilities	2,036.20	2,029.09
Statutory liabilities	4,577.22	843.50
Other employee benefits	2,473.50	-
	10,016.20	**6,457.36**

16. Revenue from operations

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Software services	115,698.08	3,463.90
	115,698.08	**3,463.90**

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	115,698.08	3,463.90
BFSI	-	-
LSHC	-	-
Total	**115,698.08**	**3,463.90**
Geographical disclosure		
India	115,698.08	3,463.90
North America	-	-
Rest of the World	-	-
	115,698.08	**3,463.90**
Onsite / offshore		
IP Led	-	-
Offshore	-	-
Onsite	115,698.08	3,463.90
	115,698.08	**3,463.90**

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.

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17. Other Income

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Interest on intercorporate deposit	71,215.99	16,801.94
Reversal of provision in respect of Doubtful ICD	318,070.98	-
Miscellaneous income	230.35	-
Reversal of provision in respect of Investment in Subsidiary written back	407.06	1,287,102.65
Foreign exchange loss (net)	12,225.88	-
	402,150.26	**1,303,904.59**

18. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
18.1. Employee benefits expense		
Salaries, wages and bonus	79,006.71	2,290.51
Staff welfare and benefits	15,519.89	-
	94,526.60	**2,290.51**
18.2. Cost of technical professionals		
Technical professionals - others	2,749.54	448.29
	2,749.54	**448.29**
	97,276.14	**2,738.80**

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Notes forming part of financial statements

19. Other expenses

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Communication expenses	137.60	-
Profit/(loss) on sale of Investment in wholy own subisidery	-	515,494.92
Foreign exchange loss (net)	-	785.05
Rent	8.36	-
Legal and professional fees	4,115.40	-
Auditors' remuneration	453.81	-
Rates and taxes	102.89	-
Miscellaneous expenses	150.78	-
	4,968.84	**516,279.97**

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20. Earnings per equity share

		For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'000)	(A)	401,051.43	771,139.07
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	585,550,875,489	585,550,875,489
Denominator for Diluted EPS			
Number of equity shares	(C)	585,550,875,489	585,550,875,489
Basic Earnings per share of face value of Class A Ordinary Shares of €0.012 each and Class B Ordinary Shares of £0.000001 each (In ₹)	(A/B)	0.00	0.00
Diluted Earnings per share of face value of Class A Ordinary Shares of €0.012 each and Class B Ordinary Shares of £0.000001 each (In ₹)	(A/C)	0.00	0.00

	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	585,550,875,489	585,550,875,489
Add: Effect of dilutive issues of stock options	-	
Number of shares considered as weighted average shares and potential shares outstanding	**585,550,875,489**	**585,550,875,489**

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21 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 Liabilties	13.37	108.20	-88%	Reduction in lease property.
(b) Debt-Equity Ratio,	Debt	Equity		Not applicable		
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year		Not applicable		
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.39	1.80	-78%	Provision for diminution investment written banck of Peresistent Systems Ltd
(e) Inventory turnover ratio,	-	-		Not applicable		
(f) Trade Receivables turnover ratio,	Trade Receivables	Turnover	3.75	-		Increase in trade receivables
(g) Trade payables turnover ratio,	Trade Payables	Turnover	1.50	404.66	-100%	Provision for diminution investment written back of Peresistent Systems Ltd
(h) Net capital turnover ratio,	Turnover	Average working capital				
(i) Net profit ratio,	Net Profit after tax	Turnover		Not applicable		
(j) Return on Capital employed,	Earnings Before Interest	Average capital employed		Not applicable		
(k) Return on investment.						

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22 Related Party Disclosure

i) Names of related parties and their related party relationships
Holding Company
-Persistent Systems Inc.
Subsidiary Companies
'- Persistent Systems (Lanka) Limited
Companies under same management
- Persistent Systems UK Limited (formerly known as Aepona Limited)

ii) Balances Outstanding

(In ₹'000)

Particulars	**Name of related party**	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Share Capital	Persistent Systems Inc.	61,774.86	58,193.59
Non-current investments	Persistent Systems (Lanka)Limited	7.26	7.14
Trade payables	Persistent Systems Limited	-	37.17
	Persistent Systems UK Limited (formerly known as Aepona Limited)	-	676.15
Trade receivables	Persistent Systems Limited	61752.16	-
Advance given	Persistent Systems Inc	40,097.87	39,125.69
	Persistent Systems Limited	-	-
Advance received	Persistent Systems UK Limited (formerly known as Aepona Limited)	929.26	3,584.77
Unbilled Receivable	Persistent Systems Inc	-	3,511.17
Loans and Advances	Persistent Systems UK Limited (formerly known as Aepona Limited)	916,976.34	-
Interest on intercorporate deposit	Persistent Systems UK Limited (formerly known as Aepona Limited)	98,849.16	66,011.46

ili) Related Party Transaction

(In ₹'000)

Particulars	**Name of related party**	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Sale of Service	Persistent Systems Limited	115,698.08	3,463.90
Other Income	Persistent Systems UK Limited (FKA Aepona Limited)	71,215.99	16,801.94

23 Auditors Remuneration

(In ₹'000)

Particulars	**As at**	
	March 31, 2025	**March 31, 2024**
Audit Fees	453.81	-

24 Unhedged Foreign Currency exposure at the end of the year:

(In ₹'000)

Particulars	31-Mar-25			31-Mar-24		
	Foreign currency	Conversion rate	Amount in (In ₹ 000)	Foreign currency	Conversion rate	Amount in (In ₹ 000)
Intercompany ICD	GBP 1,184.59	110.6324	131,054.44	-	-	-
Interest accrued on non current loans / deposit	GBP 380.77	110.6324	42,125.82	-	-	-
Trade payables	GBP (8.40)	110.6324	(929.31)	-	-	-
	USD 469.15	85.4700	40,097.87			

25. Leases

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

	Year ended March 31, 2025	Year ended March 31, 2024
-Less than one year	2,115.52	2,237.88
-One to five years	-	2,051.39
-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 ₹ 210.20 thousands under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.2).

26 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:

	March 31, 2025	March 31, 2024
Trade Payable	39,168.55	37.17
Intercompany ICD	131,054.44	-
Interest accrued on non current loans / deposits	42,125.82	-

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 1% and (-1%)respectively.

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)

Particulars	As at	
	March 31, 2025	**March 31, 2024**
Receivables overdue for more than 90 days	40,403.07	-
Total receivables	61,752.16	-
Overdue for more than 90 days as a % of total receivables	65%	0%

Ageing of trade receivables:

(In ₹'000)

Particulars	As at	
	March 31, 2025	**March 31, 2024**
Within the credit period	22,861.47	-
1 to 30 days past due	-	-
31 to 60 days past due	16,898.61	-
61 to 90 days past due	21,992.08	-
91 to 120 days past due	-	-
121 and above past due	-	-
Less: Expected credit loss	-	-
Net trade receivables	**61,752.16**	**-**

Movement in expected credit loss allowance:

(In ₹'000)

Particulars	As at	
	March 31, 2025	**March 31, 2024**
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. 327,105.17 thousand including cash and cash equivalents of Rs.152,401.10 thousand.. As at March 31, 2024, the Company had a working capital of Rs. 817,417.35 thousand.

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

(In ₹'000)

	March 31, 2025		**March 31, 2024**	
	Less than 1 year	**More than 1 year**	**Less than 1 year**	**More than 1 year**
Trade payables	3,747.00	560.82	454.41	713.32
Other financial liabilities	2,115.52	-	2,237.88	2,051.39

27 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	March 31, 2025	March 31, 2024
Profit before tax	413,248.64	-
Enacted tax rate	12.50%	-
Computed tax expense at enacted tax rate	51,656.08	-
Effect of unused tax losses not recognized as deferred tax assets		-
Non-deductible expenses	(41,041.02)	-
Tax benefit on set-off of carry-forward losses	1,582.15	-
Income tax expense	12,197.21	-

The Company has cumulative unutilized corporate income tax losses as of March 2025. These tax losses are available for future utilization to offset future taxable profits of the Company, subject to the applicable tax laws and regulations. As at the balance sheet date, the Company has not recognized deferred tax asset with respect to the aforesaid unutilized corporate income tax losses. The details are provided in below table.

28 On June 24, 2020, Valista Limited the wholly owned subsidiary of Aepona Group Ltd stands liquidated and all assets are taken over by Aepona Group limited.

29 Contingent liabilities

The Company does not have any contingent liability as on March 31, 2025 (Previous year: ₹ NIL)

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

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

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

As per our report of even date

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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Aepona Group Limited

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems UK Limited
(Formly known as Aepona Limited)

Regd. Office: Forsyth House, Cromac Square, Belfast, Northern Ireland, BT2 8LA

Persistent Systems UK Limited
(Formly known as Aepona Limited)

Regd. Office: Forsyth House, Cromac Square, Belfast, Northern Ireland, BT2 8LA

Annual Report 2024-2025

Report of the Directors

The Directors have pleasure in presenting the Twenty-Sixth Annual Report of the Company to the members together with the audited financial statements of the Company for the Financial Year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Limited, India carrying out operations from its registered office located at Pune.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR in Thousand)

Particulars	2024 – 2025	2023 – 2024
Total income	3,906.19	2,749.59
Expenditure	3,729.65	2,567.50
Profit /(Loss) before taxation	**176.54**	**182.09**
Total Tax Expense	-	(0.18)
Net profit/ (loss) after taxation	**176.54**	**182.27**

Business Operations

The Company is engaged in rendering software development and professional services in the U.K.

Change in name of the Entity

The name of your Company was changed from Aepona Limited UK to Persistent Systems UK Limited. The same was updated on Companies House.

Event based Disclosures

a. Transfer of Ownership of shares from Aepona Group Limited to Persistent Systems Limited.

Your Company transferred the shares from Aepona Group Limited to Persistent Systems Limited on March 19, 2024. Resultantly, the Parent Company is now Persistent Systems Limited.

Shares Class	Date of Transfer	No of Shares	Members
Ordinary £1	March 19,2024	12,393,827	Transferor – Aepona Group Limited. Transferee-Persistent Systems India.

b. Transfer of Business Agreement from Persistent Systems Limited UK Branch to Persistent Systems UK Limited.

Your Company executed the Business Transfer Agreement (BTA) of the UK Branch of Persistent Systems Limited including its business, stakeholders, Employees, assets and Liabilities and the terms and conditions of the BTA on April 1, 2024.

c. Appointment of a Director – Mr. Vinit Teredesai and resignation of Mr. Sunil Sapre as a Director

The Board noted the resolution passed at their Board Meeting of the Company regarding the appointment of Mr. Vinit Teredesai and the resignation of Mr. Sunil Sapre as the Director of the Company on December 17, 2024.

Directors

The Directors of the Company in office are:

a. Mr. Vinit Teredesai , India
b. Mr. Narasinha (Avadhoot) Upadhye, India
c. Mr. Rajasekar Sukumar, UK.

Acknowledgements
The Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF Persistent Systems UK Limited (formerly known as Aepona Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems UK Limited (formerly known as Aepona Limited)("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 3.1 (b) to notes forming part of the standalone financial statements. The Company executes multiple fixed-price software development contracts, where revenue is recognized using the percentage of completion method, as per the Input method prescribed under Ind AS 115 – Revenue from Contracts with Customers. Recognizing revenue for these contracts involves significant management judgment and estimation, due to the following factors that required heightened auditor attention: • Elevated inherent risk concerning revenue accuracy, considering the customized and complex nature of these contracts, and the extensive use of IT systems. • Significant estimation uncertainty associated with assessing the stage of completion, actual costs incurred to date, and the anticipated costs to complete	Our audit procedures in relation to the accuracy of revenue recognition and assessment of onerous obligations in fixed-price contracts included, but were not limited to, the following: • Gained an understanding of the systems, processes, and internal controls established by management to compute and record revenue, unbilled revenue, unearned/deferred revenue, and onerous contract obligations. • Evaluated the design and tested the operating effectiveness of relevant internal financial manual controls. and involved auditor's experts to: → Verify the IT controls ensuring completeness and accuracy of cost, effort, and revenue reports generated by the system; → Evaluate access and application controls related to resource allocation and budgeting systems, to ensure protection against unauthorized changes in the recording of incurred efforts, and to validate controls over estimating contract efforts for completion.

the remaining work. • Identification and assessment of onerous contracts and related obligations. • Determination of unbilled revenue receivables and unearned revenue as at the reporting date. Given the materiality of the amounts involved and the considerable judgment and subjectivity inherent in the estimates mentioned above, we identified the recognition of revenue from fixed-price contracts, and the assessment of onerous contracts and associated provisions, as a key audit matter for the current year audit.	• Selected samples of contracts and performed a retrospective analysis comparing actual efforts incurred with earlier estimates, to identify major variances and assess whether such variances were considered in revising estimates for remaining efforts. • Reviewed selected contracts with unbilled revenue to identify any milestone delays that might necessitate revision of estimated efforts for pending performance obligations. • Conducted analytical procedures to assess the reasonableness of incurred and estimated efforts. • Evaluated management's process for identifying onerous contracts based on the above-reviewed estimates. • Assessed the adequacy and appropriateness of the disclosures provided in the standalone financial statements regarding revenue recognition in accordance with the applicable Indian Accounting Standards.

Emphasis of Matter

We draw attention to note no 34, during the period Persistent Systems UK Limited, Persistent UK branch has entered into business transfer agreement and accordingly business of the UK branch has been transferred to Persistent Systems UK Limited with effect from April 01, 2024. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. Accordingly, there is reduction in opening balance of other equity amounting to INR 462.26 Million on account of Capital reserve.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone

financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules

thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

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For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune
Date: 21st April, 2025
UDIN: 25139807BMLLAG3758

Persistent Systems UK Limited (formerly known as Aepona Limited)

BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	13.35	16.31
Other Intangible assets	5.2	1.66	1.98
Right of use assets	5.3	111.78	-
Goodwill	5.4	38.27	36.41
		165.06	**54.70**
Financial assets			
-Loan and Advances	6	-	83.40
- Investment	7	221.26	-
- Other Non Current Financial Assets	8	25.39	19.55
		411.71	**157.65**
Current assets			
Financial assets			
- Trade receivables	9	1,736.37	1,183.58
- Cash and cash equivalents	10	476.60	98.55
- Other current financial assets	11	244.05	231.06
Other current assets	12	65.66	8.85
		2,522.67	**1,522.04**
TOTAL		**2,934.40**	**1,679.69**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	1,230.62	1,230.62
Other equity		(1,346.38)	(1,519.51)
		(115.76)	**(288.89)**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	13	916.98	1,017.98
- Other long-term liabilities	14	113.83	-
		1,030.81	**1,017.98**
Current liabilities			
Financial liabilities			
- Trade payables	15	1,238.12	562.65
- Other current financial liabilities	16	362.21	82.23
Other current liabilities	17	337.57	240.50
Provisions	18	81.45	65.22
Current tax liabilities (net)		-	-
		2,019.35	**950.60**
TOTAL		**2,934.40**	**1,679.69**
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 UK Limited (formerly known as Aepona Limited)

per Tejashree Joshi	Rajasekar Sukumar	Narasinha Upadhye
Partner	Director	Director
Membership No. 139807		
Place: India	Place: United Kingdom	Place: India
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent Systems UK Limited (formerly known as Aepona Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025.

	Notes	For the year ended March 31, 2025 (In ₹ million)	For the year ended March 31, 2024 (In ₹ million)
Income			
Revenue from operations	19	3,852.61	2,713.74
Other income	20	53.58	35.85
Total income (A)		**3,906.19**	**2,749.59**
Expenses			
Employee benefits expense	21.1	961.25	803.37
Cost of technical professionals	21.2	2,116.44	1,061.61
Finance costs		71.48	16.80
Depreciation and amortization expense	5.3	9.22	9.83
Other expenses	22	571.26	675.89
Total expenses (B)		**3,729.65**	**2,567.50**
Profit/(loss) before tax (A - B)		**176.54**	**182.09**
Tax expense			
Current tax		-	-
Tax credit in respect of earlier years		-	(0.18)
Total tax expense		-	**(0.18)**
Net profit/(loss) for the period/ year (C)		**176.54**	**182.27**
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 of foreign operations		(3.41)	138.14
Total other comprehensive income for the period/year (D) + (E)		**(3.41)**	**138.14**
Total comprehensive income for the period/year (C) + (D) + (E)		**173.13**	**320.41**
Earnings per equity share	23		
[Nominal value of share GBP 1 (Previous quarter/year: GBP 1)]			
Basic (In ₹)		14.24	14.71
Diluted (In ₹)		14.24	14.71
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 UK Limited (formerly known as Aepona Limited

Rajasekar Sukumar
Director

Place: United Kingdom
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems UK Limited (formerly known as Aepona Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended March 31, 2025 (In ₹ million)	For the year ended March 31, 2024 (In ₹ million)
Cash flow from operating activities			
Profit / (loss) before tax		**176.54**	**182.09**
Adjustments for:			
Finance cost		71.48	16.80
Excess provision written back		(52.16)	(14.37)
Interest income		(0.29)	(6.69)
Debit balances/Deposits W/off		7.48	2.23
Depreciation and amortization expense		9.22	9.83
Unrealised exchange (gain)/ loss (net)		23.99	3.65
Addition to Capital reserve on account of business restructuring		-	462.26
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)		28.03	0.58
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents		1.21	1.78
Currency translation reserve		(3.41)	173.06
Operating profit before working capital changes		**262.10**	**831.22**
Movements in working capital :			
(Increase)/Decrease in trade receivables		(589.51)	(2,013.01)
(Increase)/ Decrease in other current assets (including financial assets)		(58.84)	(630.60)
(Increase)/ Decrease in loans and advances		-	(22.30)
Increase/(Decrease) in trade payables and current liabilities		1,019.85	1,844.25
Increase/(Decrease) in provisions		60.91	62.96
Operating profit after working capital changes		**694.52**	**72.51**
Direct taxes paid (net of refunds)		-	-
Net cash generated from operating activities	**(A)**	**694.52**	**72.51**
Cash flows from investing activities			
Payment towards capital expenditure		(3.51)	(5.97)
Investment in unquoted securities		(221.26)	-
Interest on Inter corporate deposits given		-	5.16
Receipt of Inter corporate deposits given		-	-
Payment towards acquisition of business asset		-	(941.23)
Net cash (used in) investing activities	**(B)**	**(224.77)**	**(942.04)**
Cash flows from financing activities			
Receipt of Inter corporate deposits given		83.49	735.48
Receipt of Interest on Inter corporate deposits given		2.04	-
Inter corporate deposits paid		(133.47)	-
Interest paid		(42.54)	-
Net cash (used in) financing activities	**(C)**	**(90.49)**	**735.48**

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Net (Decrease)/ increase in cash and cash equivalents (A + B + C)	379.26	(134.05)
Cash and cash equivalents at the beginning of the year	98.55	66.87
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(1.21)	(1.78)
Cash and cash equivalents on account of acquisition of business asset	-	167.51
Cash and cash equivalents at the end of the year	**476.60**	**98.55**
Components of cash and cash equivalents		
Balances with banks		
On current accounts	476.60	98.55
Cash and cash equivalents as per note 10	**476.60**	**98.55**

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.
ICAI 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 UK Limited (formerly known as Aepona Limited)

Rajasekar Sukumar
Director

Place: United Kingdom
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems UK Limited (formerly known as Aepona Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

Equity Share Capital (Refer note 4)

(In ₹ million)

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
1,230.62	-	-	1,230.62

(In ₹ million)

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
1,230.62	-	-	1,230.62

Persistent Systems UK Limited (formerly known as Aepona Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Capital Reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2024	(462.26)	(984.51)	(72.74)	(1,519.51)
Other comprehensive income during the year	-	-	(3.41)	(3.41)
Net profit/(loss) during the year	-	176.54	-	176.54
Balance at March 31, 2025	**(462.26)**	**(807.97)**	**(76.15)**	**(1,346.38)**

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Capital Reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	-	(1,166.78)	(210.88)	(1,377.66)
Addition on account of business restructuring	(462.26)	-	-	(462.26)
Other comprehensive income during the year	-	-	138.14	138.14
Net Profit/(loss) during the year	-	182.27	-	182.27
Balance at March 31, 2024	**(462.26)**	**(984.51)**	**(72.74)**	**(1,519.51)**

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.
ICAI 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 UK Limited (formerly known as Aepona Limited)

Rajasekar Sukumar
Director

Place: United Kingdom
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems UK Limited (formerly known as Aepona Limited)

Notes forming part of financial statements

1 Nature of operations

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Persistent Systems Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs.

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 ₹ million.

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 GBP.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 lossed 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.

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.

(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

*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.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

(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.

Amendment to Ind AS 23 Borrowing costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact related to this amendment.

(g) 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 of the lease and
- 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 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 recognized 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 recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

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 recognizes lease payments received under operating leases as income over the lease term on a straight-line basis.

(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

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.

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) 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.

(k) 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.

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.

(l) 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.

(m) 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.

(n) 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

(o) 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

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Persistent Systems UK Limited (formerly known as Aepona Limited)

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized shares		
12.30 Million Thousand Ordinary shares of GBP 1 each.	GBP 12.39	GBP 12.39
	GBP 12.39	**GBP 12.39**
Issued, subscribed and paid-up (in ₹'000)		
12.30 Million Ordinary shares of GBP 1 each.	₹1,230.62	₹1,230.62
Issued, subscribed and fully paid-up share capital	**₹1,230.62**	**₹1,230.62**

All the shares are held by Persistent Systems Limited.- On 19th March 2024, Persistent System Limited has entered into a Share Purchase Agreement with Aepona Group Limited for purchase of shares of Persistent Systems UK limited. The purchase price amounts to 74,30,000 EUR for 12393827 ordinary shares or 1 EUR each.

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 ₹ Million)**	**No of shares**	**(in ₹ Million)**
Number of shares at the beginning of the year	GBP 12.39	₹1,230.62	GBP 12.39	₹1,230.62
Add: Issued during the period / year	-	-	-	-
Number of shares at the end of the year	**GBP 12.39**	**1,230.62**	**GBP 12.39**	**1,230.62**

b) Terms / rights attached to equity shares

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

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after 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**
Persistent Systems Limited	**12.39**	-	**12.39**	100%	0%

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**
Persistent Systems Limited	**12.39**	-	**12.39**	100%	0%

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5.1 Property, Plant and Equipment

(In ₹ million)

	Computers	Plant and equipment	Furniture and fixtures	Total
Gross block (At cost)				
As at April 1, 2024	94.42	3.65	14.27	112.34
Additions	3.51	-	-	3.51
Addition on account of restructuring	-		-	-
Disposals	-	-	-	-
- Exchange differences	4.86	0.19	0.73	5.77
As at March 31, 2025	**102.79**	**3.83**	**15.00**	**121.62**
Depreciation and amortization				
As at April 1, 2024	86.08	1.12	8.83	96.03
Charge for the period	3.50	0.74	2.93	7.17
Disposals	-	-	-	-
- Exchange differences	4.47	0.08	0.52	5.07
As at March 31, 2025	**94.05**	**1.93**	**12.28**	**108.26**
Net block				
As at March 31, 2025	**8.74**	**1.90**	**2.72**	**13.35**
As at March 31, 2024	**8.34**	**2.53**	**5.44**	**16.31**

(In ₹ million)

	Computers	Plant and equipment	Furniture and fixtures	Total
Gross block (At cost)				
As at April 1, 2023	57.10	-	-	57.10
Additions	5.13	0.14	0.71	5.97
Addition on account of restructuring	32.39	4.71	13.59	50.69
Disposals*	(2.71)	(1.25)	(0.23)	(4.18)
- Exchange differences	2.51	0.05	0.19	2.75
As at March 31, 2024	**94.42**	**3.65**	**14.27**	**112.34**
Depreciation and amortization				
As at April 1, 2023	57.10	-	-	57.10
Charge for the year	5.05	0.97	2.89	8.91
Addition on account of restructuring	22.80	1.16	5.86	29.82
Disposals*	(1.28)	(1.02)	(0.04)	(2.34)
- Exchange differences	2.40	0.02	0.12	2.53
As at March 31, 2024	**86.08**	**1.12**	**8.83**	**96.03**
Net block				
As at March 31, 2024	**8.34**	**2.53**	**5.44**	**16.31**
As at March 31, 2023	**-**	**-**	**-**	**-**

5.2 Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block (At cost)			
As at April 1, 2024	74.68	81.70	156.37
Additions	-	-	-
-Exchange difference	3.81	4.16	7.97
As at March 31, 2025	**78.48**	**85.86**	**164.34**
Amortization			
As at April 1, 2024	74.68	79.71	154.39
Charge for the year	-	0.41	0.41
-Exchange difference	3.81	4.07	7.88
As at March 31, 2025	**78.48**	**84.20**	**162.68**
Net block			
As at March 31, 2025	**-**	**1.66**	**1.66**
As at March 31, 2024	**-**	**1.98**	**1.98**

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block (At cost)			
As at April 1, 2023	72.11	78.88	150.99
Additions	-	-	-
Addition on account of restructuring	-	-	-
Disposals	-	-	-
Other adjustment	-	-	-
Exchange difference	2.57	2.81	5.38
As at March 31, 2024	**74.68**	**81.70**	**156.37**
Amortization			
As at April 1, 2023	71.60	76.58	148.18
Charge for the year	0.52	0.40	0.91
Addition on account of restructuring	-	-	-
Disposals	-	-	-
Exchange difference	2.56	2.74	5.29
As at March 31, 2024	**74.68**	**79.71**	**154.39**
Net block			
As at March 31, 2024	**-**	**1.98**	**1.98**
As at March 31, 2023	**0.50**	**2.31**	**2.81**

5.3. Right -of- use assets

(In ₹ million)

	Right -of- use assets	Total
Gross block (At cost)		
As at April 1, 2024	-	-
Additions	113.67	113.67
-Exchange difference	(0.26)	(0.26)
As at March 31, 2025	**113.41**	**113.41**
Amortization		
As at April 1, 2024	-	-
Charge for the period	1.63	1.63
-Exchange difference	0.00	0.00
As at March 31, 2025	**1.63**	**1.63**
Net block		
As at March 31, 2025	**111.78**	**111.78**
As at March 31, 2024	**-**	**-**

(In ₹ million)

	Acquired contractual rights	Total
Gross block (At cost)		
As at April 1, 2023	-	-
Additions	-	-
Addition on account of restructuring	-	-
Disposals	-	-
Other adjustment	-	-
Exchange difference	-	-
As at March 31, 2024	**-**	**-**
Amortization		
As at April 1, 2023	-	-
Charge for the year	-	-
Addition on account of restructuring	-	-
Disposals	-	-
Exchange difference	-	-
As at March 31, 2024	**-**	**-**
Net block		
As at March 31, 2024	**-**	**-**
As at March 31, 2023	**-**	**-**

5.3 Depreciation and amortization

(In ₹ million)

	For the year ended	
	March 31, 2025	**March 31, 2024**
Property, Plant and Equipment	7.18	8.91
Other Intangible assets	0.41	0.91
Right of Use of Assets	1.63	-
	9.22	**9.83**

5.4. Goodwill

(In ₹ million)

	Goodwill	Total
Cost		
As at April 1, 2024	36.41	36.41
Additional amounts recognised from business combinations	-	-
Effect of foreign currency translation from functional cuurency to reporting currency	1.86	1.86
As at March 31, 2025	**38.27**	**38.27**
Cost		
As at April 1, 2023	35.16	35.16
Reclassification on purchase price allocation of business combination	-	-
Effect of foreign currency translation	1.25	1.25
As at March 31, 2024	**36.41**	**36.41**

6. Loans

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Loan to related party		
-Persistent Systems Inc. (Refer note No.25)	-	83.40
(Repayment terms: After 36 months)		
(Rate of interest SOFR: 3M plus 300 basis points)		
	-	**83.40**

7. Investments

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Investments carried at fair value		
Unquoted Investments		
Investment in common stocks/ preferred stock		
Monument Technology Ltd.	221.26	-
1,333,333 (Corresponding period/Previous year: Nil) Ordinary Shares of £0.000001 each fully paid.		
	221.26	**-**

8. Other non current financial assets

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Security deposit (Unsecured, Considered Good)	25.39	19.55
	25.39	**19.55**

9. Trade receivables

	As at March 31,2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unsecured, considered good (refer note 25)	1,736.37	1,183.58
Unsecured, considered doubtful	28.29	0.31
	1,764.66	1,183.89
Less : Expected Credit Loss	(28.29)	(0.31)
	1,736.37	**1,183.58**
	1,736.37	**1,183.58**

Trade receivables Ageing Schedule

	Curent 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	883.02	527.71	297.36	-	-	-	1,708.08
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	28.29	-	-	28.29
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	**883.02**	**527.71**	**297.36**	**28.29**	**-**	**-**	**1,736.37**

	Curent 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	651.49	500.70	31.09	-	-	-	1,183.27
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	0.31	-	-	0.31
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	**651.49**	**500.70**	**31.09**	**0.31**	**-**	**-**	**1,183.58**

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10. Cash and cash equivalents

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
On current accounts	476.60	98.55
	476.60	**98.55**

11. Other current financial assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advance to related parties (Unsecured, considered good) (Refer note No.25)		
- Persistent Systems, Inc	137.12	17.12
- MediaAgility UK LTD	-	6.82
- Aepona Group Limited	0.87	4.71
- Persistent Systems Lanka Private Limited	0.76	0.68
Interest accrued on loan to related party	-	1.75
	138.75	**31.08**
Unbilled revenue	98.27	186.75
Advance to Vendor	7.03	13.23
	244.05	**231.06**

12. Other current assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advances recoverable in cash or kind or for value to be received	64.60	7.84
VAT receivable (net)	-	-
Others	1.06	1.01
	65.66	**8.85**

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13. Non-current financial liabilities: Borrowings

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Borrowings from related parties		
Term loans (Refer note no.25)		
Inter corporate deposit from Persistent Systems Inc (Repayment terms : After 36 months @ Libor plus 2%)	-	-
Inter corporate deposit from Aepona Group Limited* (Repayments terms: After 36 months @ Libor plus 3%)	916.98	1,017.98
	916.98	**1,017.98**

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14. Other long term financial liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Lease liabilities	113.83	-
Less: Current maturity of lease liabilities	-	-
	113.83	-
Movement of lease liabilities		
Opening Balance		-
Addition to lease liability	113.67	-
Add: Interest recognised during the period	0.42	-
Effect of foreign currency translation of foreign operations from	(0.26)	-
Less: Payments made	-	-
Closing balance	**113.83**	-

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15. Trade payables

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Trade payables for goods and services	1,238.12	562.65
	1,238.12	**562.65**

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	231.44	916.66	90.02			1,238.12
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						-
As At March 31, 2025	**231.44**	**916.66**	**90.02**	**-**	**-**	**1,238.12**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises						
Total outstanding dues of creditors other than micro enterprises and small enterprises	323.44	197.63	5.68	3.46	32.43	562.65
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						
As At March 31, 2024	**323.44**	**197.63**	**5.68**	**3.46**	**32.43**	**562.65**

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16. Other current financial liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advance from related parties (Refer note No.25)		
Persistent Systems Limited	250.79	16.22
Persistent Systems France SAS	6.03	-
Persistent Systems Germany GmbH	6.55	-
	263.37	16.22
	263.37	**16.22**
Interest accrued and due on borrowings from related parties*	98.85	66.01
	362.21	**82.23**

17. Other current liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unearned revenue	117.55	120.05
Advance from customers	74.91	71.28
Other payables		
- Statutory liabilities	-	-
- Vat payable	145.10	49.17
	337.57	**240.50**

18. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Provision for employee benefits		
- Leave encashment	15.89	7.90
- Other employee benefits	65.00	57.32
-Accrued employee liabilities	0.56	-
	81.45	**65.22**

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19. Revenue from operations

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Software services	3,451.15	2,438.32
Software products	401.46	275.42
	3,852.61	**2,713.74**

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

Particulars	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Segment wise disclosure		
Industrial Segments	884.48	2,205.57
BFSI	569.30	204.17
LSHC	639.10	304.00
TECH	1,759.73	923.45
Total	**3,852.61**	**2,713.74**
Geographical disclosure		
India	911.63	534.64
North America	141.66	377.61
Rest of the World	2,799.32	1,801.49
Total	**3,852.61**	**2,713.74**
Onsite / offshore		
IP Led	571.25	643.64
Offshore	2,123.53	743.44
Onsite	1,157.82	1,326.66
Total	**3,852.61**	**2,713.74**

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.

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

Particulars	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Balance at the beginning of the year	**186.75**	444.62
Revenue recognised during the year	1,845.20	1,698.04
Invoices raised during the year	(1,861.69)	(1,952.04)
Translation exchange difference	(71.98)	(3.87)
Balance at the end of the year	**98.27**	**186.75**

Changes in Unearned revenue are as follows:

Particulars	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Balance at the beginning of the year	120.05	68.38
Revenue recognised during the year	697.17	1,087.38
Increase due to invoicing during the year, not recognised as revenue during the year	(738.98)	(1,038.96)
Translation exchange difference	39.31	3.25
Balance at the end of the year	**117.55**	**120.05**

20. Other income

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Miscellaneous Income	-	0.77
Interest income	0.29	6.69
R&D Tax credit	-	14.02
Interest income-Employee	1.13	-
Excess provision written back	52.16	14.37
	53.58	**35.85**

21. Personnel expenses

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
21.1. Employee benefits expense		
Salaries, wages and bonus	798.20	679.19
Contribution to provident and other funds	142.36	106.60
Staff welfare and benefits	20.69	17.58
	961.25	**803.37**
21.2 Cost of technical professionals		
Technical professionals - related parties	2,005.52	845.73
Technical professionals - others	110.92	215.88
	2,116.44	**1,061.61**
	3,077.69	**1,864.98**

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22. Other expenses

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Internet link expenses	1.57	0.46
Communication expenses	1.57	1.96
Recruitment expenses	16.74	16.37
Training and seminars	3.80	4.74
Traveling & Conveyance	37.58	75.68
Purchase of software licenses and support expenses	371.75	430.20
Bad debts	0.00	0.27
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	28.03	0.31
Rent	35.11	36.36
Insurance	0.95	(1.58)
Rates and taxes	5.10	3.32
Professional Fess-Others	49.42	63.66
Repairs and maintenance	-	
- Plant and Machinery	-	0.30
- Buildings	0.66	0.36
- Others	0.86	1.80
Advertisement and sponsorship fees	6.48	3.24
Computer consumables	0.08	0.09
Auditors' remuneration	1.30	1.45
Books, memberships, subscriptions	0.59	0.13
Selling and marketing expenses	-	6.69
Loss on sale of fixed assets (net)	-	0.29
Foreign exchange loss (net)	(4.67)	21.18
Sundry balances written off	7.48	2.23
Intercompany Corporate Guarantee Fee - Expense	0.25	0.90
Miscellaneous expenses	6.62	5.48
	571.26	**675.89**

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23. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'Million)	(A)	176.54	182.27
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	12,393,827	12,393,827
Denominator for Diluted EPS			
Number of equity shares	(C)	12,393,827	12,393,827
Basic Earnings per share of face value of GBP 1 each (In ₹)	(A/B)	14.24	14.71
Diluted Earnings per share of face value of GBP 1 each (In ₹)	(A/C)	14.24	14.71

	For the year ended	
	March 31, 2025	**March 31, 2024**
Number of shares considered as basic weighted average shares outstanding	12,393,827	12,393,827
Add: Effect of dilutive issues of stock options		-
Number of shares considered as weighted average shares and potential shares outstanding	**12,393,827**	**12,393,827**

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24. 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 Liabilties	1.25	1.60	-22%	NA
(b) Debt-Equity Ratio,	Total Debt	Equity	(8.90)	(3.52)	153%	Reduction in Other Equity due to transfer of UK branch business.
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	(0.51)	(0.18)	179%	YoY reduction in margin
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	(0.61)	0.40	-253%	YoY reduction in margin
(e) Inventory turnover ratio,	Turnover	Inventory	NA	NA		NA
(f) Trade Receivables turnover ratio	Turnover	Average Trade Receivables	2.64	2.40	10%	NA
(g) Trade payables turnover ratio,	Total Expenses	Average Trade Payables	2.99	3.05	-2%	NA
(h) Net capital turnover ratio,	Turnover	Average Working capital	7.17	5.78	24%	NA
(i) Net profit ratio,	Net Profit after tax	Turnover	0.05	0.07	-32%	YoY reduction in margin
(j) Return on Capital employed,	Earnings Before Interest	Average capital employed	0.24	0.22	9%	NA
(k) Return on investment.	Income generated from invested Funds	Average invested funds in tessury Investments	NA	NA		NA

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25. Related Party Disclosure

i) Names of related parties and their related party relationships

Holding Company
-Persistent Systems Limited

Companies under the same management
-Persistent Systems Limited
-Persistent Systems Inc.
-Persistent Telecom Solutions Inc
-Aepona Group Limited
-Persistent Systems Lanka (Private) Limited
-Persistent Systems France SAS
-Persistent Systems Costa Rica Limitada
-Persistent Systems Germany GmbH
-Persistent Systems Switzerland AG (FKA PARX Werk AG)
-Persistent Systems S.R.L.- Romania
-MediaAgility UK LTD

Key Management Personnel: -
Rajasekar Sukumar
Simon Lloyd jenkins
Nilesh Chavada

ii) Related Party Transactions **(In ₹ million)**

Nature of Transaction	Name of related party	Year ended March 31, 2025	Year ended March 31, 2024
Sale of Services	Persistent Systems Limited	911.63	578.20
	Persistent Systems Inc	(0.03)	215.39
	MediaAgility UK LTD	-	7.47
	Persistent Systems Germany GmbH	1.71	83.76
	Persistent Systems Malaysia Sdn. Bhd.	-	2.25
	Persistent Systems S.R.L.- Romania	0.00	(0.69)
	Persistent Systems Switzerland AG (FKA PARX Werk AG	12.29	(0.25)
Cost of technical professionals	Persistent Systems Inc	-	9.89
	Persistent Systems Lanka Private Limited	78.89	96.41
	Persistent Systems Limited	1,913.36	661.81
	Persistent Systems France SAS	0.96	22.48
	Persistent Systems Costa Rica Limitada	-	9.57
	Persistent Systems Germany GmbH	0.44	7.33
	Persistent Telecom Solutions Inc.	1.36	14.52
	PARX Consulting GmbH	-	1.61
	Persistent Systems S.R.L.- Romania	3.00	16.19
	Persistent Systems Switzerland AG (FKA PARX Werk AG	1.71	3.71
	Youperience GmbH	-	2.19
	MediaAgility UK LTD	5.79	-
Intercompany Interest income	Persistent Systems Inc.	0.29	6.69
Intercompany Guarantee Fee	Persistent Systems Inc	0.25	0.90
Interest paid on intercorporate deposit	Aepona Group Limited	71.05	16.80
Selling and marketing expenses	Persistent Systems Inc	-	6.69
Traveling and conveyance	Persistent Systems Limited	0.03	-
Trading Purchase	Persistent Systems Limited	0.46	-
Remuneration Paid	Rajasekar Sukumar	217.10	45.99
	Simon Lloyd jenkins	46.26	18.41
	Nilesh Chavda (Resgined effect from Sep 2023)	–	6.40

iii) Balances Outstanding

(In ₹ million)

Particulars	Name of related party	Year ended March 31, 2025	Year ended March 31, 2024
Share Capital	Persistent Systems Limited	1,230.62	1,230.62
Borrowings	Aepona Group Limited	916.98	1,017.98
Borrowings (Interest accrued on non current loans / deposits)	Aepona Group Limited	98.85	66.01
Advances to related parties	Persistent Systems Inc	137.12	17.12
	MediaAgility UK LTD	-	6.82
	Persistent Systems Lanka Private Limited	0.76	0.68
	Aepona Group Limited	0.87	4.71
Advances from related parties	Persistent Systems France SAS	6.03	-
	Persistent Systems Germany GmbH	6.55	-
	Persistent Systems Limited	250.79	16.22
Unbilled revenue	Persistent Systems Germany GmbH	-	10.39
	Peristent Systems Ltd	-	101.33
	Persistent Systems Malaysia Sdn. Bhd.	-	2.24
	Persistent Systems Inc	-	28.14
		-	
Intercompany ICD	Persistent Systems Inc	-	83.40
Interest accrued on non current loans / deposits	Persistent Systems Inc	-	1.75
Trade receivables	MediaAgility UK LTD	-	12.25
	Persistent Systems Germany GmbH	11.93	48.99
	Peristent Systems Ltd	254.97	- 3.42
	Persistent Systems Inc	-	69.79
	Persistent Systems Switzerland AG (FKA PARX Werk AG	(4.35)	-
Trade payables	Persistent Systems Limited	1,004.84	170.16
	Persistent Systems Inc	(4.69)	5.82
	Persistent Systems Lanka Private Limited	30.65	15.23
	Aepona Group Limited	(1.74)	(3.84)
	Persistent Systems France SAS	-	5.75
	Persistent Systems S.R.L.- Romania	(1.09)	3.49
	Persistent Systems Germany GmbH	0.04	0.78
	Persistent Systems Switzerland AG (FKA PARX Werk AG	0.46	1.44
	Persistent Telecom Solutions Inc.	1.40	14.72
	Persistent Systems Costa Rica Limitada	-	0.46
	MediaAgility UK LTD	1.78	(4.26)

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

	31-Mar-25			31-Mar-24		
Particulars	**Foreign currency**	**Conversion rate**	**Amount in (In ₹ million)**	**Foreign currency**	**Conversion rate**	**Amount in (In ₹ million)**
Advances recoverable in cash or kind	EUR 800	92.46	0.07	-	-	-
	-	-	-	USD 50,000	83.40	4.17
Advance to Vendor	USD 40,000	85.47	3.42	-	-	-
Bank balances on current accounts	USD 6,267,54.29	85.47	53.57	USD 17,366,032.78	83.40	1,448.33
Trade payables	EUR 76,265.34	92.46	7.05	EUR 287,880.66	90.01	25.91
	INR 54,665.00	1.00	0.05	-	-	-
	-	-	-	USD 2,296,020.67	83.40	191.49
	CHF 2,464.01	97.00	0.24	CHF 13,675.55	92.11	1.26
Trade receivables	EUR 1,541,054.89	92.46	142.49	EUR 2,080,151.39	90.01	187.24
	USD 5,287,983.93	85.47	451.96	USD 2,862,266.49	83.40	238.71
Interest accrued but not due on intercorporate deposits	EUR 613,484.38	92.46	56.72	USD 20,942.47	83.40	1.75
Intercompany Loan/ ICD taken - liabilities	EUR 8,500,000	92.46	785.92	-	-	-

27. Auditors Remuneration

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Audit fee	1.30	1.45

28. Contingent liabilities:

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

29. 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 as of March 31, 2025:

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Trade receivables	594.45	425.95
Cash and cash equivalents and bank balances	53.57	1,448.33
Intercorporate deposit	785.92	-
Interest on intercorporate deposit	56.72	1.75
Trade payables	7.35	218.66
Other financial liabilities	3.49	4.17

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 9% and 8% respectively.

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	
Particulars	**March 31, 2025**	**March 31, 2024**
Receivables overdue for more than 90 days	520.15	248.00
Total receivables	1,736.37	1,183.58
Overdue for more than 90 days as a % of total receivables	30%	21%

Ageing of trade receivables:

	As at	
Particulars	**March 31, 2025**	**March 31, 2024**
Within the credit period	755.61	651.49
1 to 30 days past due	305.00	24.64
31 to 60 days past due	152.99	187.99
61 to 90 days past due	30.91	71.46
91 to 120 days past due	55.52	113.70
121 and above past due	464.63	134.30
Less: Expected credit loss	(28.29)	0.31
Net trade receivables	**1,736.37**	**1,183.89**

Movement in expected credit loss allowance:

	As at	
Particulars	**March 31, 2025**	**March 31, 2024**
Opening balance	0.31	-
Movement in expected credit loss allowance	27.98	0.31
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 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 of March 31, 2025, the Company had a working capital of Rs.503.33 Million including cash and cash equivalents of Rs. 476.60 Million. As at March 31, 2024, the Company had a working capital of Rs. 571.44 Million including cash and cash equivalents of Rs. 98.55 Million.

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

	As at			
Particulars	**March 31, 2025**		**March 31, 2024**	
	Less than 1 year	**More than 1 year**	**Less than 1 year**	**More than 1 year**
Borrowings	-	916.98	-	1,017.98
Trade payables	1,148.10	90.02	521.07	41.57
Other financial liabilities	-	-	-	-

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:

	For the year ended	
Particulars	**March 31, 2025**	**March 31, 2024**
Profit before tax	176.54	182.09
Enacted tax rate	25%	25%
Computed tax expense at enacted tax rate	44.13	45.52
Effect of unused tax losses not recognized as deferred tax assets	(44.13)	(45.52)
Effect of short tax provision of earlier years (net)		-
Tax benefit on set-off of carry-forward losses		-
Income tax expense	-	**(0.18)**

The Company has cumulative unutilized corporate income tax losses as of March 2025. These tax losses are available for future utilization to offset future taxable profits of the Company, subject to the applicable tax laws and regulations. As at the balance sheet date, the Company has not recognized deferred tax asset with respect to the aforesaid unutilized corporate income tax losses. The details are provided in below table.

Category	Carry forward losses		Unrecognized Deferred Tax Asset	
	31-Mar-25	**31-Mar-25**	**31-Mar-25**	**31-Mar-25**
	In GBP Million	In Rs. Million	In GBP Million	In Rs. Million
Pre April 1, 2017	22.71	2,449.44	5.68	612.36
Post April 1, 2017	1.46	157.10	0.36	39.28

32. Capital commitments:

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

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

34 During the period Persistent Systems Limited, United Kingdom (UK) branch has entered into business transfer agreement and accordingly business of the United Kingdom (UK) branch has been transferred to Persistent Systems UK Ltd with effect from 1st April 2024. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. Accordingly, there is reduction in opening balance of other equity amounting to INR 478.98 million on account of Capital reserve.

(In ₹ million)

Particulars	**As at**
Assets	
Property, Plant & Equipment	18.72
Other current financial assets	433.67
Other Current Assets	29.22
Long term loans	2.75
Trade receivables	949.83
Cash and cash equivalents	167.51
Current Tax Assets (Net)	15.88
Total Assets (A)	**1,617.57**
Liabilities	
Other Current Assets	(237.70)
Other current liabilities	(223.60)
Short-term provisions	(90.93)
Trade payables	(586.38)
Total Liabilities (B)	**(1,138.61)**
Net Assets Transferred (A+B)	478.97
Purchase Consideration (C)	941.23
Capital Reserve (A+B-C)	**(462.26)**

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

Particulars	**As at 'March 31, 2024 (In ₹ million)**
- Less than one year	-
- One to five years	131.84
- 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.

The Company has adopted Ind AS 116, Leases; and has recognized interest on lease liability of ₹ 0.42 Million under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.5).

36 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:

Particulars	**For the year ended**				**FY 2024-25**	**FY 2025-26**
	June 30, 2024	**Sept 30, 2024**	**Dec 31, 2024**	**Mar 31, 2025**		
Decrease in depreciation expense	**357.94**	**351.12**	**306.32**	**264.24**	**1,279.62**	**1,044.51**

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

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Persistent Systems UK Limited (formerly known as Aepona Limited)

Tejashree Joshi
Partner
Membership No. 139807

Rajasekar Sukumar
Director

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Place: United Kingdom
Date : April 21, 2025

Place: India
Date : April 21, 2025

Persistent

Persistent Systems Lanka (Private) Limited

4th Floor, 123, Bauddhaloka Mawatha, Colombo – 4, Sri Lanka 400003

Persistent Systems Lanka (Private) Limited

3rd Floor,123, Bauddhaloka Mawatha, Colombo 4, Sri Lanka 400003

Annual Report 2024-25

Your Management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Aepona Group Limited, Ireland, having its office in Colombo.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	196,932.92	242,630.23
Total Expenditure	196,383.63	216,954.18
Profit /(Loss) before tax	549.29	25,676.05
Total Tax Expense	(5,065.57)	39.47
Net profit after tax	**5,614.86**	**25,636.58**

Business Operations

Your Company generated a net profit as mentioned above during the period of the report.

Change in Registered Office of the company:

The registered office of the Company has changed from '4th Floor,123, Bauddhaloka Mawatha, Colombo 4' to '3rd Floor,123, Bauddhaloka Mawatha, Colombo 4' during the period under report.

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Mr. Sachin Dewasthalee
b. Mr. Narasinha (Avadhoot) Upadhye

Acknowledgments

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS LANKA (PRIVATE) LTD.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Lanka Private Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed by Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAH3550

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
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Director

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 [Nominal value of share LKR 100 (Previous quarter/year: LKR 100)]	21		
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

Place: India
Date : April 21, 2025

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Director

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 (In ₹'000)	March 31, 2024 (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 (In ₹'000)	As at March 31, 2024 (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 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
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Director

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

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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	Reserves and surplus	Items of other comprehensive income	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	Reserves and surplus	Items of other comprehensive income	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
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

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 crtitical accounting estimates involiving 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 lossed 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 Sigmificant 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.

(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

*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.

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.

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%	**-**

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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**

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

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

	Curent 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**

	Curent 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**

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
	6,912.11	**11,232.73**

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Not Due	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	6,912.11
Total outstanding dues of creditors other than micro enterprises and small enterprises						-
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**	**6,912.11**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises						-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,627.39	9,097.50	423.07	-	84.77	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**	**11,232.73**

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**

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17. Revenue from operations

	For the year ended March 31, 2025 (In ₹'000)	March 31, 2024 (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 (In ₹'000)	March 31, 2024 (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 (In ₹'000)	March 31, 2024 (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 (In ₹'000)	March 31, 2024 (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**

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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**

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21. Earnings per share

		For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'000)	(A)	5614.86	25,636.58
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	117	117
Denominator for Diluted EPS			
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	For the year ended 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 Liabilties	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
(f) Trade Receivables turnover ratio,	Turnover	AverageTrade 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

Ratio is stated in terms of Day Sales Outstanding

(This space is intentionally left blank)

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	-	-

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

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

	31-Mar-25			31-Mar-24		
Particulars	**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%**

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).

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	pt 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

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
Director

Place: India
Date : April 21, 2025

Narasinha Upadhye
Director

Place: India
Date : April 21, 2025

Persistent Systems Mexico, S.A. de C.V.

Ave Lopez Mateos Sur 1450 Piso 2 - Plaza LasVillas Tlajomulco, Jalisco, 45640

Persistent Systems Mexico S.A. de C.V.

Ave Lopez Mateos Sur 1450 Piso 2 - Plaza LasVillas Tlajomulco, Jalisco, 45640

Annual Report 2024-25

Your directors are pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc., USA, having its office in Mexico.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amount in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	585,799.14	963,900.96
Total Expenditure	550,626.16	875,974.01
Profit /(Loss) before tax	35,172.98	87,926.95
Total Tax Expense	5,728.33	41,925.93
Net profit after tax	**29,444.65**	**46,001.02**

Business Operations

Your Company generated a net profit as mentioned above during the period of the report.

Directors

The Directors of the Company as of March 31, 2025, were as follows:

1. Mr. Thomas Klein
2. Mr. Vinit Teredesai

Acknowledgements

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

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Tel. : +91-20-2453 2991
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS MEXICO, S.A. DE C.V.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Mexico, S.A. de C.V.("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income),the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the

Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in

any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co.**
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune
Date: 22nd April, 2025
UDIN: 25139807BMLLAQ8810

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

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	10,136.36	14,143.07
Right-of-use asset	5.2	31,336.83	7,976.32
Capital work-in-progress		-	-
		41,473.19	**22,119.39**
Financial assets			
- Other non-current financial assets	6	1,259.41	1,123.12
Deferred tax assets (net)	7	10,130.02	8,706.20
		52,862.62	**31,948.71**
Current assets			
Financial assets			
- Trade receivables	8	87,517.95	205,887.15
- Cash and cash equivalents	9	62,250.05	22,094.86
- Other current financial assets	10	5,379.48	14,973.23
Other current assets	11	16,758.25	19,769.82
Current Tax Assets (net)		4,173.28	-
		176,079.01	**262,725.06**
TOTAL		**228,941.63**	**294,673.77**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	3,646.80	3,646.80
Other equity		124,089.55	107,383.90
		127,736.35	**111,030.70**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	12	-	-
Lease liabilities	13	20,174.15	-
		20,174.15	**-**
Current liabilities			
Financial liabilities			
- Borrowings	14	-	81,716.83
- Trade payables	15	14,543.66	11,615.00
- Other current financial liabilities	16	26,086.53	33,137.95
Other current liabilities	17	12,088.65	10,940.78
Provisions	18	28,312.29	34,630.82
Current tax liabilities (net)		-	11,601.69
		81,031.13	**183,643.07**
TOTAL		**228,941.63**	**294,673.77**
Summary of material accounting policies	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 México, S.A. de C.V.

Tejashree Joshi
Partner
Membership No. 139807

Thomas Klein
Director

Vinit Teredesai
Director

Place: India
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Place: USA
Date : April 21, 2025

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	19	581,127.48	957,838.51
Other income	20	4,671.66	6,062.45
Total income (A)		**585,799.14**	**963,900.96**
Expenses			
Employee benefits expense	21.1	495,267.12	820,963.90
Cost of technical professionals	21.2	-	-
Finance costs		5,598.45	6,378.99
Depreciation and amortization expense	5.3	17,856.74	23,828.25
Other expenses	22	31,903.85	24,802.87
Total expenses (B)		**550,626.16**	**875,974.01**
Profit/(Loss) before tax (A - B)		**35,172.98**	**87,926.95**
Tax expense			
Current tax		16,773.89	37,722.94
Tax (credit) / charge in respect of earlier years		(8,133.05)	
Deferred tax (credit)/charge		(2,912.51)	4,202.99
Total tax expense		**5,728.33**	**41,925.93**
Net profit/(loss) for the period/year (C)		**29,444.65**	**46,001.02**
Other comprehensive income			
Items that will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		(12,739.00)	8,357.20
Total other comprehensive income for the period/year (D) + (E)		**(12,739.00)**	**8,357.20**
Total comprehensive income for the period/year (C) + (D) + (E)		**16,705.65**	**54,358.22**
Earnings per equity share	23		
[Nominal value of share MXN 1 (Previous period/year : Nil)]			
Basic (In ₹)		29.44	46.00
Diluted (In ₹)		29.44	46.00
Summary of material accounting policies	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 México, S.A. de C.V.

Tejashree Joshi
Partner
Membership No. 139807

Thomas Klein
Director

Vinit Teredesai
Director

Place: India
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Place: USA
Date : April 21, 2025

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

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		**35,172.98**	**87,926.95**
Adjustments for:			
Foreign currency translation reserve		(12,739.00)	8,357.20
Unrealised foreign exchange (gain)/loss		12,773.50	(2,684.38)
Depreciation and amortization expense		17,856.74	23,828.25
Credit balances written back		(1,597.69)	-
Excess provision written back		(3,073.97)	
Finance costs		5,598.45	6,378.99
Operating profit before working capital changes		**53,991.01**	**123,807.01**
Movements in working capital :			
(Increase)/Decrease in trade receivables		106,330.46	(114,717.99)
Decrease/(Increase) in other current assets		3,011.57	5,520.02
(Increase)/Decrease in other current financial assets and liabilities		(1,532.95)	75,649.43
Increase /(Decrease) in trade payables and current liabilities (including short term borrowings)		8,893.49	(12,597.99)
(Increase)/Decrease in other non-current assets		(136.29)	(108.80)
Increase/(Decrease) in provisions		(6,318.53)	(28,567.98)
Operating profit after working capital changes		**164,238.76**	**48,983.70**
Direct taxes paid (net of refunds)		(20,675.02)	(10,268.18)
Net cash generated from operating activities	**(A)**	**143,563.73**	**38,715.52**
Cash flow from investing activities			
Payment towards capital expenditure		(3,298.58)	(10,710.58)
Net cash (used in) investing activities	**(B)**	**(3,298.58)**	**(10,710.58)**
Cash flow from financing activities			
Intercorporate Deposit received / (paid)		(81,716.83)	-
Lease payments		(14,046.68)	(10,513.20)
Interest Paid on ICD		(4,346.45)	(2,290.20)
Net cash (used in) from financing activities	**(C)**	**(100,109.97)**	**(12,803.40)**
Net increase in cash and cash equivalents (A + B + C)		**40,155.19**	**15,201.54**
Cash and cash equivalents as at beginning of the reporting period/year		22,094.86	6,893.32
Exchange difference on translation of foreign currency cash and cash equivalents			-
Cash and cash equivalents at the end of the reporting period/year		**62,250.05**	**22,094.86**

Components of cash and cash equivalents	**As at March 31, 2025 (In ₹'000)**	**As at March 31, 2024 (In ₹'000)**
Cash on hand	-	-
Balances with banks		
- On current account	62,250.05	22,094.86
Cash and cash equivalents as per note 9	**62,250.05**	**22,094.86**

Summary of material accounting policies

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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems México, S.A. de C.V.

Thomas Klein
Director

Place: USA
Date : April 21, 2025

Vinit Teredesai
Director

Place: USA
Date : April 21, 2025

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

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 year	Changes in equity share capital during the period	Balance as at March 31, 2025
3,646.80	-	-	3,646.80
3,646.80	**-**	**-**	**3,646.80**

(In ₹'000)

Balance as at April 1, 2023	Changes in equity share capital due to prior year	Changes in equity share capital during the year	Balance as at March 31, 2024
3,646.80	-	-	3,646.80
3,646.80	**-**	**-**	**3,646.80**

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

Statement Of Changes In Equity For The Year Ended March 31, 2025

B. Other Equity

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2024	91,237.13	16,146.77	107,383.90
Net profit for the period	29,444.65	-	29,444.65
Other comprehensive income for the period	-	(12,739.00)	(12,739.00)
Balance at March 31, 2025	**120,681.78**	**3,407.77**	**124,089.55**

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	45,236.11	7,789.57	53,025.68
Net profit for the year	46,001.02	-	46,001.02
Other comprehensive income for the year	-	8,357.20	8,357.20
Balance at March 31, 2024	**91,237.13**	**16,146.77**	**107,383.90**

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.

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 México, S.A. de C.V.

Tejashree Joshi
Partner
Membership No. 139807

Thomas Klein
Director

Vinit Teredesai
Director

Place: India
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Place: USA
Date : April 21, 2025

1 Nature of operations

Persistent Systems México, S.A. de C.V. was incorporated on March 1, 2016 as a wholly owned subsidiary of Persistent Systems, Inc. The Company has adopted indirect sales model, with services revenue being billed to Persistent Systems Ltd. Sale of services are then contracted between Persistent Systems Ltd. and customers. The Company commenced its operations from April 1, 2016.

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 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 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

3.1 Accounting year

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

3.2 Functional currency

The Company's functional currency is the Mexican Peso. 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".

3.3 Use of estimates and judgements

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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is Mexico. 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.

c) 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.

d) 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.

e) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

c) 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. 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.

ii) 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 and use or sell it;

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
Buildings*	25 years
Computers*	4 years
Computers - Servers and networks*	4 years
Office equipments	5 years
Plant and equipment*	3 to 5 years
Furniture and fixtures*	5 years
Vehicles*	5 years

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

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

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

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts 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.

b) 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 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.

c) Impairment of financial assets

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

f) Impairment of Property, Plant and Equipment and Other intangible assets

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

g) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

h) Investments

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

i) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

j) Foreign currency transactions

iInitial recognition

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

iiConversion

The transactions are in MXN, 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 and investments 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 year.

The exchange difference arising out of the period/year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

iiiSettlement

Revenue, 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 year in which the transaction is settled.

k) 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.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in the Mexico. 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.

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.
The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

m) Cash and cash equivalents

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

n) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

o) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p) 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.

q) Contingent liabilities

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

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4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorized shares (In'000)		
2,000 Ordinary shares of Mexican Peso 1 each. Common Shares of $0.001 each.	MXN 2,000.00	MXN 2,000.00
	MXN 2,000.00	**MXN 2,000.00**
Issued, subscribed and paid-up (In ₹ 000)		
1,000,000 Ordinary shares of Mexican Peso 1 each.	3,646.80	3,646.80
Issued, subscribed and fully paid-up share capital	**3,646.80**	**3,646.80**

1,000,000 Ordinary shares of Mexican Peso 1 each are held by Persistent Systems Inc.

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

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

Notes Forming Part Of Financial Statements

5.1 Property, Plant and Equipment

(In ₹000)

	Plant & Machinery	Office equipments	Leasehold improvements	Furniture & fixtures	Computers	Total
Gross block (At cost)						
As at April 1, 2024	2812.7	603.35	28,609.31	16,235.35	70,294.21	118,554.92
Additions	-	-	-	-	3,298.58	3,298.58
Deletions / Retirement	-	-	-	-	(5,404.32)	(5,404.32)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	(473.83)	(101.64)	(4819.51)	(2735.00)	(11724.58)	(19854.56)
As at March 31, 2025	**2,338.87**	**501.71**	**23,789.80**	**13,500.35**	**56,463.89**	**96,594.62**
Accumulated depreciation						
As at April 1, 2024	2655.51	603.35	28,609.31	16,176.03	56,367.64	104,411.84
Charge for the period	69.46	-	-	13.74	4,934.91	5,018.11
Deletions / Retirement	-	-	-	-	(5,404.31)	(5,404.31)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	(451.06)	(101.64)	(4819.51)	(2725.62)	(9469.55)	(17567.38)
As at March 31, 2025	**2,273.91**	**501.71**	**23,789.80**	**13,464.15**	**46,428.69**	**86,458.26**
Net block						
As at March 31, 2025	**64.96**	**-**	**-**	**36.20**	**10,035.20**	**10,136.36**
As at March 31, 2024	**157.18**	**-**	**-**	**59.32**	**13,926.57**	**14,143.07**

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

Notes Forming Part Of Financial Statements

5.1 Property, Plant and Equipment

(In ₹000)

	Plant & Machinery	Office equipments	Leasehold improvements	Furniture & fixtures	Computers	Total
Gross block (At cost)						
As at April 1, 2023	2,525.77	544.90	25,837.75	14,662.53	53,346.81	96,917.76
Additions	15.23	-	-	-	10,695.35	10,710.58
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	271.69	58.45	2,771.56	1,572.82	6,252.05	10,926.57
As at March 31, 2024	**2,812.69**	**603.35**	**28,609.31**	**16,235.35**	**70,294.21**	**118,554.91**
Accumulated depreciation						
As at April 1, 2023	2,312.65	544.90	25,837.75	14,398.57	40,913.48	84,007.35
Charge for the year	90.31	-	-	221.97	10,543.32	10,855.60
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	252.55	58.45	2,771.56	1,555.49	4,910.84	9,548.89
As at March 31, 2024	**2,655.51**	**603.35**	**28,609.31**	**16,176.03**	**56,367.64**	**104,411.84**
Net block						
As at March 31, 2024	**157.18**	**-**	**-**	**59.32**	**13,926.57**	**14,143.07**
As at March 31, 2023	**213.13**	**-**	**-**	**263.96**	**12,433.33**	**12,910.42**

5.2 Right-of-use asset

(In ₹ 000)

	Total
Office Premises	
Gross block (At cost)	
As at April 1, 2024	43,114.42
Additions	38,599.53
Deletions / Retirement	(37,385.09)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	(7,312.86)
As at March 31, 2025	**37,016.00**
Accumulated depreciation	
As at April 1, 2024	35,138.10
Charge for the period	12,838.63
Deletions / Retirement	(37,385.09)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	(4,912.47)
As at March 31, 2025	**5,679.17**
Net block as at March 31, 2025	**31,336.83**
Net block as at March 31, 2024	**7,976.32**

5.2 Right-of-use asset

	(In ₹ 000)
Gross block (At cost)	
As at April 1, 2023	38,937.66
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	4,176.76
As at March 31, 2024	**43,114.42**
Accumulated depreciation	
As at April 1, 2023	19,437.95
Charge for the year	12,972.65
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	2,727.50
As at March 31, 2024	**35,138.10**
Net block as at March 31, 2024	**7,976.32**
Net block as at March 31, 2023	**19,499.71**

5.3 Depreciation and amortization

(In ₹000)

	For the year ended	
	March 31, 2025	**March 31, 2024**
On Property, plant and equipment	5,018.11	10,855.60
On Right-of-use assets	12,838.63	12,972.65
	17,856.74	**23,828.25**

6. Other Non Current Financial Assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good		
Security deposits	1,259.41	1,123.12
	1,259.41	**1,123.12**

7. Deferred tax assets (net)

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deferred tax assets		
Differences in book values and tax base values of property, plant and equipment, ROU assets, lease liabilities and other intangible assets.	3,908.94	3,839.19
Provision for leave encashment	4,416.88	4,284.47
Provision for performance bonus	585.40	489.70
Others	1,218.79	92.84
Deferred tax assets (net)	**10,130.02**	**8,706.20**

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8. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Others		
Unsecured, considered good (refer note 24)	87,517.95	205,887.15
Unsecured, Credit impaired	-	-
	87,517.95	**205,887.15**
Less : Allowance for expected credit loss	-	-
	87,517.95	**205,887.15**

Trade receivables Ageing Schedule **(In ₹'000)**

	Outstanding for following periods from due date of payment						Total
	Curent but not	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	87,517.95	-	-	-	-	87,517.95
As At March 31, 2025	**-**	**87,517.95**	**-**	**-**	**-**	**-**	**87,517.95**

(In ₹'000)

	Outstanding for following periods from due date of payment						Total
	Curent but not	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	-	199,467.24	6,419.91	-	-	-	205,887.15
As At March 31, 2024	**-**	**199,467.24**	**6,419.91**	**-**	**-**	**-**	**205,887.15**

9. 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	62,250.05	22,094.86
	62,250.05	**22,094.86**

10. Other current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unbilled revenue (Refer note no. 24)	5,379.48	14,973.23
	5,379.48	**14,973.23**

11. Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good		
Advances recoverable in cash or kind	2,357.56	2,846.25
Other advances (Unsecured, considered good)		
- VAT, Service tax and GST receivable (net)	14,400.69	16,684.63
- Other	-	238.94
	16,758.25	**19,769.82**

12. Borrowings

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Borrowings from related parties (refer note 24)		
- Persistent Systems Inc	-	81,716.83
Less: Current maturity of long-term borrowings	-	(81,716.83)
	-	**-**

The term loans have the following terms and conditions:
Repayment terms: After 36 months @ 3 month SOFR +225 bps

13. Lease liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Other long term financial liabilities		
Lease liability	33,356.01	9,106.59
Less: Current maturity of lease liabilities	(13,181.86)	(9,106.59)
	20,174.15	**-**

Movement of lease liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Opening balance	9,106.59	19,248.78
Addition	38,599.53	-
Add: Interest recognised during the period	1,252.00	371.01
Effect of foreign currency translation of foreign operations	(1,555.42)	-
Less: Payments made during the period	(14,046.68)	(10,513.20)
Closing balance	**33,356.01**	**9,106.59**

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14. Current borrowings

	As at March 31, 2025 (In ₹'000)	As at March 31, (In ₹'000)
Borrowings from related parties (refer note 24)		
- Persistent Systems Inc (Current maturity of long-term borrowings)	-	81,716.83
	-	**81,716.83**

The term loans have the following terms and conditions:
Repayment terms: After 36 months @ 3 month SOFR +225 bps

15. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services (refer note 24)	14,543.66	11,615.00
	14,543.66	**11,615.00**

Trade payables Ageing Schedule **(In ₹'000)**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	12,546.04	645.11	1,116.88	-	235.63	14,543.66
As At March 31, 2025	**12,546.04**	**645.11**	**1,116.88**	**-**	**235.63**	**14,543.66**

(In ₹'000)

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,294.00	2,305.35	1,528.99	1,208.24	278.41	11,615.00
As At March 31, 2024	**6,294.00**	**2,305.35**	**1,528.99**	**1,208.24**	**278.41**	**11,615.00**

16. Other current financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Interest accrued and due on borrowings	-	6,793.03
Accrued employee liabilities	10,023.05	15,795.71
Lease liability-Current maturity	13,181.86	9,106.59
Advance from related parties (Unsecured, considered good)		
- Persistent Systems Ltd. (refer note 24)	2,784.32	1,325.61
- DIGITALAGILITY S DE RL DE CV (refer note 24)	97.30	117.01
	26,086.53	33,137.95
	26,086.53	**33,137.95**

17. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Statutory liabilities	11,611.18	10,940.78
Other	477.47	-
	12,088.65	**10,940.78**

18. Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
- Leave encashment	13,061.90	15,680.31
- Other employee benefits	15,250.39	18,950.51
	28,312.29	**34,630.82**

19. Revenue from operations

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Software services (refer note 24)	581,127.48	957,838.51
	581,127.48	**957,838.51**

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**
	(In ₹'000)	**(In ₹'000)**
Segment wise disclosure		
Segment		
BFSI	-	-
Healthcare Life Science	-	-
Industrials	581,127.48	957,838.51
Total	**581,127.48**	**957,838.51**
Geographical disclosure		
Geography		
India	-	-
North America	581,127.48	957,838.51
Rest of the World	-	-
Total	**581,127.48**	**957,838.51**
Onsite-offshore disclosure		
IP Led	-	-
Offshore	581,127.48	957,838.51
Onsite	-	-
Total	**581,127.48**	**957,838.51**

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.

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

Particulars	**(In ₹'000)**
Balance at the beginning of the year	**14,973.23**
Revenue recognised during the year	246,108.65
Invoices raised during the year	(259,129.75)
Translation exchange difference	3,427.35
Balance at the end of the year	**5,379.48**

20. Other income

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Excess provision in respect of earlier years written back	3,073.97	1,429.31
Foreign exchange gain/loss (net)	-	4,633.14
Miscellaneous income	1,597.69	
	4,671.66	**6,062.45**

21. Employee benefits expense

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
21.1 Employee benefits expense		
Salaries, wages and bonus	374,457.11	623,836.43
Defined contribution to other funds	92,463.56	135,974.36
Staff welfare and benefits	28,346.45	61,153.11
	495,267.12	**820,963.90**
21.2 Cost of technical professionals		
Technical professionals - others	-	-
	-	**-**
	495,267.12	**820,963.90**

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22. Other expenses

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Traveling and conveyance (refer note 24)	2,563.64	3,320.62
Electricity expenses	754.47	841.04
Internet link expenses	978.56	1,354.85
Communication expenses	406.00	915.72
Recruitment expenses	323.49	1,209.58
Training and seminars	12.11	115.67
Purchase of software licenses and support expenses	(4.65)	31.63
Rent	-	502.18
Insurance	20.31	293.44
Rates, Fees and professional tax	15.15	33.45
Legal and professional fees	4,496.67	10,134.81
Repairs and maintenance		
- Plant and Machinery	1,726.50	1,002.26
- Buildings	73.09	34.40
- Others	272.23	212.08
Computer consumables	91.62	346.75
Books, memberships, subscriptions	174.40	333.42
Foreign exchange loss (net)	16,940.24	
Debit balance written off	-	-
Miscellaneous expenses	3,060.02	4,120.97
	31,903.85	**24,802.87**

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23. Earnings per equity share

		For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS			
Net Profit/ (loss) after tax (In ₹000)	(A)	29,444.65	46,001.02
Weighted average number of equity shares	(B)	1,000,000	1,000,000
Denominator for Diluted EPS			
Number of equity shares	(C)	1,000,000	1,000,000
Basic Earnings per share of face value of MXN 1 each (In ₹)	(A/B)	29.44	46.00
Diluted Earnings per share of face value of MXN 1 each (In ₹)	(A/C)	29.44	46.00

	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	1,000,000	1,000,000
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**1,000,000**	**1,000,000**

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

Notes forming part of financial statements

24. Related party transactions

I. Names of related parties

Holding Company:
Persistent Systems Inc.

Companies under same Management
Persistent Systems Limited
MediaAgility Inc.
DIGITALAGILITY S DE RL DE CV
Persistent Systems Costa Rica Limitada

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				
Software Professional Services	Persistent Systems Limited	Companies under the same management	553,221.89	68,438.19
	Persistent Systems, Inc.	Holding Company	-	851,129.45
	DIGITALAGILITY S DE RL DE CV	Companies under the same management	610.12	-
	MediaAgility Inc.	Companies under the same management	27,224.58	35,389.01
	Persistent Systems Costa Rica Limitada	Companies under the same management	-	2,248.02
Fees for Sales and marketing services	DIGITALAGILITY S DE RL DE CV	Companies under the same management	-	633.84
Expenses				
Traveling and conveyance	Persistent Systems Limited	Companies under the same management	25.70	241.95
Intercompany Interest expense	Persistent Systems, Inc.	Holding Company	5,522.56	6,007.98

* These transactions are disclosed at exchange rate of INR-MXN as on transaction date.

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Share capital	Persistent Systems, Inc.	Holding Company	3,646.80	3,646.80
Trade payables	Persistent Systems Limited	Companies under the same management	2,880.67	2,560.65
	DIGITALAGILITY S DE RL DE CV	Companies under the same management		486.05
	MediaAgility Inc.	Companies under the same management		364.50
	Persistent Systems, Inc.	Holding Company	4,395.29	
Advance taken	Persistent Systems Limited	Companies under the same management	2,784.32	1,325.61
	DIGITALAGILITY S DE RL DE CV	Companies under the same management	97.30	117.01
	Persistent Systems, Inc.	Holding Company	-	56.61
Trade receivables	Persistent Systems Limited	Companies under the same management	77,484.23	59,602.20
	Persistent Systems, Inc.	Holding Company	-	182,249.90
	MediaAgility Inc.	Companies under the same management	10,033.72	-
	Persistent Systems Costa Rica Limitada	Companies under the same management	-	87.03
Borrowings	Persistent Systems, Inc.	Holding Company	-	81,716.84
Interest on ICD payable	Persistent Systems, Inc.	Holding Company	-	6,793.04
Unbilled revenue	Persistent Systems Limited	Companies under the same management	6,300.83	2,886.88
	MediaAgility Inc.	Companies under the same management	(1,241.23)	9,589.91
	Persistent Systems Costa Rica Limitada	Companies under the same management	-	2,265.21
	DIGITALAGILITY S DE RL DE CV	Companies under the same management	319.88	-

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25. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: 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 Company does not foresee any major foreign exchange risk as majority of the revenue is generated and expenses are incurred in the Company's functional currency. 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:		
		(In ₹ 000)
	March 31, 2025	**March 31, 2024**
Trade receivables	77,484.23	69,159.18
Trade payables	2,710.25	0.00

Foreign currency sensitivity analysis
For the year ended March 31, 2025 and March 31, 2024, every percentage point depreciation/appreciation in the exchange rate between the Mexican Peso and foreign currencies would affect the Company's profit before tax margin (PBT) by approximately 2.87% and 0.005% 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 thousand ₹ 87,517.95 and ₹ 2,05,887.15 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:

(In ₹'000)

	As at	
	March 31, 2025	**March 31, 2024**
Receivables overdue for more than 90 days	-	111,663.79
Total receivables	87,517.95	205,770.14
Overdue for more than 90 days as a % of total receivables	0%	54%

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

Notes forming part of financial statements

Ageing of trade receivables

(In ₹'000)

	As at	
	March 31, 2025	**March 31, 2024**
Within the credit period	-	-
1 to 30 days past due	39,740.22	18,041.40
31 to 60 days past due	47,777.73	49,317.17
61 to 90 days past due		26,747.78
91 to 120 days past due		85,545.86
121 and above past due		26,117.93
Less: Expected credit loss	-	-
Net trade receivables	**87,517.95**	**205,770.14**

Movement in expected credit loss allowance

(In ₹'000)

	As at	
	March 31, 2025	**March 31, 2024**
Opening balance	-	-
Movement in expected credit loss allowance	-	-
Closing balance	**-**	**-**

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 ₹ 95,047.88 thousand including cash and cash equivalents of ₹ 62,250.05 thousand.
As at March 31, 2024, the Company had a working capital of ₹ 79.081.99 thousand including cash and cash equivalents of ₹ 22,094.86 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**
Intercorporate Deposit	-	-	-	-
Interest accrued on Intercorporate Deposit	-	-	6,793.03	-
Trade payables	13,191.15	1,352.51	8,599.35	3,015.65
Other financial liabilities	13,181.86	20,174.15	9,106.59	-

26. 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:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Profit before tax	35,172.98	87,926.95
Enacted tax rate	30.00%	30.00%
Computed tax expense at enacted tax rate	10,551.89	26,378.09
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Prior Period Tax charge / (Credit)	(8,133.05)	
Deferred tax asset reversal	(2,912.51)	
Others (Net)	6,221.99	15,547.84
Income tax expense	**5,728.33**	**41,925.93**

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27. Unhedged foreign currency exposure at the end of the year:

(In ₹'000)

Particulars	Foreign currency	Conversion rate	March 31, 2025	Foreign currency	Conversion rate	March 31, 2024
Trade payables	USD 25.83	85.47	2,207.61	-	-	-
	INR 502.64	1.00	502.64			
Borrowings	-	-	-	USD 979.82	83.40	81,716.99
Interest accrued on borrowing	-	-	-	USD 81.45	83.40	6,793.01
Trade receivables	USD 906.57	85.47	77,484.23	USD 829.25	83.40	69,159.18
Unbilled Revenue	USD 81.13	85.47	6,934.33	USD 179.54	83.40	14,973.23

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28. 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 Liabilties	2.17	1.43	52%	Repaid ICD during the year, leading to improved current asset
(b) Debt-Equity Ratio,	Debt	Equity	Not applicable	22.41		Repaid ICD resulted in nil ratio.
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	-	1.45	-100%	Repaid ICD resulted in nil debt service requirement during the year.
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	8.07	12.61	-454%	decrease in headcount led to ~40% drop in TP revenue.
(e) Inventory turnover ratio,			Not applicable	Not applicable		
(f) Trade Receivables turnover ratio,	Turnover	Average trade receivables	3.96	6.45	-38.60%	While an improvement in Days Sales Outstanding (DSO) is evident based on closing figures, the use of average debtors in the ratio computation has led to an increase in the Days Sales Receivable metric.
(g) Trade payables turnover ratio,	Total expenses	Average trade payables	2.44	2.18	11.78%	
(h) Net capital turnover ratio,	Turnover	Average working capital	6.67	16.95	-61%	Decrease in headcount lead to decrease in TP revenue
(i) Net profit ratio,	Net Profit after tax	Turnover	0.05	0.05	6%	
(j) Return on Capital employed	Earnings Before Interest	Average capital employed	9.61	14.36	-33%	Decrease in headcount lead to decrease in TP revenue
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	Not applicable	Not applicable		

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29. Contingent liability

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

30. 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
	30-Jun-24	30-Sep-24	31-Dec-24	31-Mar-25		
Decrease in depreciation Expenses	1,063.48	947.39	315.65	214.32	2,540.83	439.44

31. Leases

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

	As at 'March 31, 2025 (In ₹'000)	As at 'March 31, 2024 (In ₹'000)
- Less than one year	13,181.86	9,106.59
- One to five years	23,451.82	-
- 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.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.2).

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 31, 2024 - ₹ Nil).

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

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

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 México, S.A. de C.V.

Tejashree Joshi
Partner
Membership No. 139807

Thomas Klein
Director

Vinit Teredesai
Director

Place: India
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Place: USA
Date : April 21, 2025

Persistent

Persistent Systems Israel Ltd.

144A Menachem Begin Rd. Tel- Aviv Israel 6492124 at
Koren- Grodberg Law Offices

Persistent Systems Israel Ltd.

144A Menachem Begin Rd. Tel- Aviv Israel 6492124 at Koren- Grodberg Law Offices

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc. USA, having its office in Israel.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	5,511.23	3,313.89
Total Expenditure	1,516.03	3,448.86
Profit /(Loss) before tax	3,995.20	(134.97)
Total Tax Expense	(6,641.40)	-
Net profit/ (loss) after tax	**10,636.60**	**(134.97)**

Office Bearers

Mr. Thomas Klein was the sole office bearer of the Company as of March 31, 2025.

Acknowledgements

The management would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS ISRAEL LTD.

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Israel Ltd. ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter:

Without qualifying our opinion, we hereby draw attention to the note 2, for going concern principle based on which financials statement is prepared by the management.

Note 2 is as follows:

We draw attention to Note 2 “Basis of preparation” in the financial statements, which indicates there are no business operations in the company. Considering this fact, these financial statements have not been prepared on going concern basis. Consequently, these financial statements have been prepared under the realizable value basis of accounting, whereby carrying value of all assets has been recognized at their estimated realizable value and liabilities have been stated at their estimated settlement value.

Information Other than the Standalone Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the standalone financial statements and our auditor’s report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management’s Responsibility for the Standalone Financial Statements

The Company’s Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions

of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed by Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Pune: Place
Date: 21st April, 2025
UDIN: 25139807BMLLAE4281

Persistent Systems Israel Ltd.

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	-	-
Other Intangible assets	5.2	-	-
		-	-
Deferred tax assets (net)	6	-	-
Other Non-Current Financial Asset	7	-	-
		-	-
Current assets			
Financial assets			
- Trade receivables	8	4,236.00	2,453.11
- Cash and cash equivalents	9	7,579.33	165,139.74
- Other bank balances	10	161,809.20	-
- Other current financial assets	11	453.54	-
Other current assets	12	2,180.45	-
		176,258.52	**167,592.85**
TOTAL		**176,258.52**	**167,592.85**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	6,776.29	6,776.29
Other equity		167,451.95	153,549.71
		174,228.24	**160,326.00**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Trade payables	13	2,030.28	2,083.45
- Other financial liabilities	14	-	-
Other current liabilities	15	-	-
Provisions	16	-	-
Current tax liabilities (net)		-	5,183.40
		2,030.28	**7,266.85**
TOTAL		**176,258.52**	**167,592.85**
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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems Israel Ltd.

Thomas Klein
Authorised Representative

Place: USA
Date : April 21, 2025

Persistent Systems Israel Ltd.

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2025

	Notes	For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Income			
Revenue from operations	17	-	-
Other income	18	5,511.23	3,313.89
Total income (A)		**5,511.23**	**3,313.89**
Expenses			
Employee benefits expense	19.1	-	-
Cost of technical professionals	19.2	-	-
Depreciation and amortization expense	5.3	-	-
Other expenses	20	1,516.03	3,448.86
Total expenses (B)		**1,516.03**	**3,448.86**
Profit /(Loss) before tax (A - B)		**3,995.20**	**(134.97)**
Tax expense			
Current tax		890.36	-
Tax in respect of earlier years		(7,531.76)	-
Deferred tax charge / (credit)		-	-
Total tax expense		**(6,641.40)**	**-**
Net profit /(Loss) for the year (C)		**10,636.60**	**(134.97)**
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 will be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		3,265.64	(1,113.14)
Total other comprehensive income for the year (D) + (E)		**3,265.64**	**(1,113.14)**
Total comprehensive income for the year (C) + (D) + (E)		**13,902.24**	**(1,248.11)**
Earnings per equity share	21		
[Nominal value of share NIS 0.10 (Previous period/year- NIS 0.10)			
Basic (In ₹)		2.75	(0.03)
Diluted (In ₹)		2.75	(0.03)
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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems Israel Ltd.

Thomas Klein
Authorised Representative

Place: USA
Date : April 21, 2025

Persistent Systems Israel Ltd.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For year ended March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Cash flow from operating activities			
Profit before tax		**10,636.60**	**(134.97)**
Adjustments for:			
Unrealised exchange (gain)/loss		(111.68)	29.04
Currency Translation reserve		3,265.64	(1,113.14)
Interest received in Bank		(3,819.09)	
Excess provision written back		-	(602.05)
Operating profit before working capital changes		**9,971.47**	**(1,821.12)**
Movements in working capital :			
(Increase)/Decrease in trade receivables		(1,677.15)	(2,473.11)
Decrease / (Increase) in other current assets		(2,633.99)	758.25
Increase/(Decrease) in trade payables and current financial liabilities		(5,230.63)	970.24
Operating profit after working capital changes		**429.70**	**(2,565.74)**
Direct taxes paid (net of refunds)		-	-
Net cash generated from operating activities	**(A)**	**429.70**	**(2,565.74)**
Cash flow from investing activities			
Payment towards capital expenditure		-	
Deposits with bank received		(161,809.20)	
Interest received in Bank		3,819.09	
Net cash (used in) investing activities	**(B)**	**(157,990.11)**	-
Cash flow from financing activities			
Repayment of advance from related party		-	-
Net cash generated from financing activities	**(C)**	-	-
Net increase in cash and cash equivalents **(A + B + C)**		**(157,560.41)**	**(2,565.74)**
Cash and cash equivalents at the beginning of the reporting year		165,139.74	167,705.48
Cash and cash equivalents at the end of the reporting year		**7,579.33**	**165,139.74**

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Components of cash and cash equivalents		
Balances with banks		
- on current account	7,579.33	165,139.74
Cash and cash equivalents as per note 9	**7,579.33**	**165,139.74**

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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems Israel Ltd.

Thomas Klein
Authorised Representative

Place: USA
Date : April 21, 2025

Persistent Systems Israel Ltd.

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
6,776.29	-	-	6,776.29
6,776.29	**-**	**-**	**6,776.29**

(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
6,776.29	-	-	6,776.29
6,776.29	**-**	**-**	**6,776.29**

The Company issued 3,867.40 Thousand ordinary shares (face value NIS 0.10) of which 0.1 Thousand shares were issued for no consideration.

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Persistent Systems Israel Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other Equity

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	128,401.53	25,148.18	153,549.71
Changes in accounting policy or prior period errors			
Restated balance as at April 1, 2024	128,401.53	25,148.18	153,549.71
Net profit /(loss) for the year	10,636.60		10,636.60
Other comprehensive income for the year	-	3,265.64	3,265.64
Balance at March 31, 2025	**139,038.13**	**28,413.82**	**167,451.95**

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	128,536.50	26,261.32	154,797.82
Changes in accounting policy or prior period errors			
Restated balance as at April 1, 2023	128,536.50	26,261.32	154,797.82
Net profit / (loss) for the year	(134.97)	-	(134.97)
Other comprehensive income for the year	-	(1,113.14)	(1,113.14)
Balance at March 31, 2024	**128,401.53**	**25,148.18**	**153,549.71**

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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems Israel Ltd.

Thomas Klein
Authorised Representative

Place: USA
Date : April 21, 2025

Persistent Systems Israel Ltd.

Notes forming part of financial statements

1 Nature of operations

Persistent Systems Israel Ltd. was incorporated on February 9, 2016 as a wholly owned subsidiary of Persistent Systems Inc. The Company has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers. The Company commenced its operations from June 1, 2016

2 Basis of preparation

There are no business operations in the company. Considering this fact, these financial statements are not being prepared on going concern basis. Consequently, these financial statements have been prepared under the realizable value basis of accounting, whereby carrying value of all assets has been recognized at their estimated realizable value and liabilities have been stated at their estimated settlement value

-Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. 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

3.1 Accounting year

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

3.2 Functional Currency

The Company's functional currency is the New Israeli Shekel . 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 3,265.64 under the head "Other Equity".

3.3 Use of estimates and judgements

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

3.4 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

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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 USA. Significant judgements are involved in determining the provision for income taxes.

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.

3.5 Summary of Significant accounting Policies

a) Current vs 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.

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.

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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

*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.

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

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

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

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

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

f) 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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

g) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

h) 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.

- 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 of the lease, and
- 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.

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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.

i) **Revenue recognition**

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

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

j) Foreign currency transactions

i. Initial recognition

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

ii. Conversion

The transactions are in US Dollars, 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 and investments 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 year.

The exchange difference arising out of the period/year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

iii. 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.

iv. 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

k) 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.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

l) Income taxes

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

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities 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 assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

m) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

n) Provisions

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

o) Contingent liabilities

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

p) Cash and cash equivalents

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

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Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
19,337,000 Ordinary shares of NIS 0.10 each	NIS 1,933.70	NIS 1,933.70
Common Shares of $0.001 each.		
	NIS 1,933.70	**NIS 1,933.70**
Issued, subscribed and paid-up		
3,867,400 Ordinary shares of NIS 0.10 each.	6,776.29	6,776.29
Issued, subscribed and fully paid-up share capital	**6,776.29**	**6,776.29**

Out of 3,867,400 Ordinary shares of NIS 0.10 each the Company issued 100 ordinary shares for no consideration.
All the shares are held by Persistent Systems Inc.

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

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

	As at March 31, 2025		As at March 31, 2024	
	No of shares	**(in ₹ '000)**	**No of shares**	**(in ₹ '000)**
Number of shares at the beginning of the year	19,337.00	6,776.29	19,337.00	6,776.29
Add: Issued during the period / year	-	-	-	-
Number of shares at the end of the year	**19,337.00**	**6,776.29**	**19,337.00**	**6,776.29**

b) Terms / rights attached to equity shares

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

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

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

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Persistent Systems Israel Ltd.

Notes forming part of financial statements

c) Details of shares held by Promoters

March- 31,2025

	No. of shares at the beginningof the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Persistent Systems Inc.	19,337	-	**19,337.00**	**100%**	-

March- 31,2024

	No. of shares at the beginningof the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Persistent Systems Inc.	19,337	-	**19,337.00**	**100%**	-

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Persistent Systems Israel Ltd.

Notes forming part of financial statements

5.1. Property, Plant and Equipment **(In ₹'000)**

	Computers	Plant & Machinery	Furniture and fixture	Leasehold Improvements	Total
Gross block (At cost)					
As at April 1, 2024	-	-	-	-	-
Additions	-	-	-	-	-
- Exchange differences	-	-	-	-	-
As at March 31, 2025	-	-	-	-	-
Depreciation and amortization					
As at April 1, 2023	-	-	-	-	-
Charge for the year	-	-	-	-	-
- Exchange differences	-	-	-	-	-
As at March 31, 2025	-	-	-	-	-
Net block					
As at March 31, 2025	-	-	-	-	-
As at March 31, 2024	-	-	-	-	-

(In ₹'000)

	Computers	Plant & Machinery	Furniture and fixture	Leasehold Improvements	Total
Gross block (At cost)					
As at April 1, 2023					-
Additions					-
Deletions					-
- Exchange differences					-
As at March 31, 2024	-	-	-	-	-
Depreciation and amortization					
As at April 1, 2023					-
Charge for the year					-
Deletions					-
- Exchange differences					-
As at March 31, 2024	-	-	-	-	-
Net block					
As at March 31, 2024	-	-	-	-	-
As at March 31, 2023	-	-	-	-	-

Persistent Systems Israel Ltd.

Notes forming part of financial statements

5.2. Other Intangible assets **(In ₹'000)**

	Software	Total
Gross block (At cost)		
As at April 1, 2024	-	-
Additions	-	-
- Exchange differences		-
As at March 31, 2025	-	-
amortization		
As at April 1, 2024	-	-
Charge for the year	-	-
- Exchange differences	-	-
As at March 31, 2025	-	-
Net block		
As at March 31, 2025	-	-
As at March 31, 2024	-	-

(In ₹'000)

	Software	Total
Gross block (At cost)		
As at April 1, 2023	-	-
Additions	-	-
Deletions	-	
- Exchange differences	-	-
As at March 31, 2024	-	-
amortization	-	-
As at April 1, 2023	-	-
Charge for the year	-	-
Deletions		
- Exchange differences		
As at March 31, 2024	-	-
Net block		
As at March 31, 2024	-	-
As at March 31, 2023	-	-

5.3 Depreciation and amortization expense

(In ₹'000)

	For year ended	
	March 31, 2025	**March 31, 2024**
Property, Plant and Equipment	-	-
Intangible assets	-	-
	-	-

6. Deferred tax assets (net)

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deferred tax liabilities		
Differences in book values and tax base values of property, plant and equipment and other intangible assets.	-	-
Others	-	-
	-	-
Deferred tax assets		
Differences in book values and tax base values of property, plant and equipment and other intangible assets.	-	-
Provision for leave encashment	-	-
Provision for performance and retention bonus	-	-
Brought forward losses		-
	-	-
Deferred tax assets (net)	-	-

7. Other Non-Current Financial Asset

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Security Deposit	-	-
	-	-

8. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good (Refer note 23)	4,236.00	2,453.11
Unsecured, considered doubtful	-	-
	4,236.00	2,453.11
Less : Allowances for Expected Credit Loss	-	-
	4,236.00	**2,453.11**
	4,236.00	**2,453.11**

Trade receivables Ageing Schedule

	Curent 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	-	589.77	3,646.23	-	-	-	4,236.00
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	**-**	**589.77**	**3,646.23**	**-**	**-**	**-**	**4,236.00**

	Curent 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	287.81	752.45	1,412.85	-	-	-	2,453.11
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	**287.81**	**752.45**	**1,412.85**	**-**	**-**	**-**	**2,453.11**

9. 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	7,579.33	165,139.74
	7,579.33	**165,139.74**

10. Other bank balances

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deposits with Others		
On deposit account with original maturity for more than three months but less than twelve months*	161,809.20	-
	161,809.20	**-**

* Out of the balance, fixed deposits of ₹ Nil Thousand (Previous year ₹ Nil Thousand) have been earmarked against bank guarantees availed by the Company.

11. Other current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advance to related parties (Unsecured, considered good) (Refer note 23)		
- Persistent Systems, Ltd	-	-
-Interest accrued but not due on deposits with banks	453.54	-
	453.54	**-**

12. 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	-	-
Other advances (Unsecured, considered good)		
VAT receivable (net)	-	-
Unbilled revenue	-	-
	-	**-**

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13. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services (Refer note 23)	2,030.28	2,083.45
	2,030.28	**2,083.45**

Trade payables Ageing Schedule

	Current but 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	927.89	1,102.39	-			2,030.28
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-			-
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						
As At March 31, 2025	**927.89**	**1,102.39**	**-**	**-**	**-**	**2,030.28**

	Current but 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						-
Total outstanding dues of creditors other than micro enterprises and small enterprises	1797.58	-	285.87	-		2,083.45
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						
As At March 31, 2024	**1,797.58**	**-**	**285.87**	**-**	**-**	**2,083.45**

14. Other financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Accrued employee liabilities	-	-
Advance from related party (Refer note 23)		
-Persistent Systems, Inc.	-	-
-Persistent Systems, Ltd.	-	-
	-	-

15. Other current liabilities

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

16. Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
- Leave encashment	-	-
- Other employee benefits	-	-
	-	-

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17. Revenue from operations

	For year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Sale of services (Refer note 23)	-	-
	-	-

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 year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Segment wise disclosure		
Industry Segments	-	-
BFSI	-	-
LSHC	-	-
Total	-	-
Geographical disclosure		
India	-	-
North America		-
Rest of the World	-	-
Total		-
Onsite / offshore		
IP Led	-	
Offshore	-	-
Onsite	-	
Total	-	-

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 year ended	
	March 31, 2025	March 31, 2024
Excess provision written back	-	602.05
Foreign exchange loss (net)	-	-
Interest on FD	3,819.09	-
Miscellaneous income (Refer note 23)	1,692.14	2,711.84
	5,511.23	3,313.89

19. Personnel expenses

	For year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
19.1. Employee benefits expense		
Salaries, wages and bonus	-	-
Staff welfare and benefits	-	-
	-	-
19.2. Cost of technical professionals		
Technical professionals - others	-	-
	-	-
	-	-

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20. Other expenses

	For year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Legal and professional fees	311.55	1,203.09
Auditors' remuneration (Refer note 28)	597.38	578.66
Foreign exchange loss (net)	(105.60)	29.04
Sundry Balances written off	-	938.16
Miscellaneous expenses	712.70	699.91
	1,516.03	**3,448.86**

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21. Earnings per equity share

		For year ended March 31, 2025	For year ended March 31, 2024
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'000)	(A)	10,636.60	(134.97)
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	3,867,400	3,867,400
Denominator for Diluted EPS			
Number of equity shares	(C)	3,867,400	3,867,400
Basic Earnings per share of face value of NIS 0.10 each (In ₹)	(A/B)	2.75	(0.03)
Diluted Earnings per share of face value of NIS 0.10 each (In ₹)	(A/C)	2.75	(0.03)

	For year ended March 31, 2025	For year ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	3,867,400	3,867,400
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**3,867,400**	**3,867,400**

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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 Liabilties	86.81	24.45	255%	company is under liquation process
(b) Debt-Equity Ratio,	Debt	Equity	NA	NA		
(c) Debt Service Coverage Ratio,	EBITA	Debt service withine year	NA	NA		
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.06	(0.00)	-6743%	company is under liquation process
(e) Inventory turnover ratio,			NA	NA		
(f) Trade Receivables turnover ratio,	Trade Receivables	Turnover	3.18	(0.00)	-281887%	company is under liquation process
(g) Trade payables turnover ratio,	Trade Payables	Turnover	5.17	(0.02)	-33517%	company is under liquation process
(h) Net capital turnover ratio,	Turnover	Average working Capital	(7.02)	(0.01)	79745%	company is under liquation process
(j) Return on Capital employed,	Earning interest and taxes	Average Capital emplyoed	0.06	(0.00)	-7681%	company is under liquation process
(k) Return on investment.	Income generated from investment	Average investment	NA	NA		

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23 **Related Party Disclosures**

i) Names of related parties and their related party relationships
Holding Company
- Persistent System Inc.
Companies under the same management
- Persistent System Limited

ii) Related Party Transactions

(In ₹000)

Nature of Transaction	Name of related party	Relation with the company	Year ended March 31, 2025	Year ended March 31, 2024
Other Income	Persistent Systems Limited	Holding Company	1,692.14	-
	Persistent Systems Inc.	Companies under the same management	-	2,711.84

iii) Balances Outstanding

(In ₹000)

Particulars	Name of related party	Relation with the company	As at March-31.2025	As at March-31.2024
Share Capital	Persistent Systems Inc.	Companies under the same management	6,776.29	6,776.29
Trade Payable	Persistent Systems Inc.	Companies under the same management	-	261.02
Trade Receivable	Persistent Systems Limited	Companies under the same management	1,722.00	-
	Persistent Systems Inc.	Companies under the same management	2,514.00	2,453.11
Advance recoverble in cash or kind or value be received	Persistent Systems Limited	Holding Company	-	591.44

24 **Unhedged balances outstanding at end of the year** (In ₹000)

	31-Mar-25			31-Mar-24		
Particulars	**Foreign currency**	**Convesation rate**	**Amount in INR**	**Foreign currency**	**Convesation rate**	**Amount in INR**
Trade Payable	-	-	-	INR 199.61	1.00	199.61
Trade Receivable	USD 49.56	85.47	4,236.00	-		-

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 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	(In ₹000)	
	March-31-2025	March-31-2024
Trade receivebles	4,236.00	-
Trede payable	-	199.61

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 tax margin (PBT) by approximately 1.06% and (1.06%)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. 4,236 (in thousand) & Rs.2,453.11 as at March 31,2025 and as at 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 March 31,2025	As at March 31,2024
Receivables overdue for more than 90 days	3,646.23	1,412.85
Trade receivables	4,236.00	2,453.11
Overdue for more than 90 days as a % of total receivables	**86%**	**58%**

Ageing of trade receivables

	As at March 31,2025	As at March 31,2024
Within the credit period	-	287.81
1 to 30 days past due	-	-
31 to 60 days past due	589.77	752.45
61 to 90 days past due	-	-
91 to 120 days past due	-	-
121 and above past due	3,646.23	1,412.85
Less: Expected credit loss	-	-
Net trade receivables	**4,236.00**	**2,453.11**

Movement in expected credit loss allowance

	As at March 31,2025	As at March 31,2024
Opening balance	-	-
Movement in expected credit loss allowance	-	-
Translation differences	-	-
Closing balance	-	-

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 Rs.174,228.24 Thousand including cash and cash equivalents and other bank balances of Rs. 7579.33 Thousand. As at March 31, 2024, the Company had a working capital of Rs. 160,326 Thousand including cash and cash equivalents and other bank balances of Rs.165,139.74 Thousand.

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

	As at March 31,2025		As at March 31,2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade Payable	2,030.28	-	907.75	762.53
Other financial liabilities	-	-		

(This space is intentionally left blank)

26 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:

(In ₹000)

	For the year ended	
	March 31,2025	**March 31,2024**
Profit before tax	3,995.19	(134.97)
Enacted tax rate	23%	0%
Computed tax expense at enacted tax rate	918.89	-
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Prior Period Tax charge / (Credit)	(7,531.76)	-
Others	(28.53)	-
Income tax expense	**(6641.40)**	**-**

27 Contingent liabilities:

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

28 Auditors Remuneration

(In ₹000)

Particulars	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Audit Fees	597.38	578.66

29 Capital commitments

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

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

31 Previous year'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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems Israel Ltd.

Thomas Klein
Authorised Representative

Place: USA
Date : April 21, 2025

Persistent Systems Switzerland AG

Regd. Office: Birmensdorferstrasse 108, 8003 Zürich

Regd. Office: Bahnhofstrasse 75, 8001 Zürich, Switzerland

Annual Report FY 2024-2025

Report of the Directors

The Directors have pleasure in presenting the Thirteenth Annual Report of the Company to the members together with the audited financial statements of the Company for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Germany, GmBH, carrying out operations from its registered office located at Bahnhofstrasse 75, 8001 Zürich, Switzerland.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR Millions)

Particulars	2024 – 2025	2023 – 2024
Total income	685.92	1,339.69
Expenditure	703.25	996.09
Profit /(Loss) before taxation	**(17.33)**	**343.60**
Total Tax Expense	(5.83)	4.04
Net profit/ (loss) after taxation	**(11.50)**	**339.56**

Business Operations

The Company is engaged in rendering software development and professional services in the European region.

Event based Disclosures:

i. Directors

Your Company noted the following:

a. Beat Kach, Director resigned with effect from February 1, 2024.

b. the addition of Authorised Signatories – Sanofar Fatima, Head- HR Europe and Rajasekar Sukumar- VP- Sales – Europe in the Chamber of Commerce.

c. certain authorized signatories have left the Company and the registration was still reflected in the Commercial Register. Hence, the deletion of Mr. Alianksandr Kruk as the Authorised Signatory of the Company was completed.

d. appointment of Mr. Vinit Teredesai as the Director of the Board of Directors of the Company on December 17, 2024, at its Extra-Ordinary General Meeting.

e. Due to the retirement of Mr. Sunil Sapre, Director stepped down from your Company and the Commercial Register was informed about the same w.e.f. October 19, 2024.

Therefore, the current composition of the Board of Directors of the Company as on the date of the Report are as follows:

a. Mr. Arnaud Pierrel, France
b. Mr. Vinit Teredesai, India
c. Mr. Herve Bisquer, France

ii. Declaration of Dividend

Your Company declared a dividend of CHF 1,365,212.14 in February 2024 to the shareholders as a loan.

iii. Noting of change of Registered office address

Your Company be further informed that there was a change in the registered address from Birmensdorferstrasse 108 Zürich, 8003 Switzerland to Bahnhofstrasse 75 8001 Zürich, Switzerland with effect from October 1, 2024.

Acknowledgments

The Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS SWITZERLAND AG (FOREMERLY KNOWN AS PARX WERK AG)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent systems Switzerland AG (Formerly known as Parx Werk AG) ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
The Board of Directors are responsible for overseeing the Company's financial

reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with

the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co.**
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune
Date: 22nd April, 2025
UDIN: 25139807BMLLAR2547

Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	8.11	5.75
Capital work-in-progress		-	4.83
Right-of-use Asset	5.2	18.14	85.24
		26.25	**95.82**
Financial assets			
- Loans	6	-	36.85
-Other non current financial assets	7	2.45	7.86
Deferred tax assets (net)	8	5.90	0.09
Other non-current assets	9	-	-
		34.60	**140.62**
Current assets			
Financial assets			
- Trade receivables	10	85.90	141.36
- Cash and cash equivalents	11	148.93	152.57
- Other current financial assets	12	58.47	69.50
Current tax assets (net)		0.74	-
Other current assets	13	14.14	12.19
		308.18	**375.62**
TOTAL		**342.78**	**516.24**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	16.58	16.58
Other equity		172.59	288.11
		189.17	**304.69**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
-Other non-current financial liabilities	14	13.94	66.94
		13.94	**66.94**
Current liabilities			
Financial liabilities			
- Trade payables	15	94.90	38.30
- Borrowings	16	4.39	19.14
Other current liabilities	17	31.91	53.09
Provisions	18	8.47	17.60
Current tax liabilities (net)		-	16.48
		139.67	**144.61**
TOTAL		**342.78**	**516.24**
Summary of material accounting policy information	3		

The accompanying notes are an integral part of the condensed interim 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 Switzerland AG (Formerly known as PARX Werk AG)

per Tejashree Joshi	**Vinit Teredesai**	**Arnaud Pierrel**
Partner	Director	Director
Membership No. 139807		
Place: India	Place: USA	Place: France
Date : April 22, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2025

	Notes	For the quarter ended		For the year ended	
		March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)
Income					
Revenue from operations	19	165.31	221.45	681.90	1,019.77
Other income	20	1.32	2.55	4.02	319.92
Total income (A)		**166.63**	**224.00**	**685.92**	**1,339.69**
Expenses					
Employee benefits expense	21.1	63.14	102.49	324.30	451.05
Cost of technical professionals	21.2	100.11	57.94	231.67	401.71
Finance costs	22	0.20	1.32	0.66	2.94
Depreciation and amortization expense	5.3	2.05	7.06	17.75	29.49
Other expenses	23	36.06	34.04	128.87	110.90
Total expenses (B)		**201.56**	**202.85**	**703.25**	**996.09**
Profit/(loss) before tax (A - B)		**(34.93)**	**21.15**	**(17.33)**	**343.60**
Tax expense					
Current tax		(3.47)	3.56	0.01	10.65
Tax credit in respect of earlier years		(0.06)	0.21	(0.06)	(6.25)
Deferred tax charge / (credit)		(6.18)	(0.14)	(5.78)	(0.36)
Total tax expense		**(9.71)**	**3.63**	**(5.83)**	**4.04**
Net profit/(loss) for the quarter/ year (C)		**(25.22)**	**17.52**	**(11.50)**	**339.56**
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 of foreign operations		4.28	(32.24)	7.35	6.87
Total other comprehensive income for the quarter/year (D) + (E)		**4.28**	**(32.24)**	**7.35**	**6.87**
Total comprehensive income for the quarter/ year (C) + (D) + (E)		**(20.94)**	**(14.72)**	**(4.15)**	**346.43**
Earnings per equity share	24				
[Nominal value of share CHF 1 (Previous period/ year: CHF 1)]					
Basic (In ₹)		(100.88)	70.09	(46.00)	1,358.23
Diluted (In ₹)		(100.88)	70.09	(46.00)	1,358.23
Summary of material accounting policy information	3				

The accompanying notes are an integral part of the condensed interim 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 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

Vinit Teredesai
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended March 31, 2025 (In ₹'million)	For the year ended March 31, 2024 (In ₹'million)
Cash flow from operating activities			
Profit/loss before tax		**(17.33)**	**343.60**
Adjustments for:			
Finance cost		0.66	2.94
Depreciation and amortization expense		17.75	29.49
Interest income		(2.39)	(5.51)
Sundry balance written back		(0.91)	(10.17)
Unrealised exchange (gain)/ loss (net)		(7.04)	3.90
Currency translation reserve		7.35	8.88
Debit balance written off		6.86	4.89
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents		2.34	0.12
Profit on sale of investments (net)		-	(304.24)
Loss on sale of fixed assets (net)		0.51	-
Operating profit before working capital changes		**7.79**	**73.90**
Movements in working capital :			
(Increase)/Decrease in trade receivables		55.79	21.19
(Increase)/ Decrease in other current assets (including financial assets)		14.49	28.09
Increase/(Decrease) in trade payables and current liabilities		29.98	(8.66)
Increase/(Decrease) in provisions		(9.13)	(11.23)
Operating profit after working capital changes		**98.92**	**103.29**
Direct taxes paid (net of refunds)		(10.65)	(4.06)
Net cash generated/ (used in) from operating activities	**(A)**	**88.27**	**99.23**
Cash flows from investing activities			
Payment towards capital expenditure		(0.68)	(8.66)
Interest received on loan		0.25	5.06
Interest received on Fixed deposit with banks		1.63	-
Inter corporate deposits repaid		37.12	-
Inter corporate deposits given		-	(37.37)
Inter corporate deposits received		-	86.32
Net cash (used in) investing activities	**(B)**	**38.33**	**45.35**
Cash flows from financing activities			
Payments against lease liability		(16.53)	(26.37)
Interest paid		-	(1.29)
Dividend paid		(111.37)	-
Repayment of Loan-PSI		-	(50.57)
Repayment of Switzerland Govt's loan		-	(35.03)
Net cash (used in) financing activities	**(C)**	**(127.90)**	**(113.26)**
Net (Decrease)/ increase in cash and cash equivalents (A + B + C)		(1.30)	31.32
Cash and cash equivalents at the beginning of the year		152.57	121.37
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(2.34)	(0.12)
Cash and cash equivalents at the end of the year		**148.93**	**152.57**

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Components of cash and cash equivalents		
Cash in hand	-	0.01
Balances with banks		
On current accounts	106.19	72.50
Deposits with Bank	42.74	80.06
Cash and cash equivalents as per note 11	**148.93**	**152.57**

Summary of material accounting policy information

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

As per our report of even date

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

For and on behalf of the Board of Directors of
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

per Tejashree Joshi	**Vinit Teredesai**	**Arnaud Pierrel**
Partner	Director	Director
Membership No. 139807		
Place: India	Place: USA	Place: France
Date : April 22, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2025

A. Equity share capital (refer note 4)

(In ₹'million)

Balance as at April 01, 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
16.58	-	-	16.58

(In ₹'million)

Balance as at April 01, 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
16.58	-	-	16.58

Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹'million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2024	10.45	239.78	37.88	288.11
Net Profit/(Loss) for the year	-	(11.50)	-	(11.50)
Dividend	-	(111.37)	-	(111.37)
Others Comprehensive income	-	-	7.35	7.35
Balance at March 31, 2025	**10.45**	**116.91**	**45.23**	**172.59**

(In ₹'million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	General reserve	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2023	-	217.64	31.01	248.65
Net Profit/(Loss) for the year	-	339.56	-	339.56
Transfer of balance from Retained earning to General reserve	10.45	(10.45)	-	-
Dividend paid	-	(306.97)	-	(306.97)
Others Comprehensive income	-	-	6.87	6.87
Balance at March 31, 2024	**10.45**	**239.78**	**37.88**	**288.11**

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.

b) General Reserve

As per Swiss Legislation, General Reserve is created out of accumulated profit amounting to INR 10.45 million.

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

As per our report of even date

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

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

Vinit Teredesai
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

1 Nature of operations

Persistent Systems Switzerland AG (Formerly known as Parx Werk AG) is a Company incorporated in Switzerland. The Company is engaged in providing services based on the Salesforce.com platforms. The Company was acquired by Persistent Systems Germany GmbH by virtue of Share purchase agreement.

2 Basis of preparation

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

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for the quarter and year ended March 31,2025 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The condensed interim financial statements are presented in ₹ Millions.

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

3 Summary of Material Accounting Policies

3.1 Accounting year

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

3.2 Functional currency

a) The company's functional currency is the CHF.

b) 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".

3.3 Use of estimates and judgements

The preparation of the condensed interim 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 condensed interim financial statements in the period in which changes are made and, if material their effects are disclosed in the notes to the condensed interim financial statements.

3.4 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 Switzerland. 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.

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

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

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

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

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

b) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when The Company can demonstrate:

-technical feasibility of completing the intangible asset so that it will be available for use or sale;

-its intention to complete the asset and use or sell it;

-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.

e) 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's	5 years
Furniture and Fixtures*	5 years
Plant and Machinery*	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) Impairment of Property, Plant and Equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

g) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

b) 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

c) Impairment of financial assets

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

h) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

i) Investments

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

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

j) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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.

In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses

ii. Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate. Interest income is included under the head 'Other income' in the statement of profit and loss.

iii. Dividends

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

k) Foreign currency transactions

i. Initial recognition

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

ii. Conversion

Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined. For foreign currency transactions recognized in profit and loss statement the Company uses average rate if the average approximates the actual rate at the date of the transaction.

iii. Settlement

Revenue, 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 year in which the transaction is settled.

l) Retirement and other employee benefits

Gratuity

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

Superannuation

The Company does not have any superannuation scheme.

Provident fund

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

Leave encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in the respective tax jurisdictions where the Company operates. 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.

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) Cash and cash equivalents

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

o) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

p) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

q) Provisions

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

r) Contingent liabilities

A contingent liability is a possible obligation that arises from past 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.

s) Employee stock compensation expenses

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
0.25 Million equity shares of CHF 1 each (in million)	CHF 0.25	CHF 0.25
	CHF 0.25	**CHF 0.25**
Issued, subscribed and fully paid-up shares		
0.25 Million equity shares of CHF 1 each (in ₹'million)	16.58	16.58
Issued, subscribed and fully paid-up share capital	**16.58**	**16.58**

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

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

b)Terms / rights attached to equity shares

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

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

Dividend Distribution made:

(In ₹'million)

	As at March 31, 2025	As at March 31, 2024
Dividend on equity shares declared and paid:		
Interim dividend for the year ended on 31st March 2024	-	306.97
Final dividend for the quarter ended on 30th June 2024	111.37	-
	111.37	**306.97**

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5.1 Property, Plant and Equipment

(In ₹'million)

	Computers	Office equipment	Plant and equipment	Furniture and fixtures	Total
Gross Block (at cost)					
As at April 01, 2024	40.16	1.06	1.90	15.86	58.98
Additions	5.51	-	-	-	5.51
- Exchange differences	2.24	0.06	0.11	0.84	3.25
As at March 31, 2025	**47.91**	**1.12**	**2.01**	**16.70**	**67.74**
Depreciation and amortization					
As at April 01, 2024	35.43	0.98	1.72	15.10	53.23
Charge for the year	3.01	0.05	0.05	0.39	3.50
- Exchange differences	1.93	0.06	0.10	0.81	2.90
As at March 31, 2025	**40.37**	**1.09**	**1.87**	**16.30**	**59.63**
Net block					
As at March 31, 2025	**7.54**	**0.03**	**0.14**	**0.40**	**8.11**
As at March 31, 2024	**4.73**	**0.08**	**0.18**	**0.76**	**5.75**

(In ₹'million)

	Computers	Office equipment	Plant and equipment	Furniture and fixtures	Total
Gross Block (at cost)					
As at April 01, 2023	35.40	1.03	1.81	15.43	53.67
Additions	3.83	-	0.04	-	3.87
- Exchange differences	0.93	0.03	0.05	0.43	1.44
As at March 31, 2024	**40.16**	**1.06**	**1.90**	**15.86**	**58.98**
Depreciation and amortization					
As at April 01, 2023	31.23	0.84	1.60	14.20	47.87
Charge for the year	3.38	-	0.20	0.51	4.09
- Exchange differences	0.82	0.14	(0.08)	0.39	1.27
As at March 31, 2024	**35.43**	**0.98**	**1.72**	**15.10**	**53.23**
Net block					
As at March 31, 2024	**4.73**	**0.08**	**0.18**	**0.76**	**5.75**
As at March 31, 2023	**4.17**	**0.19**	**0.21**	**1.23**	**5.80**

5.2 Right of use assets (In ₹'million)

	Right of use asset	Total
Gross Block		
As at April 1, 2024	186.84	186.84
Additions	40.09	40.09
Decrease due to ROU modification	(97.34)	(97.34)
- Exchange differences	(109.06)	(109.06)
As at March 31, 2025	**20.53**	**20.53**
Depreciation and impairment		
As at April 1, 2024	101.60	101.60
Charge for the year	14.25	14.25
- Exchange differences	(113.46)	(113.46)
As at March 31, 2025	**2.39**	**2.39**
Net block		
As at March 31, 2025	**18.14**	**18.14**
As at March 31, 2024	**85.24**	**85.24**

(In ₹'million)

	Right of use asset	Total
Gross Block		
As at April 1, 2023	91.89	91.89
Additions	93.72	93.72
- Exchange differences	1.23	1.23
As at March 31, 2024	**186.84**	**186.84**
Depreciation and impairment		
As at April 1, 2023	74.50	74.50
Charge for the year	25.40	25.40
- Exchange differences	1.70	1.70
As at March 31, 2024	**101.60**	**101.60**
Net block		
As at March 31, 2024	**85.24**	**85.24**
As at March 31, 2023	**17.39**	**17.39**

5.3 Depreciation and Amortisation expense (In ₹'million)

	For the quarter ended		For the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Property, Plant and Equipment	0.88	1.12	3.50	4.09
Right to Use asset	1.17	5.94	14.25	25.40
	2.05	**7.06**	**17.75**	**29.49**

6. Non-current financials assets: Loans

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Loan to related parties		
- Persistent system Inc (repayment terms: after 36 months) (Rate of interest: 1.5%)	-	36.85
	-	**36.85**

7. Other non current financial assets

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Security deposit (Unsecured, Considered Good)	2.45	7.86
	2.45	**7.86**

8. Deferred Tax Asset/ Liability

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Deferred Tax Assets		
On carried forward losses	5.86	-
Difference in Book values and tax base values of ROU asset and Lease liability	0.05	0.09
	5.90	**0.09**

9. Other non-current assets

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Capital advance	-	-
	-	-

10. Trade receivables

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Unsecured, considered good	85.90	141.36
	85.90	**141.36**

11. Cash and cash equivalents

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	-	0.01
Balances with banks		
On current accounts	106.19	72.50
On Deposit accounts with original maturity less than three months	42.74	80.06
	148.93	**152.57**

12. Other current financial assets

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Interest accrued on loan to related party		
- Persistent Systems Inc.	-	0.14
Advance to related parties (Unsecured, considered good)		
Persistent Systems UK Limited (FKA Aepona Limited)	2.22	-
Interest accrued but not due on deposits with Banks	0.08	0.21
Unbilled revenue	56.17	69.15
	58.47	**69.50**

13. Other current assets

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Advances recoverable in cash or kind or for value to be received	10.71	12.19
Advance to vendors	3.43	-
	14.14	**12.19**

14. Other non-current financial liabilities

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Lease liability	18.33	86.08
Less: current maturity of lease liability	(4.39)	(19.14)
	13.94	**66.94**

Movement of lease liabilities

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Opening balance	86.08	16.89
Addition to lease liability	40.09	93.72
Decrease due to lease modification	(97.34)	-
Add: interest recognised during the period/year	0.65	2.34
Less: payments made	(16.53)	(26.37)
Less :- Translation Difference	5.38	(0.51)
Closing balance	**18.33**	**86.08**

15. Trade payables

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Trade payables for goods and services	94.90	38.30
	94.90	**38.30**

16. Borrowings

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Current maturities of lease liability	4.39	19.14
	4.39	**19.14**

17. Other current liabilities

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Unearned revenue	16.93	37.09
Other payables		
- Statutory liabilities	3.07	7.06
- Vat payable (net)	11.91	8.92
Advance from customers	-	0.02
	31.91	**53.09**

18. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹'million)	As at March 31, 2024 (In ₹'million)
Provision for employee benefits		
- Leave encashment	8.47	17.60
- Other employee benefit provisions	-	-
	8.47	**17.60**

19. Revenue from operations

	For the quarter ended		For the year ended	
	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)
Software services	143.83	190.88	620.32	971.18
Software products	21.48	30.57	61.58	48.59
	165.31	**221.45**	**681.90**	**1,019.77**

20. Other income

	For the quarter ended		For the year ended	
	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)
Interest income				
On intercompany deposit	0.00	0.55	0.11	5.19
On Fixed Deposit with Bank	0.43	0.33	2.28	0.33
Profit on sale of investments (net)	-	1.59	-	304.24
Sundry balance written off	0.17	0.08	0.91	10.17
Miscellaneous income	0.72	-	0.72	-
	1.32	**2.55**	**4.02**	**319.92**

21. Personnel expenses

	For the quarter ended		For the year ended	
	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)
21.1.Employee benefits expense				
Salaries, wages and bonus	56.14	87.68	283.75	388.32
Contribution to provident and other funds	3.48	6.32	18.79	26.20
Staff welfare and benefits	3.52	8.49	21.76	36.53
	63.14	**102.49**	**324.30**	**451.05**
21.2 Cost of technical professionals				
Technical professionals - related parties	88.12	21.77	145.98	92.51
Technical professionals - others	11.99	36.17	85.69	309.20
	100.11	**57.94**	**231.67**	**401.71**
	163.25	**160.43**	**555.97**	**852.76**

22. Finance costs

	For the quarter ended		For the year ended	
	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)	March 31, 2025 (In ₹'million)	March 31, 2024 (In ₹'million)
Interest on lease liabilities	0.33	1.30	0.65	2.34
Interest on borrowings	-	0.02	-	0.60
Interest Others - Expenses	(0.13)	-	0.01	-
	0.20	**1.32**	**0.66**	**2.94**

23. Other expenses

	For the quarter ended		For the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
	(In ₹'million)	(In ₹'million)	(In ₹'million)	(In ₹'million)
Travelling and conveyance	1.76	1.54	6.71	12.11
Electricity expenses (net)	0.04	0.11	0.44	0.33
Loss on sale of asset	-	-	0.51	-
Internet link expenses	1.84	0.26	3.57	0.79
Communication expenses	0.30	0.49	1.65	2.07
Recruitment expenses	-	0.00	-	0.90
Training and seminars	0.04	0.16	0.14	2.01
Purchase of software licenses and support expenses	20.81	39.24	59.66	67.80
Rent	2.83	-	5.66	-
Insurance	0.90	1.03	3.69	2.47
Legal and professional fees	4.66	1.01	24.67	6.52
Repairs and maintenance				
- Plant and Machinery	0.66	0.47	3.09	2.18
Advertisement and sponsorship fees	0.73	0.09	2.84	0.15
Auditors' remuneration	0.18	0.24	0.68	0.80
Foreign exchange loss (Net)	0.97	(13.14)	3.75	0.84
Debit balance w/off	0.23	0.40	6.86	4.89
Office expenses	0.15	1.66	2.19	4.51
Miscellaneous expenses	(0.04)	0.48	2.76	2.53
	36.06	**34.04**	**128.87**	**110.90**

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24. Earnings per share

		For the quarter ended		For the year ended	
		March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Numerator for Basic and Diluted EPS					
Net Profit after tax (In ₹' millions)	(A)	(25.22)	17.52	(11.50)	339.56
Denominator for Basic EPS					
Weighted average number of equity shares	(B)	250,000	250,000	250,000	250,000
Denominator for Diluted EPS					
Number of equity shares	(C)	250,000	250,000	250,000	250,000
Basic Earnings per share of face value of CHF 1 each (In ₹)	(A/B)	(100.88)	70.09	(46.00)	1,358.23
Diluted Earnings per share of face value of CHF 1 each (In ₹)	(A/C)	(100.88)	70.09	(46.00)	1,358.23

	For the quarter ended		For the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025	March 31, 2024
Number of shares considered as basic weighted average shares outstanding	250,000	250,000	250,000	250,000
Add: Effect of dilutive issues of stock options	-	-	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**250,000**	**250,000**	**250,000**	**250,000**

25. Contingent liability

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

26. The financial statements are presented in ₹ Million except for per share information or as otherwise stated.

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

The accompanying notes are an integral part of the condensed interim 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 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

Vinit Teredesai
Director

Place: USA
Date : April 21, 2025

Arnaud Pierrel
Director

Place: France
Date : April 21, 2025

Persistent

CAPIOT Software Private Limited

Bhageerath, Vetal Chowk, 402E, Senapati Bapat Road, Gokhalenagar
Pune, Haveli, Maharashtra, India, 411016

JOSHI APTE & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CAPIOT Software Private Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of CAPIOT Software Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the Year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the loss and total comprehensive income, changes in equity and its cash flows for the Year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of matter

Without qualifying our opinion, we hereby draw attention to **Note no. 29** related to merger with Persistent Systems Ltd. based on which financial statements have been prepared on going concern principle by the management of the company.

Note [Note No.29] is as follows:

The Hon'ble National Company Law Tribunal, Mumbai (the ' Hon'ble NCLT') sanctioned the Merger of M/s. Capiot Software Private Limited (Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (Holding Company – Transferee Company) by absorption through its order dated April 9, 2025, and the said Order has been received by the Company on April 11, 2025. Further, the said Order will be effective upon issuance of its Certified Copy by the Hon'ble NCLT and followed by its submission to the Registrar of Companies, Pune for updating their records. The appointed date as per the Scheme of Merger is April 1, 2024." Following the final submission to the Registrar of Companies, the accounting implications of the merger will be appropriately considered.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone

financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal

financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be

expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, is applicable to the Company. Refer to our separate report in "Annexure A".

2. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, is not applicable vide notification583(E)dated 13th June 2017 read with General Circular no.8 dated 25th July 2017.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

I The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail are not applicable since the company does not maintain its records in electronic form by using accounting software. Since the books of accounts are entirely maintained manually - The reporting and assessment under rule 11(g) is not required.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAI9705

ANNEXURE "A"TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to members of CAPIOT Software Private limited of even date)

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets.

There are no fixed assets in the Company during the year and hence reporting under clause 3 (i) is not applicable.

ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.

(b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The Company has not made any investments in, companies, firms, Limited Liability Partnerships, and not granted unsecured loans to other parties, during the year hence reporting under clause 3(iii) is not applicable.
The company has not provided any guarantee or security or granted any advance in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.

iv. The Company has not granted any loans as specified in Sections 185 and has not made any investment as specified in Section 186 of the Companies Act, 2013, hence reporting under clause 3(iv) is not applicable

v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.

vii. In respect of statutory dues:

(a) In our opinion, the Company has generally been regular in depositing undisputed statutory dues, including Goods and Services tax, Income Tax with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Income tax as at March 31, 2025 for a period of more than six months from the date they became payable.

(b) There were no statutory dues referred to in sub-clause (a) above which have not been deposited for the year March 31, 2025 on account of dispute and we have relied on previous audit report up to FY 20-21 in respect of comments that there were no statutory dues which had not been deposited on account of disputes.

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(a) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.

(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(f) The Company has not raised any loans during the year and hence reporting on clause 3(ix)(f) of the Order is not applicable.

x. (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. (a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.

(c) The company has not received any whistle blower complaints during the year (and up to the date of this report).

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

xiii. In our opinion, provisions of Section 177 are not applicable to the Company and Further company is in compliance with section188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. In our opinion Internal audit is not applicable to Company hence reporting under clause xiv is not applicable.

xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3 (xvi)(d) of the Order is not applicable.

xvii. The Company has incurred cash losses of Rs. 4642.99 thousands during the financial year covered by our audit and Rs.1697.83 thousands in the immediately preceding financial year.

xviii. There has been no resignation of the Statutory Auditor of the Company during the year and accordingly the requirement to report under this clause is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) Reporting under clause 3(xx)(a) of the order is not applicable since provisions of section 135 are not applicable to the company.

xxi. The reporting under clause xxi is not applicable in respect of standalone financial statement of the Company. Accordingly no comment has been included in respect of said clause under this report.

For **JOSHI APTE & Co.**
Chartered Accountants
(Firm's Registration No. 104370W)

Tejashree Joshi
Partner
(Membership No.139807)
Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAI9705

CAPIOT Software Private Limited

BALANCE SHEET AS AT MARCH 31, 2025
CIN U72200PN2014PTC226352

	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	-	-
Other Intangible assets	5.2	-	-
		-	-
Financial assets			
- Loans	6	-	-
Deferred tax assets (net)	7	28,264.61	26,703.05
		28,264.61	**26,703.05**
Current assets			
Financial assets			
- Trade receivables (net)	8	-	-
- Cash and cash equivalents	9	14,478.09	15,095.84
- Other current financial assets	10	-	5.00
Current tax assets (net)		4,555.32	4,555.32
Other current assets	11	4,977.08	10,090.71
		24,010.49	**29,746.87**
TOTAL		**52,275.10**	**56,449.92**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	1,867.03	1,867.03
Other equity		49,344.43	53,987.42
		51,211.46	**55,854.45**
LIABILITIES			
Non- current liabilities			
		-	**-**
Current liabilities			
Financial liabilities			
- Trade payables	12		
a) Total outstanding dues of micro enterprises and small enterprises		-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		210.00	250.00
Other current liabilities	13	853.64	345.47
Provisions	14	-	-
		1,063.64	**595.47**
TOTAL		**52,275.10**	**56,449.92**
Summary of Material accounting policy information	3		

The accompanying notes form 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
CAPIOT Software Private Limited
CIN U72200PN2014PTC226352

per Tejashree Joshi	**Sunil Sapre**	**Sameer Dixit**
Partner	Director	Director
Membership No.139807	DIN: 06475949	DIN: 08936722
Place: India	Place: India	Place: India
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

CAPIOT 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)	For the year ended March 31, 2024 (In ₹'000)
Income			
Revenue from operations (net)	15	-	-
Other income	16	-	8.79
Total income (A)		**-**	**8.79**
Expenses			
Employee benefits expense	17.1	-	-
Cost of professionals	17.2	-	-
Depreciation and amortization expense	5.3	-	-
Other expenses	18	6,204.55	2,277.64
Total expenses (B)		**6,204.55**	**2,277.64**
Profit before tax (A - B)		**(6,204.55)**	**(2,268.85)**
Tax expense			
Current tax		-	-
Tax charge in respect of earlier years		-	-
Deferred tax (credit)/charge		(1,561.56)	(571.02)
Total tax expense		**(1,561.56)**	**(571.02)**
Net profit/(loss) for the year (C)		**(4,642.99)**	**(1,697.83)**
Other comprehensive income			
Items that will not be reclassified to profit and loss (D)			
- Remeasurements of the defined benefit liabilities / asset (net of tax)		-	-
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-
		-	**-**
Items that may be reclassified to profit and loss (E)			
- Effective portion of cash flow hedge (net of tax)			-
		-	**-**
Total other comprehensive income for the year (D) + (E)		**-**	**-**
Total comprehensive income for the year (C) + (D) + (E)		**(4,642.99)**	**(1,697.83)**
Earnings per equity share	19		
[Nominal value of share ₹10 (Previous period/ year: ₹10)]			
Basic (In ₹)		(24.87)	(9.09)
Diluted (In ₹)		(24.87)	(9.09)
Summary of Material accounting policy information	3		

The accompanying notes form 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
CAPIOT Software Private Limited
CIN U72200PN2014PTC226352

per Tejashree Joshi	**Sunil Sapre**	**Sameer Dixit**
Partner	Director	Director
Membership No.139807	DIN: 06475949	DIN: 08936722
Place: India	Place: India	Place: India
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

CAPIOT Software Private Limited

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/(Loss) before tax		**(6,204.55)**	**(2,268.85)**
Adjustments for:			
Interest income		-	(8.79)
Excess Provision written back		-	-
Operating profit before working capital changes		**(6,204.55)**	**(2,277.64)**
Movements in working capital :			
Decrease/ (Increase) in trade receivables		-	-
Decrease/ (Increase) in other current assets including financial assets		5,118.63	1,109.09
Decrease/(Increase) in loans and advances		-	-
Increase/ (Decrease) in trade payables and current liabilities		468.17	370.47
Increase/ (Decrease) in provisions		-	-
Operating profit after working capital changes		**(617.75)**	**(798.08)**
Direct taxes paid (net of refunds)		-	723.85
Net cash generated from / (used in) operating activities	**A**	**(617.75)**	**(74.23)**
Cash flows from investing activities			
Inter corporate deposits placed		-	-
Interest received		-	8.79
Net cash generated from / (used in) investing activities	**B**	**-**	**8.79**
Cash flows from financing activities			
Net cash generated from / (used) in financing activities	**C**	**-**	**-**
Net increase / (decrease) in cash and cash equivalents **(A + B + C)**		(617.75)	(65.44)
Cash and cash equivalents at the beginning of the year		15,095.84	15,161.28
Cash and cash equivalents at the end of the year		**14,478.09**	**15,095.84**

Components of cash and cash equivalents	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Cash on hand	-	-
Balances with Banks		
-On current accounts	14,478.09	15,095.84
Cash and cash equivalents as per note 9	**14,478.09**	**15,095.84**

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
CAPIOT Software Private Limited
CIN U72200PN2014PTC226352

Sunil Sapre	**Sameer Dixit**
Director	Director
DIN: 06475949	DIN: 08936722
Place: India	Place: India
Date : April 21, 2025	Date : April 21, 2025

CAPIOT Software Private Limited

STATEMENT OF CHANGES IN EQUITY SHARE CAPITAL 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
1,867.03	-	-	1,867.03

(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
1,867.03	-	-	1,867.03

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CAPIOT Software Private Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹'000)

Particulars	Reserves and surplus		Total
	Securities premium reserve	Retained earnings	
Balance as at April 1, 2024	62,510.26	(8,522.84)	53,987.42
Net profit for the year	-	(4,642.99)	(4,642.99)
Balance as at March 31, 2025	**62,510.26**	**(13,165.83)**	**49,344.43**

(In ₹'000)

Particulars	Reserves and surplus		Total
	Securities premium reserve	Retained earnings	
Balance as at April 1, 2023	62,510.26	(6,825.01)	55,685.25
Net profit for the year	-	(1,697.83)	(1,697.83)
Balance as at March 31, 2024	**62,510.26**	**(8,522.84)**	**53,987.42**

Summary of Material accounting policy information - Refer Note 3

The accompanying notes form 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
CAPIOT SOFTWARE Private Limited
CIN U72200PN2014PTC226352

Sunil Sapre
Director
DIN: 06475949

Place: India
Date : April 21, 2025

Sameer Dixit
Director
DIN: 08936722

Place: India
Date : April 21, 2025

Notes forming part of financial statements

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	186,703	Nil	186,703	100	Nil

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	186,703	Nil	186,703	100	Nil

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4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
200,000 (Corresponding period/Previous year : 200,000) Common Shares of INR 10.00 each.	20,00,000	20,00,000
	20,00,000	**20,00,000**
Issued, subscribed and paid-up		
1,86,703 (previous year 1,86,703) common shares (amt in '000) of INR 10 each fully paid up.	1,867.03	1,867.03
	1,867.03	**1,867.03**

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

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

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1 Nature of operations

CAPIOT Software Private Limited (the "Company") is a private limited Company domiciled in India. The Company is a global company specializing in software products, services and technology innovation. The Company offers complete product life cycle services.

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 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 financial statements are presented in ₹ Thousands.

There is no revenue from operations during period ending 31st March 2025, however the Company is considered as a going concern based on merger order dated April 09, 2025 issued by NCLT. Following the final submission to the Registrar of Companies, the accounting implications of the merger will be appropriately considered.

3 Material accounting policy information

3.1 Accounting year

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

3.2 Functional currency

The company's functional currency is the INR.

3.3 Use of estimates and judgements

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 crtitical accounting estimates involiving 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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is India. 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 lossed 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.

c) 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.

d) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

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. 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.

ii) 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 and use or sell it;

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.

e) 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 equipments	5 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 recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

iii) Impairment of financial assets

a) 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.

b) Non-financial assets

The carrying amounts of Property, plant and equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

g) Impairment of Property, Plant and Equipment and Other intangible assets

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

h) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

i) Investments

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

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

j) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

k) Government grants

Government grants are recognized at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants related to expenses are deducted in reporting the related expenses in the income statement.

l) Foreign currency transactions

iInitial recognition

Foreign currency transactions if any are recorded in the functional currency, i.e. INR, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

iiSettlement

Revenue, 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 year in which the transaction is settled.

m) Retirement and other employee benefits

Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company 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 and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to the statement of profit and loss subsequently.

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis.

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 period / year when the contributions are due.

Leave encashment

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

n) 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 India's tax laws. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

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

Minimum alternate tax (MAT) paid in a period / year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the period / year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

o) Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only on the basis of consolidated financial statements which are presented together with the unconsolidated financial statements.

p) Cash and cash equivalents

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

q) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

r) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

s) 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.

t) Contingent liabilities

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

u) Employee stock compensation expenses

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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5.1 Property, plant and equipment

(In ₹'000)

	Computers	Office equipments	Plant and equipment	Total
Gross block (at cost)				
As at April 1, 2024	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2025	**-**	**-**	**-**	**-**
Accumulated depreciation				
As at April 1, 2024	-	-	-	-
Charge for the year	-	-	-	-
As at March 31, 2025	**-**	**-**	**-**	**-**
Net block				
As at March 31, 2025	**-**	**-**	**-**	**-**
As at March 31, 2024	**-**	**-**	**-**	**-**

(In ₹'000)

	Computers	Office equipments	Plant and equipment	Total
Gross block (at cost)				
As at April 1, 2023	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2024	**-**	**-**	**-**	**-**
Accumulated depreciation				
As at April 1, 2023	-	-	-	-
Charge for the year	-	-	-	-
Disposals	-	-	-	-
As at March 31, 2024	**-**	**-**	**-**	**-**
Net block				
As at March 31, 2024	**-**	**-**	**-**	**-**
As at March 31, 2023	**-**	**-**	**-**	**-**

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5.2 Other Intangible assets

(In ₹'000)

	Software	Total
Gross block		
As at April 1, 2024	-	-
Additions	-	-
As at March 31, 2025	**-**	**-**
Accumulated Amortization		
As at April 1, 2024	-	-
Charge for the year	-	-
As at March 31, 2025	**-**	**-**
Net block		
As at March 31, 2025	**-**	**-**
As at March 31, 2024	**-**	**-**

(In ₹'000)

	Software	Total
Gross block		
As at April 1, 2023	-	-
Additions	-	-
Disposals	-	-
As at March 31, 2024	**-**	**-**
Accumulated Amortization		
As at April 1, 2023	-	-
Charge for the year	-	-
Disposals	-	-
As at March 31, 2024	**-**	**-**
Net block		
As at March 31, 2024	**-**	**-**
As at March 31, 2023	**-**	**-**

5.3 Depreciation and amortization expense

(In ₹'000)

	For the year ended	
	March 31, 2025	March 31, 2024
On Property, plant and equipment	-	-
On Other intangible assets	-	-
	-	**-**

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6. Non-current financial assets (Loan):

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Security deposit		
Unsecured, considered good	-	-
	-	-

7. Deferred tax assets (net)

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deferred tax assets		
Deffered tax asset on carried forward losses	28,264.61	26,703.05
	28,264.61	**26,703.05**
Deferred tax assets (net)	**28,264.61**	**26,703.05**

8. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good	-	-
Unsecured, credit impaired	-	-
	-	-
Less : Allowance for credit loss	-	-
	-	-
	-	-

Trade receivables Ageing Schedule **(In ₹'000)**

	Curent 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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-

Trade receivables Ageing Schedule **(In ₹'000)**

	Curent 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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-

9. 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	14,478.09	15,095.84
	14,478.09	**15,095.84**

10. Other current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advance- other parties	-	5.00
	-	**5.00**

11. Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
GST receivable	4,977.08	10,090.71
	4,977.08	**10,090.71**
	4,977.08	**10,090.71**

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12. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services	210.00	250.00
	210.00	**250.00**

Trade payables Ageing Schedule **(In ₹'000)**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	210.00	-	-	-	-	210.00
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2025	**210.00**	**-**	**-**	**-**	**-**	**210.00**

Trade payables Ageing Schedule **(In ₹'000)**

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	250.00	-	-	-	-	-
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2024	**250.00**	**-**	**-**	**-**	**-**	**-**

13. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Statutory liabilities	853.64	345.47
	853.64	**345.47**

14. Current liabilities : Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
- Other employee benefits	-	-
	-	**-**

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15. Revenue from operations (net)

	For the year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Sale of Products	-	-
Sale of Services	-	-
	-	-

16. Other income

	For the year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
Interest on ICD	-	-
Interest on income tax refund	-	8.79
Interest on Bank	-	-
Miscellenous income	-	-
Advances written back (refer note 21)	-	-
	-	8.79

17. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹'000)	March 31, 2024 (In ₹'000)
17.1 Employee benefits expense		
Salaries, wages and bonus	-	-
Contribution to provident and other funds	-	-
	-	-
17.2 Cost of professionals		
- Technical Professional- Subsidiaries	-	-
- Others	-	-
	-	-
	-	-

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18. Other expenses

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Rates, fees and profession tax	5,970.65	1,903.14
Legal and professional fees	133.90	124.50
Auditors' remuneration (refer note 24)	100.00	250.00
Miscellaneous expenses	-	-
	6,204.55	**2,277.64**

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19. Earnings per share

		For the year ended	
		March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ '000)	(A)	(4,642.99)	(1,697.83)
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	186,703	186,703
Denominator for Diluted EPS			
Number of equity shares	(C)	186,703	186,703
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	**(24.87)**	**(9.09)**
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	**(24.87)**	**(9.09)**

	For the year ended	
	March 31, 2025 (In ₹'000)	**March 31, 2024 (In ₹'000)**
Number of shares considered as basic weighted average shares outstanding	186,703	186,703
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**186,703**	**186,703**

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20 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 Liabilties	22.57	49.96	-55%	Reduction in current liabilties
(b) Debt-Equity Ratio,	Debt	Equity	NA	NA	NA	NA
(c) Debt Service Coverage Ratio,	EBITDA	Debt service during the year	NA	NA	NA	NA
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	(0.09)	(0.03)	165%	Operating loss during the year
(e) Inventory turnover ratio,	-	-	NA	NA	NA	NA
(f) Trade Receivables turnover ratio,	Turnover	Trade Receivable	NA	NA	NA	NA
(g) Trade payables turnover ratio,	Purchases	Trade Payable	29.55	9.11	224%	Increase in expenses in current year
(h) Net capital turnover ratio,	Turnover	Average working capital	NA	NA	NA	NA
(i) Net profit ratio,	Net Profit after tax	Turnover	NA	NA	NA	NA
(j) Return on Capital employed,	Earnings Before Interest	Capital employed	(0.12)	(0.04)	198%	No operations during the year
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	NA	NA		

(This space is intentionally left blank)

Notes forming part of financial statements

21. Related party transactions

I. Names of related parties

Holding Company
Persistent Systems Limited

Companies under same Management
CAPIOT Software Inc., USA (Dissolved w.e.f December 29, 2023)

Key Management Personnel
Mr.Hitesh Salla (Resigned w.e.f. 01st April 2025)
Mr. Sameer Bendre
Mr. Sameer Dixit
Mr. Sunil Sapre

II. Related party transactions

Particulars	Name of the related Party	Relationship with the Related Party	As at March 31, 2025 (In ₹ Thousand)	As at March 31, 2024 (In ₹ Thousand)
Outstanding Balances				
Share Capital	Persistent Systems Limited	Holding Company	1,867.03	1,867.03
Transactions during the year				
Advance written back	CAPIOT Software Inc	Companies under the same management	-	10,624.87

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22. 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:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Profit before tax	(6,204.55)	(2,268.85)
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	(1,561.56)	(571.02)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Short Tax Provision of earlier years(Net)	-	203.03
Deferred tax asset recognised on Tax losses	-	2,181.27
Others (reversal of Deferred Tax Asset)	-	(2,997.54)
Income tax expense	**(1,561.56)**	**(1,184.26)**

(This space is intentionally left blank)

23. 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 resell deals. The Company's exposure to credit risk is insignificant as the top customers are renouned 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 ₹ thousand)

	USD	CHF	
Trade receivables	-	-	-
Other financial assets (including loans)	-	-	-
Trade payables	-	-	-
Other financial liabilities	-	-	-

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

(In ₹ thousand)

	USD	CHF	
Trade receivables	-	-	-
Other financial assets (including loans)	-	-	-
Trade payables	-	-	-
Other financial liabilities	-	-	-

Foreign currency sensitivity analysis:

For the year ended March 31, 2025 and March 31, 2024, every percentage point depreciation / appreciation in the exchange rate between the USD and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately Nil and Nil 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 ₹ Nil thousand and ₹ Nil 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:

(In ₹ thousand)

	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days	-	-
Total receivables	-	-
Overdue for more than 90 days as a % of total receivables	-	-

Ageing of trade receivables

(In ₹ thousand)

	As at	
	March 31, 2025	March 31, 2024
Within the credit period	-	-
1 to 30 days past due	-	-
31 to 60 days past due	-	-
61 to 90 days past due	-	-
91 to 120 days past due	-	-
121 and above past due	-	-
Less: Expected credit loss	-	-
Net trade receivables	**-**	**-**

Movement in expected credit loss allowance

	As at	
	March 31, 2025	March 31, 2024
Opening balance	-	-
Charge for the year	-	-
Effect of Currency translation	-	-
Closing balance	**-**	**-**

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 ₹ 22,946.85 thousand including cash and cash equivalents of ₹ 14,478.09 thousand. As at March 31, 2024, the Company had a working capital of ₹ 29,151.41 thousand including cash and cash equivalents of ₹ 15,095.84 thousand.

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

(In ₹ thousand)

	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	210.00	-	250.00	-

Notes forming part of financial statements

24. Payment to auditors

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Payment to auditors		
Statutory Audit	100.00	200.00
Tax Audit	-	50.00
	100.00	**250.00**

25. CIF value of imports

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Import of license	-	-
	-	**-**

26. Earnings in Foreign Currency

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Sale of Software services and licences	-	-
	-	**-**

27. Expenditure in Foreign Currency

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹'000)	**(In ₹'000)**
Import of license	-	-
	-	**-**

(This space is intentionally left blank)

28. Contingent liability

There is a demand for FY 21-22 of Rs. 5020 & prior years of Rs. 1250 on Traces portal for short deduction of TDS. The company has not acknowledged the same as liability.

29. The Hon'ble National Company Law Tribunal, Mumbai (the ' Hon'ble NCLT') sanctioned the Merger of M/s. Capiot Software Private Limited (Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (Holding Company – Transferee Company) by absorption through its order dated April 9, 2025, and the said Order has been received by the Company on April 11, 2025. Further, the said Order will be effective upon issuance of its Certified Copy by the Hon'ble NCLT and followed by its submission to the Registrar of Companies, Pune for updating their records. The appointed date as per the Scheme of Merger is April 1, 2024." Following the final submission to the Registrar of Companies, the accounting implications of the merger will be appropriately considered.

30. The financial statements are presented in ₹ Thousands except for per share information or as otherwise stated.

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

As per our report of even date.

For Joshi Apte &Co.,	**For and on behalf of the Board of Directors of**
Firm registration no. 104370W	**CAPIOT SOFTWARE Private Limited**
Chartered Accountants	**CIN U72200PN2014PTC226352**

Tejashree Joshi	**Sunil Sapre**	**Sameer Dixit**
Partner	Director	Director
Membership No.139807	DIN: 06475949	DIN: 08936722
Place: India	Place: India	Place: India
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

Persistent

Persistent Systems Australia Pty. Limited (formerly known as Capiot Software Pty. Limited)

Level 20 & 21, 201 Sussex Street, NSW, 2000

Persistent Systems Australia Pty Limited
(formerly known as Capiot Software Pty. Limited)
Level 20 & 21, 201 Sussex street, NSW, 2000

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc., USA, having its office in Australia.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total income	1,265.77	737.62
Total Expenditure	1,238.46	771.69
Profit /(Loss) before tax	27.31	(34.06)
Total Tax Expense	-	-
Net profit/ (loss) after tax	**27.31**	**(34.06)**

Business Operations

Your Company generated a net profit as mentioned above during the period of the report.

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Mr. Sachin Dewasthalee
b. Mr. Sameer Dixit
c. Ms. Swapna Keskar

Acknowledgments

The management would like to all the stakeholders for excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
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Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of PERSISTENT Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the Year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the Year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 3.4(a) to notes forming part of the standalone financial statements. The Company executes multiple fixed-price software development contracts, where revenue is recognized using the percentage of completion method, as per the Input method prescribed under Ind AS 115 – Revenue from Contracts with Customers. Recognizing revenue for these contracts involves significant management judgment and estimation, due to the following factors that required heightened auditor attention: • Elevated inherent risk concerning revenue accuracy, considering the customized and complex nature of these contracts, and the extensive use of IT systems. • Significant estimation uncertainty associated with assessing the stage of completion, actual costs incurred to date, and the anticipated costs to complete the remaining work. • Identification and assessment of	Our audit procedures in relation to the accuracy of revenue recognition and assessment of onerous obligations in fixed-price contracts included, but were not limited to, the following: • Gained an understanding of the systems, processes, and internal controls established by management to compute and record revenue, unbilled revenue, unearned/deferred revenue, and onerous contract obligations. • Evaluated the design and tested the operating effectiveness of relevant internal financial manual controls. and involved auditor's experts to: → Verify the IT controls ensuring completeness and accuracy of cost, effort, and revenue reports generated by the system; → Evaluate access and application controls related to resource allocation and budgeting systems, to ensure protection against unauthorized changes in the recording of incurred efforts, and to validate controls over estimating contract efforts for completion. • Selected samples of contracts

onerous contracts and related obligations. • Determination of unbilled revenue receivables and unearned revenue as at the reporting date. Given the materiality of the amounts involved and the considerable judgment and subjectivity inherent in the estimates mentioned above, we identified the recognition of revenue from fixed-price contracts, and the assessment of onerous contracts and associated provisions, as a key audit matter for the current year audit.	and performed a retrospective analysis comparing actual efforts incurred with earlier estimates, to identify major variances and assess whether such variances were considered in revising estimates for remaining efforts. • Reviewed selected contracts with unbilled revenue to identify any milestone delays that might necessitate revision of estimated efforts for pending performance obligations. • Conducted analytical procedures to assess the reasonableness of incurred and estimated efforts. • Evaluated management's process for identifying onerous contracts based on the above-reviewed estimates. • Assessed the adequacy and appropriateness of the disclosures provided in the standalone financial statements regarding revenue recognition in accordance with the applicable Indian Accounting Standards.

Emphasis of matter:

We draw attention to note no 31 to the financial statements, During the period Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branch has been transferred to Persistent Systems Australia Pty Ltd with effect from October 01, 2023. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. Accordingly, there is reduction in opening balance of other equity amounting to INR 98.29 million on account of Capital reserve.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going

concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the

aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAJ2404

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	5.71	2.08
Right of Use assets	5.2	28.75	41.66
Other Intangible assets	5.3	3.93	5.00
Goodwill	5.4	18.84	19.10
		57.23	**67.84**
Current assets			
Financial assets			
- Trade receivables (net)	6	315.20	259.97
- Cash and cash equivalents	7	41.32	41.93
- Loans	8	-	-
- Other current financial assets	9	74.22	11.70
Current tax assets (net)		-	-
Other current assets	10	50.63	17.47
Deferred Tax Assets	11	3.03	3.07
		484.40	**334.13**
TOTAL		**541.63**	**401.97**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	0.00	0.00
Other equity		(68.48)	(95.63)
		(68.48)	**(95.63)**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	12	106.85	138.36
Other non-current financial liabilities	13	14.18	27.84
		121.03	**166.20**
Current liabilities			
Financial liabilities			
- Trade payables	14	345.05	211.72
- Other financial liabilities	15	16.86	15.99
Other current liabilities	16	66.79	72.13
Current liabilities : Provisions	17	60.38	31.56
		489.08	**331.40**
TOTAL		**541.63**	**401.97**
Summary of Material accounting policy information	3		

The accompanying notes form 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 Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Sameer Dixit
Director

Place: India
Date : April 21, 2025

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Notes	For the year ended March 31, 2025 (In ₹ million)	For the year ended March 31, 2024 (In ₹ million)
Income			
Revenue from operations (net)	18	1,201.64	732.33
Other income	19	64.13	5.29
Total income (A)		**1,265.77**	**737.62**
Expenses			
Employee benefits expense	20.1	558.44	329.09
Cost of professionals	20.2	523.47	313.72
Finance costs		12.01	6.07
Depreciation and amortization expense	5.5	17.51	4.47
Other expenses	21	127.03	118.35
Total expenses (B)		**1,238.46**	**771.69**
Profit before tax (A - B)		**27.31**	**(34.06)**
Tax expense			
Current tax		-	-
Deferred tax charge / (credit)		-	-
Total tax expense		-	-
Net profit/(loss) for the year (C)		**27.31**	**(34.06)**
Other comprehensive income			
Items that will be reclassified to profit and loss (D)			
- Exchange differences in translating the financial statements from functional currency to reporting currency		(0.16)	5.51
		(0.16)	**5.51**
Total other comprehensive income for the year (D)		**(0.16)**	**5.51**
Total comprehensive income for the year (C) + (D)		**27.15**	**(28.55)**
Earnings per equity share	22		
[Nominal value of share ₹10 (Previous year: ₹10)]			
Basic (In ₹)		**13,654,801.71**	**(17,031,132.78)**
Diluted (In ₹)		**13,654,801.71**	**(17,031,132.78)**
Summary of Material accounting policy information	3		

The accompanying notes form 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 Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Sameer Dixit
Director

Place: India
Date : April 21, 2025

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended March 31, 2025 (In ₹ million)	For the year ended March 31, 2024 (In ₹ million)
Cash flow from operating activities			
Profit/(Loss) before tax		**27.31**	**(34.06)**
Adjustments for:			
Unrealised foreign exchange gain/loss		0.61	5.99
Finance Cost		12.01	6.07
Foreign Currency Translation Reserve		(0.16)	0.94
Excess provision written back		(64.13)	(5.29)
Depreciation and amortization expense		17.51	4.47
Provision for doubtful debts (net)		-	5.36
Operating profit before working capital changes		**(6.85)**	**(16.53)**
Movements in working capital :			
Decrease/ (Increase) in trade receivables		(55.45)	(173.02)
Decrease/ (Increase) in other current financial assets		(49.71)	73.11
(Increase)/decrease in other current assets		(47.22)	(2.43)
Increase/ (Decrease) in trade payables and current liabilities		191.61	130.45
Increase/(Decrease) in other current financial liabilities		29.68	13.53
Operating profit after working capital changes		**62.05**	**25.12**
Direct taxes paid (net of refunds)		-	-
Net cash generated from / (used in) operating activities	**A**	**62.05**	**25.12**
Cash flows from investing activities			
(Payment for capital expenditure)/Sales proceeds from fixed assets		(5.12)	(0.81)
Interest received		0.01	0.04
Net cash generated from / (used in) investing activities	**B**	**(5.11)**	**(0.78)**
Cash flows from financing activities			
Payment towards lease liability		(16.58)	(2.71)
(Repayments) of long term borrowings		(31.51)	(3.49)
Interest paid		(9.46)	(3.85)
Net cash generated from / (used) in financing activities	**C**	**(57.55)**	**(10.05)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		**(0.59)**	**14.29**
Cash and cash equivalents at the beginning of the year		41.93	27.64
Effect of exchange differences on translation of foreign currency cash and cash equivalents		-	-
Cash & cash equivalent addition on account of acquisition of business assets		-	-
Cash and cash equivalents at the end of the year		**41.32**	**41.93**

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Components of cash and cash equivalents		
Cash on hand		
Balances with Banks		
- on Current account	41.32	41.93
Cash and cash equivalents as per note 7	**41.32**	**41.93**

Summary of Material accounting policy information 3

The accompanying notes form 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 Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Sameer Dixit
Director

Place: India
Date : April 21, 2025

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. Equity share capital

(In ₹ million)

Balance as at April 1, 2024	Changes in Equity Share Capital due to prior year errors	Changes in equity share capital during the year	Balance as at March 31, 2025
0.00	-	-	0.00

(In ₹ million)

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior year errors	Changes in equity share capital during the year	Balance as at March 31, 2024
0.00	-	-	0.00

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Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Capital reserve	Retained earnings	Foreign Currency Translation Reserve	
Balance as at April 1, 2024	(98.29)	(1.03)	3.70	(95.63)
Net profit for the year	-	27.31	-	27.31
Other comprehensive income for the year	-	-	(0.16)	(0.16)
Balance as at March 31, 2025	**(98.29)**	**26.28**	**3.54**	**(68.48)**

(In ₹ million)

Particulars	Reserves and surplus		Items of other comprehensive income	Total
	Capital reserve	Retained earnings	Foreign Currency Translation Reserve	
Balance as at April 1, 2023	(98.29)	33.03	(1.82)	(67.08)
Net profit for the year	-	(34.06)	-	(34.06)
Other comprehensive income for the year	-	-	5.51	5.51
Balance as at March 31, 2024	**(98.29)**	**(1.03)**	**3.70**	**(95.63)**

Summary of Material accounting policy information- Refer Note 3

The accompanying notes form 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 Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Sameer Dixit
Director

Place: India
Date : April 21, 2025

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

1 Nature of operations

Persistent Systems Australia Pty Ltd (FKA Capiot Software Pty Ltd) (the "Company") is a private limited Company domiciled in Australia. The Company is a global company specializing in software products, services and technology innovation. The Company offers complete product life cycle services

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 Material accounting policy information

3.1 Accounting year

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

3.2 Functional currency

The company's functional currency is the AUD.

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".

3.3 Use of estimates and judgements

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 crtitical accounting estimates involiving 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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is Australia. 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 lossed 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.

c) 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.

d) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

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. 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.

ii) 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 and use or sell it;

-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.

e) 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
Acquired Contractual Rights	7 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

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

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

b) 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

c) Impairment of financial assets

i) Financial assets

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

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

ii) Non-financial assets

The carrying amounts of Property, plant and equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

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g) Impairment of Property, Plant and Equipment and Other intangible assets

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

h) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

i) Investments

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

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

j) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

k) Foreign currency transactions

i. Initial recognition
Foreign currency transactions are recorded in the functional currency, i.e. AUD, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion
The transactions are in Australian Dollars, 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 and investments 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 year.

The exchange difference arising out of the year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

iii. Settlement
Revenue, 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 year in which the transaction is settled.

l) Retirement and other employee benefits

i. Gratuity
Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company 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 and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to the statement of profit and loss subsequently

ii. Superannuation
Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

iii. 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 period / year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

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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. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

m) Income taxes

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

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities 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 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) Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only on the basis of consolidated financial statements which are presented together with the unconsolidated financial statements.

o) Cash and cash equivalents

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

p) 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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

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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.

q) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

r) 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.

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s) Contingent liabilities

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

t) Employee stock compensation expenses

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

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Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
	-	-
	-	**-**
Issued, subscribed and paid-up		
2 (previous year 2) shares of AUD 1 each fully paid up.	**0.00**	**0.00**
(Rs. in millions)		
	0.00	**0.00**

With effect from December 20, 2023 two fully paid ordinary shares in the Company are transferred from Capiot Software Inc to Persistent Systems Inc (without consideration)

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

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

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Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

5.1 Property, Plant and Equipment

(In ₹ million)

	Computers	Office Equipments	Communication Equipments	Total
Gross Block (At cost)				
As at April 1, 2024	5.06	-	-	5.06
Additions	3.62	0.01	1.49	5.12
Deletions	-			-
- Exchange differences	(0.15)	(0.00)	(0.06)	(0.21)
As at March 31, 2025	**8.53**	**0.01**	**1.43**	**9.97**
Depreciation and amortization				
As at April 1, 2024	2.98			2.98
Charge for the year	1.11	0.00	0.25	1.36
Addition	-			-
On deletions	-			-
- Exchange differences	(0.07)	(0.00)	(0.01)	(0.08)
As at March 31, 2025	**4.02**	**0.00**	**0.24**	**4.26**
Net block				
As at March 31, 2025	**4.51**	**0.01**	**1.19**	**5.71**
As at March 31, 2024	**2.08**	**-**	**-**	**2.08**

(In ₹ million)

	Computers	Office Equipments	Communication Equipments	Total
Gross block				
As at April 1, 2023	3.32	-	-	3.32
Additions	0.81	-	-	0.81
Exchange difference	0.93	-	-	0.93
As at March 31, 2024	**5.06**	**-**	**-**	**5.06**
Accumulated Amortization				
As at April 1, 2023	1.99	-	-	1.99
Charge for the year	1.03	-	-	1.03
Addition	-	-	-	-
Disposals	-	-	-	-
Exchange Difference	(0.03)	-	-	(0.03)
As at March 31, 2024	**2.98**	**-**	**-**	**2.98**
Net block				
As at March 31, 2024	**2.08**	**-**	**-**	**2.08**
As at March 31, 2023	**1.33**	**-**	**-**	**1.33**

Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

5.2 Right of use assets **(In ₹ million)**

	Right of use asset	Total
Gross Block (at cost)		
As at April 1, 2024	44.07	44.07
Addition	2.37	2.37
Deletions	-	-
- Exchange differences	(0.64)	(0.64)
As at March 31, 2025	**45.80**	**45.80**
Amortisation		
As at April 1, 2024	2.41	2.41
Charge for the year	15.12	15.12
Deletions	-	-
- Exchange differences	(0.48)	(0.48)
As at March 31, 2025	**17.05**	**17.05**
Net block		
As at March 31, 2025	**28.75**	**28.75**
As at March 31, 2024	**41.66**	**41.66**

(In ₹ million)

	Right of use asset	Total
Gross Block (at cost)		
As at April 1, 2023	-	-
Additions	44.28	44.28
Deletions		-
- Exchange differences	(0.21)	(0.21)
As at March 31, 2024	**44.07**	**44.07**
Amortisation		
As at April 1, 2023	-	-
Charge for the year	2.42	2.42
Deletions	-	-
- Exchange differences	(0.01)	(0.01)
As at March 31, 2024	**2.41**	**2.41**
Net block		
As at March 31, 2024	**41.66**	**41.66**
As at March 31, 2023	**-**	**-**

5.3 Other Intangible assets

(In ₹ million)

	Acquired contractual rights	Total
Gross block		
As at April 1, 2024	7.12	7.12
Additions	-	-
Disposals	-	-
Other adjustment		
-Borrowing cost	-	-
Exchange Difference	(0.10)	(0.10)
As at March 31, 2025	**7.02**	**7.02**
Accumulated Amortization		
As at April 1, 2024	2.12	2.12
Charge for the year	1.03	1.03
Disposals	-	-
Exchange Difference	(0.06)	(0.06)
As at March 31, 2025	**3.09**	**3.09**
Net block		
As at March 31, 2025	**3.93**	**3.93**
As at March 31, 2024	**5.00**	**5.00**

(In ₹ million)

	Acquired contractual rights	Total
Gross block		
As at April 1, 2023	7.21	7.21
Reclassification on purchase price allocation of business combination	-	-
Additions	-	-
Exchange difference	(0.10)	(0.10)
As at March 31, 2024	**7.12**	**7.12**
Accumulated Amortization		
As at April 1, 2023	1.12	1.12
Charge for the year	1.02	1.02
Disposals	-	-
Exchange Difference	(0.02)	(0.02)
As at March 31, 2024	**2.12**	**2.12**
Net block		
As at March 31, 2024	**5.00**	**5.00**
As at March 31, 2023	**6.09**	**6.09**

5.4 Goodwill

(In ₹ million)

	Goodwill	Total
Cost		
As at April 1, 2024	**19.10**	**19.10**
Additional amounts recognised from business combinations	-	-
Effect of foreign currency translation from functional currency to reporting currency	(0.26)	(0.26)
As at March 31, 2025	**18.84**	**18.84**
Cost		
As at April 1, 2023	**19.37**	**19.37**
Additional amounts recognised from business combinations	-	-
Exchange difference	(0.27)	(0.27)
As at March 31, 2024	**19.10**	**19.10**

5.5 Depreciation and amortization expense

(In ₹ million)

	For the year ended	
	March 31, 2025	March 31, 2024
On Property, plant and equipment	1.36	1.03
On Right of use assets	15.12	2.42
On Other intangible assets	1.03	1.02
	17.51	**4.47**

6. Trade receivables

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Trade Receivables (Refer Note 23)		
Unsecured, considered good	**315.20**	**259.97**
Unsecured, considered doubtful	5.49	5.57
	320.69	**265.53**
Less : Expected Credit Loss	(5.49)	(5.57)
	315.20	**259.97**

Trade receivables Ageing Schedule (Net of Expected Credit Loss) (In ₹ million)

	Current but not due	Less than 6 Months	6 months – 1 year	>1 Year	Total
Undisputed Trade Receivables – considered good	229.31	34.70	51.19	-	315.20
As at March 31,2025	**229.31**	**34.70**	**51.19**	**-**	**315.20**

(In ₹ million)

	Current but not due	Less than 6 Months	6 months – 1 year	>1 Year	Total
Undisputed Trade Receivables – considered good	208.82	46.22	4.12	0.81	259.97
As at March 31,2024	**208.82**	**46.22**	**4.12**	**0.81**	**259.97**

7. Cash and cash equivalents

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	-	-
Balances with banks		
- On current accounts	41.32	41.93
	41.32	**41.93**

8. Loans:

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Intercompany Advances	-	-
	-	**-**

9. Other current financial assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advances to related parties (Refer Note no.23)		
Persistent Systems Limited	10.18	-
Security Deposits	4.28	4.34
Unbilled revenue	59.76	7.36
	74.22	**11.70**

10. Other current assets

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Advances recoverable in cash or kind	36.73	3.41
Advance to Employee - Others	0.28	0.71
Advances to Vendors	13.62	13.35
	50.63	**17.47**

11. Deferred tax assets (net)

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Deferred tax assets		
Brought forward losses	3.03	3.07
	3.03	**3.07**
Deferred tax assets (net)	**3.03**	**3.07**

12. Non-current financial liabilities : Borrowings

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unsecured Borrowings carried at amortised cost		
Term loans (Refer Note 23)		
- Persistent Systems Inc	106.85	108.34
(Repayment terms -36 months)		
(Interest rate - 3M SOFR plus 175 basis point)		
- Persistent Systems Inc	-	30.02
(Repayment terms -36 months)		
(Interest rate - 3M SOFR plus 185 basis point)		
	106.85	**138.36**

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13. Other non current financial liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Lease liabilities	29.51	41.61
Less: Current maturity of lease liabilities (Refer note 15)	(15.33)	(13.78)
	14.18	**27.84**

Movement of lease liabilities	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Opening balance	41.61	-
Addition during the year	2.37	44.28
Add: Interest recognised during the year	2.31	0.25
Less: Payments made	(16.58)	(2.71)
Exchange Difference	(0.20)	(0.20)
Closing balance	**29.51**	**41.61**

14. Trade payables

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Trade payables for goods and services (Refer Note 23)	345.05	211.72
	345.05	**211.72**

Trade payables Ageing Schedule- (In ₹ million)

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	21.80	323.25	-	-	-	345.05
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As at March 31, 2025	**21.80**	**323.25**				**345.05**

(In ₹ million)

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	70.94	140.78	-	-	-	211.72
Disputed dues of micro enterprises and small enterprises		-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-
As at March 31, 2024	**70.94**	**140.78**	**-**	**-**	**-**	**211.72**

15. Current financial liabilities : Others

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Interest payable on ICD		-
Persistent Systems Inc (Refer Note no.23)	1.53	2.21
Current maturity of lease liabilities	15.33	13.78
	16.86	**15.99**

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16. Other current liabilities

	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Unearned revenue	36.67	43.52
Advance from related parties (Refer Note 23)	-	
-Persistent Systems Limited	-	0.33
Statutory liabilities	30.12	28.29
	66.79	**72.13**

17. Current Liabilities : Provisions	As at March 31, 2025 (In ₹ million)	As at March 31, 2024 (In ₹ million)
Provision for employee benefits		
Leave encashment	37.11	19.04
Other employee benefits	23.27	12.53
	60.38	**31.57**

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18. Revenue from operations

	For the year ended	
	March 31, 2025	**March 31, 2024**
	(In ₹ million)	**(In ₹ million)**
Software services (Refer Note 23)	1,126.64	692.71
Software products	74.99	39.62
	1,201.64	**732.33**

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**
	(In ₹ million)	**(In ₹ million)**
Segment wise disclosure		
Segment		
BFSI	384.42	120.80
Healthcare Life Science	2.69	14.61
Others	814.53	596.92
Total	**1,201.64**	**732.33**
Geographical disclosure		
Geography		
India	163.81	118.44
North America	-	35.75
Asia Pacific	1,037.83	496.08
Rest of the World	-	82.06
Total	**1,201.64**	**732.33**
Onsite-offshore disclosure		
IP Led	77.55	48.56
Offshore	564.96	513.35
Onsite	559.12	170.43
Total	**1,201.64**	**732.33**

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.

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

	For the year ended	
	March 31,2024	**March 31,2024**
	(In ₹ million)	**(In ₹ million)**
Balance at the beginning of the year	**7.36**	86.25
Revenue recognised during the year	568.65	513.01
Invoices raised during the year	(516.40)	(590.91)
Translation exchange difference	0.15	(0.98)
Balance at the end of the year	**59.76**	**7.36**

Changes in Unearned revenue are as follows:

	For the year ended	
	March 31,2025	**March 31,2024**
	(In ₹ million)	**(In ₹ million)**
Balance at the beginning of the year	(43.52)	(0.29)
Revenue recognised during the year	169.79	16.83
Increase due to invoicing during the year, not recognised as revenue during the year	(162.02)	(60.27)
Translation exchange difference	(0.92)	0.21
Balance at the end of the year	**(36.67)**	**(43.52)**

19. Other income

	For the year ended	
	March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
Foreign exchange gain (net)	-	-
Excess provision written back	61.31	
Debit balances/Deposits W/off	-	4.22
Interest income	0.01	
Miscellaneous income	2.82	1.08
	64.13	**5.29**

20. Personnel expenses

	For the year ended	
	March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
20.1 Employee benefits expense		
Salaries, wages and bonus	468.96	273.50
Contribution to provident and other funds	76.65	47.30
Staff welfare and benefits	12.83	8.29
	558.44	**329.09**
20.2 Cost of technical professionals		
- Related parties (Refer Note no. 23)	481.19	305.52
- Others	42.27	8.20
	523.47	**313.72**
	1,081.91	**642.80**

21. Other expenses

	For the year ended	
	March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
Travelling and conveyance	39.04	57.15
Communication expenses	0.89	0.70
Recruitment expenses	0.64	3.76
Project Related Material Purchases	66.07	31.48
Provision for doubtful debts/ (provision for doubtful debts written back) (net)	-	5.36
Rent	2.48	5.46
Rates, Fees and Prof. Tax	-	0.10
Legal and professional fees	7.58	4.01
Advertisement, conference and sponsorship fees	2.96	2.90
Computer consumables	0.01	0.03
Auditors' remuneration	-	-
Debit balances/Deposits W/off	-	-
Books, memberships, subscriptions	0.23	0.04
Foreign exchange loss (net)	1.99	1.45
Office Expenses	2.75	3.81
Miscellaneous expenses	2.40	2.10
	127.03	**118.35**

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22. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ 000)	(A)	27.31	(34.06)
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	2	2
Denominator for Diluted EPS			
Number of equity shares	(C)	2	2
Basic Earnings per share of face value of AUD 1 each (In ₹)	(A/B)	**13,654,801.71**	**(17,031,132.78)**
Diluted Earnings per share of face value of AUD 1 each (In ₹)	(A/C)	**13,654,801.71**	**(17,031,132.78)**

	For the year ended	
	March 31, 2025	**March 31, 2024**
Number of shares considered as basic weighted average shares outstanding	2	2
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**2**	**2**

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23. Related party transactions

I. Names of related parties

Holding Company:
Persistent Systems Inc.

Ultimate Holding Company
Persistent Systems Limited

Companies under same Management
Capiot Software Inc (Dissolved w.e.f. 29th December 2023)

II. Related party transactions

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
Income				
Sale of Services	Persistent Systems Limited	Ultimate Holding Company	163.80	133.58
	Persistent Systems Inc	Holding Company	-	24.73
Finance Cost	Persistent Systems Inc	Holding Company	9.70	5.69
	Capiot Software Inc	Companies under same Management	-	0.13
Cost of Professionals	Persistent Systems Limited	Ultimate Holding Company	481.19	305.52
Repayment of borrowings	Persistent Systems Inc	Holding Company	31.51	-
	Capiot Software Inc	Companies under same Management	-	3.49

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at	As at
			March 31, 2025 (In ₹ million)	March 31, 2024 (In ₹ million)
Share capital	Persistent Systems, Inc.	Holding Company	0.00	0.00
Advances received	Persistent Systems Limited	Ultimate Holding Company	-	0.33
Advances given	Persistent Systems Limited	Ultimate Holding Company	10.18	-
Long term borrowing	Persistent Systems, Inc.	Holding Company	106.85	138.36
Other Current Financial Liabilities(Interest)	Persistent Systems, Inc.	Holding Company	1.53	2.21
	Capiot Software Inc	Companies under same Management	-	-
Other Current Financial Liabilities	Capiot Software Inc	Companies under same Management	-	-
	Persistent Systems, Inc.	Holding Company	-	-
Trade Recievables				
	Persistent Systems Limited	Ultimate Holding Company	133.63	142.31
	Persistent Systems, Inc.	Holding Company	-	17.37
Trade Payables				
	Persistent Systems Limited	Ultimate Holding Company	281.80	130.60

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24. 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 :

	For the year ended	
	March 31, 2025	March 31, 2024
	(In ₹ million)	(In ₹ million)
Profit before tax as per Statement of Profit and Loss	27.31	(34.06)
Less: Adjustment as per Ind AS financials	-	(22.81)
Profit before tax	27.31	(56.87)
Enacted tax rate	30.00%	30.00%
Computed tax expense at enacted tax rate	8.19	- 17.06
Unrecognized deferred tax assets of earlier years	(7.84)	-
Others	(0.35)	-
Deferred Tax asset recognised on Tax Losses	-	(17.06)
Income tax expense	-	-

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25. Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: 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 Company does not foresee any major foreign exchange risk as majority of the revenue is generated and expenses are incurred in the Company's functional currency. 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.

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 ₹ 315.20 millions and ₹ 259.97 millions 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:

(In ₹ million)

	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days	55.79	26.27
Total receivables	315.20	259.97
Overdue for more than 90 days as a % of total receivables	18%	10%

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2025	March 31, 2024
Within the credit period	229.31	208.82
1 to 30 days past due	1.87	20.91
31 to 60 days past due	2.60	6.13
61 to 90 days past due	31.12	51.91
91 to 120 days past due	(2.67)	22.26
121 and above past due	58.46	9.58
Less: Expected credit loss	(5.49)	(5.57)
Net trade receivables	**315.20**	**259.97**

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2025	March 31, 2024
Opening balance	5.57	-
Movement in expected credit loss allowance	(0.08)	5.57
Closing balance	**5.49**	**5.57**

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 ₹ In millions (4.68) including cash and cash equivalents of ₹ In millions 41.32. As at March 31, 2024, the Company had a working capital of ₹ In millions 2.73 including cash and cash equivalents of ₹ in millions 41.93

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

(In ₹ million)

	As at			
	March 31, 2025		March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Financial Liabilities- Borrowings	-	106.85	-	138.36
Lease Liability	15.33	14.18	13.78	27.84
Trade Payables	345.05	-	211.72	-
ICD Interest	1.53	-	2.21	-

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Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

26. Unhedged foreign currency exposure at the end of the year

(In ₹ million)

	31-Mar-25			31-Mar-24		
Particulars	**Amount in FC**	**Exchange Rate**	**Amount in INR**	**Amount in FC**	**Exchange Rate**	**Amount in INR**
Interest on ICD - PSI	-	0.00	-	USD 6470	83.4	0.54
ICD received - PSI	-	0.00	-	USD 3,60,000	83.4	30.02

Market risk

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

	31-Mar-25	31-Mar-24
Loans	-	30.02
Interest on borrowings	-	0.54

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Persistent Systems Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Notes forming part of financial statements

27. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Remark (If more than 25%)
(a) Current Ratio	Current Assets	Current Liabilties	0.99	1.01	-2%	
(b) Debt-Equity Ratio	Debt	Equity	(1.56)	(1.45)	8%	
(c) Debt Service Coverage Ratio	EBITDA	Debt service during a year	0.99	2.46	-60%	Due to increase in interest cost , lease payment and borrowing repayment
(d) Return on Equity Ratio	Net Profit after tax	Average Equity	(0.33)	0.42	-179%	Increase in profit in current year as compared to loss of last year
(e) Inventory turnover ratio	-	-	Not Applicable	Not Applicable	N.A.	Not Applicable
(f) Trade Receivables turnover ratio,	Turnover	Average Trade rec	4.18	4.00	5%	
(g) Trade payables turnover ratio,	Employee benefit expense+Cost of professionals+ other expenses	Average Trade Payables	4.34	4.39	-1%	
(h) Net capital turnover ratio,	Turnover	Average working capital	(1,233.72)	27.97	-4511.14%	Decrease in working capital in current year.
(i) Net profit ratio,	Net Profit after tax	Turnover	0.02	(0.05)	-146.73%	Increase in revenue in current year
(j) Return on Capital employed,	EBIT	Capital employed	0.75	(0.28)	-367.21%	Increase in profit in current year as compared to loss of last year
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	Not Applicable	Not Applicable	Not Applicable	Not Applicable

(This space is intentionally left blank)

28. Contingent liability

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

29. The financial statements are presented in ₹ millions except for per share information or as otherwise stated.

30. 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:

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	0.06	0.06	0.06	0.05	0.24	0.21

31. Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branch has been transferred to Persistent Systems Australia Pty Ltd with effect from October 01, 2023. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. Accordingly, there is reduction in opening balance of other equity amounting to INR 98.29 Million on account of Capital reserve

(INR millions)

Particulars	As at
Assets	
Property, Plant & Equipment	0.65
Trade Receivables	54.01
Cash & Cash Equivalent	69.32
Other Current Assets	2.05
Current Tax Assets (Net)	31.76
Total Assets (A)	**157.80**
Liabilities	
Trade Payables	(59.57)
Other Financial Liabilities	(42.13)
Other Current Liabilities	(9.60)
Provisions	(19.47)
Total Liabilities (B)	**(130.77)**
Net Assets Transferred (A-B)	27.03
Purchase Consideration (C)	125.32
Capital Reserve (A+B-C)	**98.29**

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32.

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

Particulars	As at 'March 31, 2025 (In ₹ millions)	As at 'March 31, 2024 (In ₹ millions)
- Less than one year	16.88	13.78
- One to five years	14.62	27.84
- 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.

The Company has adopted Ind AS 116, Leases; and has recognized interest on lease liability of ₹ 2.31 millions under finance costs.

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.5).

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

34. 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.

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 Australia Pty. Ltd (FKA Capiot Software Pty Ltd)

Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Sameer Dixit
Director

Place: India
Date : April 21, 2025

Persistent

Persistent Systems S.R.L.

Regd. Office: Bucuregti Sectorul 2, Strada C. A. ROSETTI, Nr. 17
BIROUL O09RESCO-WORK 10

Regd. Office: Bucuregti Sectorul 2, Strada C. A. ROSETTI, Nr. 17, BIROUL O09RESCO-WORK 10

Annual Report FY 2024-2025

Report of the Directors

Your Directors are pleased to present the Second Annual Report of your Company together with the audited statement of accounts for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Germany GmbH, Germany and is engaged in software development, professional and marketing services to its Europe based customers.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR in Thousands)

Particulars	2024 – 2025	2023– 2024
Total income	212,119.27	250,229.29
Expenditure	197,896.65	213,900.87
Profit /(Loss) before taxation	**14,222.62**	**36,328.42**
Total Tax Expense	1,311.08	5,812.55
Net profit/ (loss) after taxation	**12,911.54**	**30,515.87**

Business Operations

The Company is engaged in rendering software development and professional services in Europe.

Directors

The Directors of the Company are:

1. Mr. Brijesh Chandel, India
2. Mr. Rajasekar Sukumar, UK
3. Mr. Arnaud Pierrel, France

Acknowledgments

Your Board would like to thank all the stakeholders for excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS S.R.L. (Romania)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems S.R.L. (Romania) ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the Profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed by Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate

Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune
Date: 21st April, 2025
UDIN: 25139807BMLLAL6485

Persistent Systems S.R.L. (Romania)

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	1,741.73	2,522.59
		1,741.73	**2,522.59**
Deferred tax assets (net)	6	319.95	-
		2,061.68	**2,522.59**
Current assets			
- Trade receivables	7	42,386.06	78,118.44
- Cash and cash equivalents	8	40,682.19	11,809.67
-Other current assets	9	12,017.25	12,789.29
'Current tax assets (net)		1,357.61	-
		96,443.11	**102,717.40**
TOTAL		**98,504.79**	**105,239.99**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	9,076.30	9,076.30
Other equity		44,481.85	30,321.51
		53,558.15	**39,397.81**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	10	19,230.75	33,360.00
		19,230.75	**33,360.00**
Current liabilities			
Financial liabilities			
- Trade payables	11	21,157.61	17,800.25
- Other current liabilities	12	1,889.91	6,238.17
Current Liabilities: Provisions	13	2,668.37	4,527.42
Current tax liabilities (net)		-	3,916.34
		25,715.89	**32,482.18**
TOTAL		**98,504.79**	**105,239.99**
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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date :- April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems S.R.L. (Romania)

Rajasekar Sukummar
Director

Place: United Kingdom
Date :- April 21, 2025

Arnaud Pierrel
Director

Place: France
Date :- April 21, 2025

Persistent Systems S.R.L. (Romania)

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	14	212,043.78	250,229.29
Other income	15	75.49	-
Total income (A)		**212,119.27**	**250,229.29**
Expenses			
Employee benefits expense	16.1	67,015.27	90,463.90
Cost of technical professionals	16.2	114,002.45	101,833.02
Finance costs		2,384.09	2,135.30
Depreciation and amortization expense	5.2	857.90	1,187.05
Other expenses	17	13,636.94	18,281.60
Total expenses (B)		**197,896.65**	**213,900.87**
Profit/(loss) before tax (A - B)		**14,222.62**	**36,328.42**
Tax expense			
Current tax		1,917.56	5,812.55
Tax credit in respect of earlier years		(284.11)	-
Deferred tax charge / (credit)		(322.37)	-
Total tax expense		**1,311.08**	**5,812.55**
Net profit/(loss) for the period / year (C)		**12,911.54**	**30,515.87**
Other comprehensive income			
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		1,248.80	(60.79)
		1,248.80	**(60.79)**
Total comprehensive income for the period / year (C) + (D) + (E)		**14,160.34**	**30,455.08**
Earnings per equity share	18		
Basic (In ₹)		236.91	559.92
Diluted (In ₹)		236.91	559.92
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

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date :- April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems S.R.L. (Romania)

Rajasekar Sukummar
Director

Place: United Kingdom
Date :- April 21, 2025

Arnaud Pierrel
Director

Place: France
Date :- April 21, 2025

Persistent Systems S.R.L. (Romania)

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 / (loss) before tax		**14,222.62**	**36,328.42**
Depreciation and amortization expense		857.90	1,187.05
Unrealised exchange (gain)/ loss (net)		1,552.86	5,839.73
Currency translation reserve		2,545.67	(60.79)
Miscellaneous income		(75.49)	
Finance cost		2,384.09	
Operating profit before working capital changes		**21,487.65**	**43,294.41**
Movements in working capital :			
(Increase)/Decrease in trade receivables		34,741.52	(65,486.25)
(Increase)/ Decrease in other current assets (including financial assets)		772.04	(11,722.76)
Increase/(Decrease) in trade payables and current liabilities		(2,467.09)	12,271.02
Increase/(Decrease) in provisions		(1,859.05)	3,527.03
Operating profit after working capital changes		**52,675.07**	**(18,116.55)**
Direct taxes paid (net of refunds)		(7,019.97)	(5,812.55)
Net cash generated from operating activities	**(A)**	**45,655.10**	**(23,929.10)**
Cash flows from investing activities			
Payment towards capital expenditure		(22.36)	(2,500.47)
Proceeds from sale of property, plant and equipment		-	126.28
Net cash (used in) investing activities	**(B)**	**(22.36)**	**(2,374.19)**
Cash flows from financing activities			
Proceeds from issuance of share capital		-	-
Inter corporate deposits received		-	33,360.00
Inter corporate deposits paid		(15,118.25)	-
Interest paid		(1,641.97)	-
Net cash (used in) financing activities	**(C)**	**(16,760.22)**	**33,360.00**

	As at March 31, 2025 (In ₹'000)	As at March 31, 2023 (In ₹'000)
Net (Decrease)/ increase in cash and cash equivalents (A + B+C)	28,872.52	7,056.71
Cash and cash equivalents at the beginning of the period / year	11,809.67	4,752.96
Cash and cash equivalents at the end of the period/year	**40,682.19**	**11,809.67**
Components of cash and cash equivalents		
Cash on hand	-	-
Balances with banks	-	-
On current accounts	40,682.19	11,809.67
Cash and cash equivalents as per note 8	**40,682.19**	**11,809.67**

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.
ICAI Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems S.R.L. (Romania)

Tejashree Joshi	Rajasekar Sukummar	Arnaud Pierrel
Partner	Director	Director
Membership No. 139807		
Place: India	Place: United Kingdom	Place: France
Date :- April 21, 2025	Date :- April 21, 2025	Date :- April 21, 2025

Persistent Systems S.R.L. (Romania)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

4. Equity share capital

(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
9,076.30	-	-	9,076.30

Balance as at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the period	Balance as at March 31,2024
9,076.30	-	-	9,076.30

Persistent Systems S.R.L. (Romania)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2024	29,597.45	724.06	30,321.51
Changes in accounting policy or prior period errors			
Restated balance as at April 1, 2024	29,597.45	724.06	30,321.51
Net Profit/(Loss) for the year	12,911.54	-	12,911.54
Other Comprehensive income for the year	-	1,248.80	1,248.80
Balance at March 31, 2025	**42,508.99**	**1,972.86**	**44,481.85**

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	(918.42)	784.85	(133.57)
Changes in accounting policy or prior period errors			
Restated balance as at April 1, 2023	(918.42)	784.85	(133.57)
Dividend	-		-
Net Profit/(Loss) for the period	30,515.87		30,515.87
Other Comprehensive income for the period		(60.79)	(60.79)
Balance at March 31, 2024	**29,597.45**	**724.06**	**30,321.51**

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.
ICAI Firm registration no. 104370W
Chartered Accountants

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date :- April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems S.R.L. (Romania)

Rajasekar Sukumar
Director

Place: United Kingdom
Date :- April 21, 2025

Arnaud Pierrel
Director

Place: France
Date :- April 21, 2025

Persistent Systems S.R.L. (Romania)

Notes forming part of financial statements

1 Nature of operations

Persistent Systems S.R.L. ("the Company" (a Romania based wholly owned subsidiary of Persistent Systems Germany GmbH.is engaged providing software services projects. The company was incorporated on June 16, 2022

2 Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year 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 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 1 to March 31.

B Functional currency

Functional currency The functional currency is the LEU 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 converted at a weighted average of Inter Bank Selling Rate for the period/year;

iii. The equity share capital is translated on the date of transaction;

iv. The exchange difference arising out of the period-end conversion is transferred to Currency Translation Reserve are recognized in other comprehensive income and the said amount is shown under the head "Other Equity"

3.1 Use of estimates and judgements

a) The preparation of the condensed interim 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 crtitical accounting estimates involiving 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 condensed interim financial statements in the period in which changes are made and, if material their effects are disclosed in the notes to the condensed interim financial statements.

3.2 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

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 lossed 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. The compaby uses significant judgements to assess contingent liabilities.

3.3 Summary of Significant accounting Policies

a) Current vs 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.

b) Property, plant and equipment

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

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

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

c) Intangible assets

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

b) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when The Company can demonstrate:

-technical feasibility of completing the intangible asset so that it will be available for use or sale;

-its intention to complete the asset and use or sell it;

-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 life
Computers *	4 years
Computers-Servers and networks*	4 years
Office equipment	5 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.

e) Impairment of Property, Plant and Equipment and other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

f) 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.

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 liabilities at fair value through profit or loss (FVTPL)

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

ii) Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

- **Financial liabilities at amortized cost**

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

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

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

iii) Impairment

i) Financial assets

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

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

ii) Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount 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.

g) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

h) 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 of the lease and
- 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

i) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

(i) Foreign currency transactions and balances

Initial recognition

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

Conversion

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

Exchange differences

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

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

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

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

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

Translation of foreign operations

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

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date

j) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Federal Central tax Office (Romania). The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

k) Earnings per share (EPS)

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

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

l) 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

m) 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.

n) Cash and cash equivalents

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

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Persistent Systems S.R.L. (Romania)

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
54500.00 shares of 10 LEU each.	545.00	545.00
	545.00	**545.00**
Issued, subscribed and paid-up		
54500.00 shares of 10 LEU each.	545.00	545.00
Issued, subscribed and fully paid-up share capital	**545.00**	**545.00**

All the shares are held by Persistent Systems Germany GmbH.

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

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

	As at March 31, 2025	As at March 31, 2024
Share outstanding as at beginning of the period / year	545.00	545.00
Issued during the period / year	-	-
Shares outstanding as at end of period / year	**545.00**	**545.00**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of LEU1 per share. Each holder of equity shares is entitled to one vote per share

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

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Persistent Systems S.R.L. (Romania)

NOTES FORMING PART OF FINANCIAL STATEMENTS

5.1 Property, Plant and Equipment

		(In ₹'000)
	Computers	**Total**
Gross block (At cost)		
As at April 1, 2024	3,809.75	3,809.75
Additions	22.36	22.36
Deletions	-	-
- Exchange differences	108.81	108.81
As at March 31,2025	**3,940.92**	**3,940.92**
Depreciation and amortization		
As at April 1, 2024	1,287.16	1,287.16
Charge for the year	857.90	857.90
- Exchange differences	54.13	54.13
As at March 31,2025	**2,199.19**	**2,199.19**
Net block		
As at March 31,2025	**1,741.73**	**1,741.73**
As at March 31, 2024	**2,522.59**	**2,522.59**
Deletions	-	-
- Exchange differences	79.77	84.35

	Computers	**Total**
Gross block (At cost)		
As at April 1, 2023	1,442.23	1,442.23
Additions	2,500.47	2,500.47
Deletions	(126.28)	(126.28)
- Exchange differences	(6.67)	(6.67)
As at March 31, 2024	**3,809.75**	**3,809.75**
Depreciation and amortization		
As at April 1, 2023	101.83	101.83
Charge for the period	1,187.05	1,187.05
Deletions	-	-
- Exchange differences	(1.72)	(1.72)
As at March 31, 2024	**1,287.16**	**1,287.16**
Net block		
As at March 31, 2024	**2,522.59**	**2,522.59**
As at March 31, 2023	**1,340.40**	**1,340.40**

5.2 Depreciation and amortization

	For the year ended March 31,2025 (In ₹'000)	**For the year ended March 31,2024 (In ₹'000)**
Property, Plant and Equipment	857.90	1,187.05
	857.90	**1,187.05**

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NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

6.Deferred tax assets (net)

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Deffered tax assets		
Provision for leave encashment	59.32	-
Provision for bonus and commission	260.63	-
	319.95	-

Persistent Systems S.R.L. (Romania)

Notes forming part of financial statements

7. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good (Refer note 22)	42,386.06	78,118.44
Unsecured, considered doubtful	-	-
	42,386.06	78,118.44
Less : Provision for doubtful receivables	-	-
	42,386.06	**78,118.44**
	42,386.06	**78,118.44**

Trade receivables Ageing Schedule

	Curent 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	18,306.98	13,125.87	10,953.21	-	-		42,386.06
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	**18,306.98**	**13,125.87**	**10,953.21**	**-**	**-**	**-**	**42,386.06**

Trade receivables Ageing Schedule

	Curent 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	35,873.76	33,423.29	8,821.39				78,118.44
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	**35,873.76**	**33,423.29**	**8,821.39**	**-**	**-**	**-**	**78,118.44**

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		
Cheques on hand		-
Balances with banks	40,682.19	11,809.67
	40,682.19	**11,809.67**

9. -Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advances recoverable in cash or kind	77.57	659.25
VAT receivable (net)	11,939.68	12,130.04
	12,017.25	**12,789.29**

Persistent Systems S.R.L. (Romania)

NOTES FORMING PART OF FINANCIAL STATEMENTS

10. Non-current financial liabilities : Borrowings

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured		
Borrowings from related party		
- Persistent Systems Inc. (ref note 22)	19,230.75	33,360.00
(Repayment Terms : After 36 months)		
(Rate of interest: 3 month SOFAR plus 250 basis points)		
	19,230.75	**33,360.00**

11. Trade payables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Trade payables for goods and services (Refer note 22)	21,157.61	17,800.25
	21,157.61	**17,800.25**

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	17,239.04	2,008.75	683.53	1,226.29		21,157.61
Total outstanding dues of creditors other than micro enterprises and small enterprises		-			-	-
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						
As At March 31, 2025	**17,239.04**	**2,008.75**	**683.53**	**1,226.29**	**-**	**21,157.61**

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	10,688.04	2,960.43	2,960.43	1,191.35		17,800.25
Total outstanding dues of creditors other than micro enterprises and small enterprises		-			-	-
Disputed dues of micro enterprises and small enterprises						-
Disputed dues of creditors other than micro enterprises and small enterprises						
As At March 31, 2024	**10,688.04**	**2,960.43**	**2,960.43**	**1,191.35**	**-**	**17,800.25**

12. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unearned revenue	-	3,113.92
Statutory liabilities	943.41	2,467.20
Advance from related parties (Unsecured, considered good) (Refer note 22)		
'-Persistent Systems Germany GmbH	24.87	
Interest accrued but not due on loans		
Persistent Sytesm Inc.	921.63	657.05
	1,889.91	**6,238.17**

13. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
Other employee benefits	1,628.97	2,880.43
- Leave encashment	370.74	1,541.66
Accrued employee liabilities	668.66	105.33
	2,668.37	**4,527.42**

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14. Revenue from operations

	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
Sale of Services (Refer note 21)	212,043.78	250,229.29
	212,043.78	**250,229.29**

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 period ended March 31, 2024

Particulars	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
Segment wise disclosure		
Industrial Segments	212,043.78	250,229.29
BFSI	-	-
LSHC	-	-
Total	**212,043.78**	**250,229.29**
Geographical disclosure		
India	-	-
North America	212,043.78	250,229.29
Rest of the World	-	-
Total	**212,043.78**	**250,229.29**
Onsite / offshore		
IP Led		
Offshore	-	-
Onsite	212,043.78	250,229.29
Total	**212,043.78**	**250,229.29**

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.

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

Particulars	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
Balance at the beginning of the year	-	-
Revenue recognised during the year		34,063.57
Invoices raised during the year		34,063.57
Translation exchange difference	-	-
Balance at the end of the year	-	-

Changes in Unearned revenue are as follows:

Particulars	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
Balance at the beginning of the year	3,113.92	1,496.30
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(3,113.92)	(11,741.87)
Increase due to invoicing during the year, not recognised as revenue during the year	0.00	10,120.36
Translation exchange difference	0.00	3,239.13
Balance at the end of the year	-	**3,113.92**

15. Other income

	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
Miscellaneous income	75.49	-
	75.49	**-**

16. Personnel expenses

	For the year ended	
	March 31,2025	March 31,2024
	(In ₹'000)	(In ₹'000)
16.1. Employee benefits expense		
Salaries, wages and bonus	62,183.19	85,798.02
Defined contribution to other funds	2,894.55	1,866.53
Staff welfare and benefits	1,937.53	2,799.35
	67,015.27	**90,463.90**
16.2 Cost of technical professionals		
Technical professionals - related parties (Refer note 21)	-	-
Technical professionals - others	114,002.45	101,833.02
	114,002.45	**101,833.02**
	181,017.72	**192,296.92**

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17. Other expenses

	For the year ended March 31,2025 (In ₹'000)	For the year ended March 31,2024 (In ₹'000)
Travelling and conveyance	355.16	80.13
Communication expenses	2.16	-
Recruitment expenses	-	6,106.63
Training and seminars	172.42	634.72
Rent	282.49	271.09
Insurance	-	-
Legal and professional fees	7,904.11	5,186.29
Repairs and maintenance	-	
Plant and Machinery	-	36.51
Foreign exchange loss (net)	4,649.71	5,834.78
Sundry balances written off	145.60	-
Miscellaneous expenses	125.29	131.45
	13,636.94	**18,281.60**

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NOTES FORMING PART OF FINANCIAL STATEMENTS

18. Earnings per share

		For the year ended March 31, 2025	For the year ended March 31,2024
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'000)	(A)	12,911.54	30,515.87
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	54,500.00	54,500.00
Denominator for Diluted EPS			
Number of equity shares	(C)	54,500.00	54,500.00
Basic Earnings per share	(A/B)	236.91	559.92
Diluted Earnings per share	(A/C)	236.91	559.92

	For the year ended March 31, 2025	For the year ended March 31,2024
Number of shares considered as basic weighted average shares outstanding	54,500.00	54,500.00
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**54,500.00**	**54,500.00**

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19 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 Liabilties	3.75	3.16	84%	Increased in trade receivable
(b) Debt-Equity Ratio,	Debt	Equity	0.36	0.85	236%	Partially repayment of loan and interest
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	0.32	1.01	310%	Partially repayment of loan and interest
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.28	1.26	454%	Employees head count is decreased in cu
(e) Inventory turnover ratio,			Not applicable	Not applicable		
(f) Trade Receivables turnover ratio,	Turnover	Trade Receivables	3.52	5.28	150%	Y o Y decreased in Debtors
(g) Trade payables turnover ratio,	Turnover	Trade Payables	6.31	6.93	110%	Increase in payment towards consultants
(h) Net capital turnover ratio,	Turnover	Average working capital	3.01	0.16	5%	
(i) Net profit ratio,	Net Profit after tax	Turnover	0.06	0.12	200%	Reduction in revenue & operations
(j) Return on Capital employed,	Earnings Before Interest	Capital employed	0.32	1.01	310%	Reduction in revenue & operations
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	Not applicable	Not applicable		

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20. Unhedged foreign currency exposure at end of the year

Particulars	March 31, 2025			March 31, 2024		
	Amount in FC ('000)	Rate	Amount in INR '000	Amount in FC ('000)	Rate	Amount in INR '000
Trade Receivables	USD 385.85	85.47	32,978.27	USD 888.90	83.40	74,134.55
	CHF 11.78	97.00	1,142.70	EUR 44.39	90.01	3,995.72
Trade Payables	USD 1.95	85.47	166.67	USD 1.95	83.40	162.45
	-	-	-	EUR 0.16	90.01	14.79
Intercoporate deposit received	USD 235.78	85.47	20,152.12	USD 407.88	83.40	34,017.05
Other current liabilities	EUR 0.26	95.65	24.87	-	-	-
Bank Balances						
	-	-	-	-	-	-

21. 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 is high dependence on top customers. 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

In ₹ thousand

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Trade receivables	34,120.97	78,130.27
Trade payables	166.67	177.24
Intercoporate deposit received	20,152.12	34,017.05
Other current liabilities	24.87	-

Foreign currency sensitivity analysis

For the period ended March 31, 2025 , every percentage point depreciation / appreciation in the exchange rate between the RON and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately (1.07%).& 1.07%

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 ₹ 42,386.06 thousand as at March 31, 2025. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk is managed by the Company's 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:

In ₹ thousand

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 90 days	14,372.01	42,244.68
Total receivables	42,386.06	78,118.44
Overdue for more than 90 days as a % of total receivables	33.9%	54.1%

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Persistent Systems S.R.L. (Romania)

Notes forming part of financial statements

Ageing of trade receivables

(In ₹ thousand)

	As at March 31, 2025	As at March 31, 2024
Within the credit period	18,306.98	35,873.76
1 to 30 days past due	-	-
31 to 60 days past due	9,707.07	31,525.20
61 to 90 days past due	-	1,898.09
91 to 120 days past due	-	8,821.39
121 and above past due	14,372.01	-
Less: Expected credit loss	-	-
Net trade receivables	**42,386.06**	**78,118.44**

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As at March 31, 2025, the Company had a working capital of ₹ 70,727.22 thousand including cash and cash equivalents of ₹ 40,682.19 thousand . As at March 31, 2024 the company had a working captial of ₹ 70,235.22 including cash and cash equivalents of ₹ 11,809.67 thousand

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

(In ₹ thousand)

	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	21,157.61	-	17,800.25	-
Inter company loan	-	19,230.75	-	33,360.00
Other financial liabilities	2,668.37	-	4,527.42	-

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22. Related Party Disclosures

I) Names of related parties and their related party relationships

i) Names of related parties and their related party relationships
Holding Company
- Persistent Systems Germany GmbH
Ultimate Holding Company
- Persistent System Limited
Companies under the same management
- Persistent Systems Inc
- Persistent Systems France SAS
- Persistent Systems Switzerland AG (FKA PARX Werk AG)
Persistent Systems UK Limited (FKA Aepona Limited)

I) Related party transactions

Nature of Transaction	**Name of related party**	**Relation with the company**	**Year ended March 31, 2025**	**Year ended March 31, 2024**
Sale of Services	Persistent Systems Limited	Ultimate Holding Company	141,434.02	78,434.52
	Persistent Systems Inc.	Companies under the same management	-	63,543.92
	Persistent Systems France SAS	Companies under the same management	2,847.48	12,815.90
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under the same management	21,198.18	60,002.87
	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under the same management	3,006.62	-
	Persistent Systems Germany GmbH	Holding company	13,796.33	25,535.29

III) Balances outstanding

Particulars	**Name of related party**	**Relation with the company**	**As at March-31,2025**	**As at March-31,2024**
Share Capital	Persistent Systems Germany GmbH	Holding Company	9,076.30	9076.3
				-
Intercorporate deposit received	Persistent Systems Inc.	Companies under the same management	19,230.75	33,360.00
Interest accrued but not due on loans	Persistent Systems Inc.	Companies under the same management	921.63	657.05
Advance received	Persistent Systems Germany GmbH	Holding Company	24.87	-
Trade payables	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under the same management	1,091.58	-
	Persistent Systems Inc.	Companies under the same management	166.49	162.45
Trade receivables	Persistent Systems Inc.	Companies under the same management	-	16,354.87
	Persistent Systems Germany GmbH	Holding Company	14,062.02	4,774.32
	Persistent Systems France SAS	Companies under the same management	2,913.33	12,901.71
	Persistent Systems Limited	Ultimate Holding Company	13,705.70	23,663.95
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under the same management	1,142.48	13,686.84

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23. 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:

	For the year ended	For the period ended
	March 31, 2025	March 31, 2024
Profit before tax	14,222.62	36,328.42
Enacted tax rate	16.00%	16.00%
Computed tax expense at enacted tax rate	2,275.62	5,812.55
Other (Net)	(680.43)	-
Prior Period Tax charge / (Credit)	(284.11)	-
Income tax expense	**1,311.08**	**5,812.55**

24. Auditors Remuneration

Particulars	As at March 31, 2025	As at March 31, 2024
Audit fee	-	-

25. Contingent liabilities:

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

26.

During the year ended, the Company conducted an operational efficiency review of computer & networking group, which resulted in change in the expected useful life of the same. The computer & networking group, which management had previously intended to use for 3 years, is now revised based on technical evaluation obtained by the company. The effect of this change on actual and expected depreciation expense is as follows:

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	110.24	111.45	111.45	109.03	442.18	442.18

27. Capital Commitments:

The estimated amount of contracts remaining to be executed on Capital account not provided for, net of advances is ₹Nil

28.

The financial statements are presented in ₹ thousand except for per share information or as otherwise stated

As per our report of even date.

For Joshi Apte &Co.,
Firm registration no. 104370W
Chartered Accountants

Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date : April 21, 2025

For and on behalf of the Board of Directors of
Persistent Systems. S.R.L (Romania)

Rajasekar Sukumar
Director

Place: United Kingdom
Date : April 21, 2025

Arnaud Pierrel
Director

Place: France
Date :- April 21, 2025

Persistent

Persistent Systems Costa Rica Limitada

Sigma Business Center, Republic Tower A, Second Floor
San Pedro Montes de Oca, San Jose, Costa Rica 11501

Persistent Systems Costa Rica Limitada
Sigma Business Center, Republic Tower A, Second Floor, San Pedro Montes de Oca, Costa Rica 11501

Annual Report 2024-25

The management is pleased to present the Annual Report of your Corporation together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your corporation is a wholly owned subsidiary of Persistent Systems Germany GmbH, Germany, having its office in Costa Rica.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR '000)

Particulars	FY 2024-25	FY 2023-24
Total Income	543,250.96	541,813.70
Total Expenditure	439,208.86	463,613.68
Profit /(Loss) before tax	104,042.10	78,200.02
Total Tax Expense	31,775.76	23,460.02
Net profit/ (loss) after tax	**72,266.34**	**54,740.00**

Business Operations

Your Company generated a net profit as mentioned above during the period of the report.

Office Bearer

The Managers/office bearers of the Company as of March 31, 2025, were as follows:

a. Mr. Thomas Klein
b. Mr. Pravin Tarde
c. Ms. Vanessa Hernandez Carrera

Acknowledgments

The Management would like to all the stakeholders for excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS COSTA RICA LIMITADA (FORMERLY KNOWN AS DATAGLOVE IT SOLUTIONS LIMITADA)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Costa Rica Limitada ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), for the period ended the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial

reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone

financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or

the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAK9153

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

BALANCE SHEET AS AT MARCH 31, 2025

	Note	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5	6,652.79	5,552.14
Capital work-in-progress		3,865.29	-
		10,518.08	**5,552.14**
Financial assets			
Other financial assets	6	-	424.12
		10,518.08	**5,976.26**
Current assets			
Trade receivables	7	107,490.33	62,019.95
Cash and cash equivalents	8	74,611.17	37,092.44
Other current financial assets	9	21,176.85	41,322.40
Other Current Assets	10	2,946.96	1,206.02
Current Tax Assets (Net)		20,935.16	16,414.59
		227,160.47	**158,055.40**
TOTAL		**237,678.55**	**164,031.66**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	4.68	4.68
Other equity		203,665.22	124,867.45
		203,669.90	**124,872.13**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
-Borrowings		-	-
		-	-
Current liabilities			
Current investments			
Financial liabilities			
- Trade payables	11	3,976.88	4,865.68
- Other financial liabilities	12	854.70	1,251.00
Other current liabilities	13	10,826.44	11,477.00
Provisions	14	12,140.14	9,169.13
Deferred tax liability (net)	15	6,210.49	12,396.72
		34,008.65	**39,159.53**
TOTAL		**237,678.55**	**164,031.66**
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 COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

per Tejashree Joshi	**Thomas Klein**	**Pravin Tarde**
Partner	Manager	Manager
Membership No.139807		
Place: India	Place: USA	Place: Italy
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Note	For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Income			
Revenue from operations	16	542,782.20	540,057.00
Other income	17	468.76	1,756.70
Total Income	**(A)**	**543,250.96**	**541,813.70**
Expenses			
Employee benefit expenses	18.1	411,842.86	421,257.91
Cost of technical professionals	18.2	2,339.51	3,632.53
Finance costs		-	-
Depreciation and amortization expense	5.1	2,471.87	4,500.05
Other expenses	19	22,554.62	34,223.19
Total Expenses	**(B)**	**439,208.86**	**463,613.68**
Profit/(Loss) before tax (A-B)		**104,042.10**	**78,200.02**
Tax expense			
Current tax		38,388.19	16,369.16
Tax (credit) / charge in respect of earlier years		(36.45)	-
Deferred tax (credit) / charge		(6,575.98)	7,090.86
Total tax expense		**31,775.76**	**23,460.02**
Net Profit/(Loss) for the year	**(C)**	**72,266.34**	**54,740.00**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Exchange differences in translating the financial statements			
- Tax effect on remeasurements of the defined benefit liabilities / (asset)		-	-
		-	-
- Effective portion of cash flow hedge		-	-
- Exchange differences in translating the financial statements of foreign operations		6,531.43	14,987.71
	(E)	**6,531.43**	**14,987.71**
Total comprehensive income for the year (C) + (D) + (E)		**78,797.77**	**69,727.71**
Earnings per equity share	20		
[nominal value of share $ 0.001 (Corresponding previous year $ 0.001)]			
Basic `		18,066,585.00	13,684,998.80
Diluted `		18,066,585.00	13,684,998.80
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 COSTA RICA LIMITADA
(Formerly Known As DataGlove IT Solutions Limitada)

per Tejashree Joshi	**Thomas Klein**	**Pravin Tarde**
Partner	Manager	Manager
Membership No.139807		
Place: India	Place: USA	Place: Italy
Date : April 21, 2025	Date : April 21, 2025	Date : April 21, 2025

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Cash flow from operating activities			
Profit/(Loss) before tax		**104,042.10**	**78,200.02**
Adjustments for:			
Foreign Currency Translation Reserve		5,745.07	13,378.00
Unrealised foreign exchange gain/loss		620.39	332.95
Interest income		(468.76)	(1,756.70)
Depreciation and amortization expense		2,471.87	4,500.05
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents		1,483.88	591.78
Operating profit before working capital changes		**113,894.55**	**95,246.10**
Movements in working capital :			
Decrease/ (Increase) in trade receivables		(46,033.08)	(25,433.96)
Decrease/ (Increase) in other current assets & current financial assets		18,840.17	(6,265.30)
Increase/ (Decrease) in trade payables		(2,146.12)	5,904.03
Increase/ (Decrease) in provisions		3,123.78	(2,049.97)
Operating profit after working capital changes		**87,679.30**	**67,400.90**
Direct taxes paid (net of refunds)		(41,769.79)	(31,823.02)
Net cash generated from / (used in) operating activities	**A**	**45,909.51**	**35,577.88**
Cash flows from investing activities			
Payment for capital expenditure		(7,375.66)	(807.79)
Interest received- other		468.76	1,756.70
Net cash generated from / (used in) investing activities	**B**	**(6,906.90)**	**948.92**
Cash flows from financing activities			
Dividend paid		-	(190,414.01)
Net cash generated from / (used) in financing activities	**C**	**-**	**(190,414.01)**
Net increase / (decrease) in cash and cash equivalents **(A + B + C)**		39,002.61	(153,887.20)
Cash and cash equivalents at the beginning of the reporting year		37,092.44	191,571.42
Effect of exchange differences on translation of foreign currency cash and cash equivalents		(1,483.88)	(591.78)
Cash and cash equivalents at the end of the reporting year		**74,611.17**	**37,092.44**

Components of cash and cash equivalents	**As at March 31, 2025 (In ₹ thousand)**	**As at March 31, 2024 (In ₹ thousand)**
Cash and cheques on hand	-	-
Balances with Banks	74,611.17	37,092.44
Cash and cash equivalents as per note 8	**74,611.17**	**37,092.44**

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 COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

per Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

Thomas Klein
Manager

Place: USA
Date : April 21, 2025

Pravin Tarde
Manager

Place: Italy
Date : April 21, 2025

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

A. Equity share capital. (Refer note : 4)

(In ₹ thousand)

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
4.68	-	-	4.68

(In ₹ thousand)

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
4.68	-	-	4.68

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PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ thousand)

Particulars	Reserves and surplus		Items of other	Total
	General reserve	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2024	1.26	65,864.40	59,001.79	124,867.45
Net profit/(loss) for the period		72,266.34	-	72,266.34
Other Comprehensive income for the year	-	-	6,531.43	6,531.43
Balance at March 31, 2025	**1.26**	**138,130.74**	**65,533.22**	**203,665.22**

(In ₹ thousand)

Particulars	Reserves and surplus		Items of other	Total
	General reserve	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2023	-	201,539.68	44,014.07	245,553.75
Net profit for the year	-	54,739.99	-	54,739.99
Dividend paid	-	(190,414.01)	-	(190,414.01)
Transfer of balance from Retained earning to General reserve	1.26	(1.26)	-	-
Other Comprehensive income for the year	-	-	14,987.72	14,987.72
Balance at March 31, 2024	**1.26**	**65,864.40**	**59,001.79**	**124,867.45**

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.

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 COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Thomas Klein
Manager

Place: USA
Date : April 21, 2025

Pravin Tarde
Manager

Place: Italy
Date : April 21, 2025

1 Nature of operations

Persistent Systems Costa Rica Limitada (Formerly Known As DataGlove IT Solutions Limitada) (the Company) is a wholly owned subsidiary of Persistent Systems Germany GmbH. The company is specialized in software products, services and technology innovation in telecom and Product Lifecycle Management domains. The company has been acquired by Persistent Systems Germany GmbH on March 1st, 2022.

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 period/year and are consistent with those used in previous period/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 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 Statement of Material Accounting Policies

3.1 Accounting year

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

3.2 Functional currency

a) The company's functional currency is the CRC Costa Rican Colon.

b) 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".

3.3 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 crtitical accounting estimates involiving 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.

3.4 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 Costa Rica. 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 lossed 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.The company uses significant judgements to assess contingent liabilities.

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

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

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

c) Intangible assets

a) Acquired intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. Following initial recognition, Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

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

b) Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when The Company can demonstrate:

-technical feasibility of completing the intangible asset so that it will be available for use or sale;
-its intention to complete the asset and use or sell it;
-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.

(This space is intentionally left blank)

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's	5 years
Furniture and Fixtures*	5 years
Plant and Machinery*	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.

e) Financial instruments

a) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

b) 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 amortised 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 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 FVTPL.

c) Impairment of financial assets

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

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

ii) Non-financial assets
The carrying amounts of Property, plant and equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

f) Impairment of Property, Plant and Equipment and Other intangible assets

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

g) Borrowing Cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

Amendment to Ind AS 23 Borrowing costs: The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The Company does not expect any impact related to this amendment.

h) Investments

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

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

i) Revenue recognition

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

The following specific recognition criteria must also be met before revenue is recognized:

i. Income from software licenses and services

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

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.

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 Goods and Service Tax, 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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

j) Foreign currency transactions

i. Initial recognition
Foreign currency transactions are recorded in the functional currency, i.e. CRC, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

ii. Conversion
The transactions are in CRC, 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 and investments 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 year.
The exchange difference arising out of the period/year-end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other Equity".

iii. Settlement
Revenue, 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 year in which the transaction is settled.

k) Retirement and other employee benefits

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

Superannuation
The Company does not have any superannuation scheme.

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

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

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

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

l) Income taxes
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Costa Rica's tax laws. Deferred income tax reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier periods.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities 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 assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

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

n) **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:

i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease;
iii. 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.

o) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

p) 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.

q) Contingent liabilities

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

r) Employee stock compensation expenses

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions) by the holding Company, Persistent Systems Limited, to the employees of the Company.

In accordance with Ind AS 102, the cost of equity-settled transactions is determined by the fair value at the date of the grant by the holding Company of the equity instruments to the employees of the Company and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

The expense or credit recognized by the Company in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense of the Company. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total intrinsic value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Notes forming part of financial statements

4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
4 Common Shares of 10,000 CRC each.	CRC 40,000	CRC 40,000
	CRC 40,000	**CRC 40,000**
Issued, subscribed and paid-up (In ₹ Thousand)		
4 (previous year 4) common shares of CRC 10,000 each fully paid up.	CRC 40,000	CRC 40,000
	CRC 40,000	**CRC 40,000**
* Represent value less then ₹ Thousand		

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

There is no movement in the shares outstanding at the beginning and at the end of the reporting year.

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of CRC 10,000 per share.Each holder of equity shares is entitled to one vote per

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

Dividend Distribution made:

	(In ₹ thousand)	
	As at March 31, 2025	As at March 31, 2024
Dividend on equity shares declared and paid:		
Interim dividend for the year ended on 31st March 2024	-	190,414.01
	-	**190,414.01**

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
Persistent Systems Germany GmbH	4	-	4	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
Persistent Systems Germany GmbH	4	-	4	100%	-

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Notes forming part of financial statements

5. Property, Plant and Equipment & Other Intangible Assets

(In ₹ thousand)

	Computers	Vehicles	Total
Gross Block			
As at April 1, 2024	20,626.50	30.11	20,656.61
Additions	3,510.37	-	3,510.37
Disposals	-	-	-
- Exchange difference	542.18	0.81	542.99
As at March 31, 2025	**24,679.05**	**30.92**	**24,709.97**
Depreciation / Amortization			
As at April 1, 2024	15,101.71	2.76	15,104.47
Additions	-	-	-
Disposals	-	-	-
Charge for the year	2,465.90	5.97	2,471.87
- Exchange difference	480.55	0.29	480.84
As at March 31, 2025	**18,048.16**	**9.02**	**18,057.18**
Net Block			
As at March 31, 2025	**6,630.89**	**21.90**	**6,652.79**
As at March 31, 2024	**5,524.79**	**27.35**	**5,552.14**

Gross Block			
As at April 1, 2023	18,052.08	-	18,052.08
Additions	779.50	28.29	807.79
Disposals	-	-	-
- Exchange difference	1,794.92	1.82	1,796.75
As at March 31, 2024	**20,626.50**	**30.11**	**20,656.61**
Depreciation / Amortization			
As at April 1, 2023	9,405.37	-	9,405.37
Additions	-	-	-
Disposals	-	-	-
Charge for the year	4,497.46	2.60	4,500.05
- Exchange difference	1,198.88	0.16	1,199.04
As at March 31, 2024	**15,101.71**	**2.76**	**15,104.47**
Net Block			
As at March 31, 2024	**5,524.79**	**27.35**	**5,552.14**
As at March 31, 2023	**8,646.71**	**-**	**8,646.71**

5.1 Depreciation and amortization expense

(In ₹ thousand)

	For the year ended March 31, 2025	For the year ended March 31, 2024
On Property, Plant and Equipment	2,471.87	4,500.05
	2,471.87	**4,500.05**

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PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Notes forming part of financial statements

6. Other Non Current financial assets

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Security Deposits	-	424.12
	-	424.12

7. Trade receivables

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Others		
Unsecured (considered good) (Refer note no. 25)	107,490.33	62,019.95
	107,490.33	62,019.95

Trade receivables Ageing Schedule

	Curent 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	44,415.21	62,077.47	997.65	-	-	-	107,490.33
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	**44,415.21**	**62,077.47**	**997.65**	**-**	**-**	**-**	**107,490.33**

	Curent 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	31,024.51	30,995.44	-	-	-	-	62,019.95
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	**31,024.51**	**30,995.44**	**-**	**-**	**-**	**-**	**62,019.95**

8. Cash and cash equivalents

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
- On current account	74,611.17	37,092.44
	74,611.17	37,092.44

9. Other current financial assets

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Unbilled revenue	20,701.62	41,322.40
Inter company advance (Refer note no.25)		
-Persistent Systems Limited	39.67	-
Security Deposits	435.56	-
	21,176.85	41,322.40

10. Other Current Asset

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	2,412.17	417.70
VAT receivable	534.79	788.32
	2,946.96	1,206.02

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Notes forming part of financial statements

11. Trade payables

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Trade payables for goods and services (Refer note no. 25)	3,976.88	4,865.68
	3,976.88	**4,865.68**

Trade payables Ageing Schedule

	Curent but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	662.03	708.02	2,606.84	-	-	3,976.88
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2025	**662.03**	**708.02**	**2,606.84**	**-**	**-**	**3,976.88**

	Curent but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,742.62	123.06	-	-	-	4,865.68
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2024	**4,742.62**	**123.06**	**-**	**-**	**-**	**4,865.68**

12. Other current financial liabilities

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Advance from related parties (Refer note no. 25)		
- Persistent Systems Ltd - Short term adv from related parties	854.70	1,251.00
	854.70	**1,251.00**

13. Other current liabilities

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Other payables		
- Statutory liabilities	10,826.44	11,477.00
	10,826.44	**11,477.00**

14. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Provision for employee benefits		
- Leave encashment	4,678.63	4,887.34
- Other employee benefits	7,461.51	4,281.79
	12,140.14	**9,169.13**

15. Deferred Tax Assets (Net)

	As at March 31, 2025 (In ₹ thousand)	As at March 31, 2024 (In ₹ thousand)
Deferred Tax Assets		
On carried forward losses	-	-
Difference in Book values and tax base values of ROU asset and Lease liability	-	-
	-	**-**
Deferred Tax Liabilities		
Unbilled revenue	6,210.49	12,396.72
	6,210.49	**12,396.72**

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)
Notes forming part of financial statements

16. Revenue from operations

	For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Sale of software services (net) (Refer note no. 25)	542,782.20	540,057.00
	542,782.20	**540,057.00**

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 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Segment wise disclosure		
Technology Services	-	-
Alliance	-	-
Accelerite (products)	-	-
Others	542,782.20	540,057.00
Total	**542,782.20**	**540,057.00**
Geographical disclosure		
India	106,535.93	4,826.39
North America	436,246.27	525,403.53
Rest of the World	-	9,827.08
Total	**542,782.20**	**540,057.00**
Onsite / offshore / IP Led		
IP Led		
Offshore	-	-
Onsite	542,782.20	540,057.00
Total	**542,782.20**	**540,057.00**

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

Particulars	March 31, 2025 (In ₹ thousand)	March 31, 2024 (In ₹ thousand)
Balance at the beginning of the year	41,322.40	35,523.62
Revenue recognised during the year	573,622.97	352,306.71
Invoices raised during the year	(595,269.38)	(350,084.41)
Translation exchange difference	1,025.63	3,576.48
Balance at the end of the year	**20,701.62**	**41,322.40**

17. Other income

	For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Interest income	468.76	1,756.70
	468.76	**1,756.70**

18. Personnel expenses

	For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
18.1 Employee benefit expenses		
Salaries, wages and bonus	332,824.01	341,090.04
Staff welfare and benefits	2,451.54	2,161.45
Contribution to provident and other funds	76,567.31	78,006.42
	411,842.86	**421,257.91**
18.2 Cost of technical professionals		
- Related Parties	4.55	2,215.78
- Others	2,334.96	1,416.76
	2,339.51	**3,632.53**
	414,182.37	**424,890.45**

19. Other expenses

	For the year ended March 31, 2025 (In ₹ thousand)	For the year ended March 31, 2024 (In ₹ thousand)
Travelling and conveyance	345.83	3,148.01
Communication expenses	145.92	175.36
Recruitment expenses	74.95	-
Training and seminars	13.37	-
Purchase of software licenses and support expenses	2.18	171.89
Rent	4,288.70	2,699.43
Rates, fees and profession tax	2,657.42	65.81
Legal and professional fees	3,727.97	6,733.22
Repairs and maintenance		
- Others	7,852.06	8,214.45
Computer consumables	1.72	9.67
Foreign exchange gains (net)	3,045.65	12,767.58
Office expenses	169.98	-
Miscellaneous expenses	228.87	237.77
	22,554.62	**34,223.19**

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20. Earnings per share

		For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share			
Numerator			
Net Profit / (loss) after tax (In ₹ thousand)	A	72,266.34	54,740.00
Denominator for Basic EPS	B	4	4
Denominator for Diluted EPS	C		
Weighted average number of equity shares		4	4
Basic earnings per share	A / B	18,066,585.00	13,684,998.80
Diluted earnings per share	A / C	18,066,585.00	13,684,998.80

	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	4	4
Add: Effect of dilutive issues of stock options		
Number of shares considered as weighted average shares and potential shares outstanding	**4**	**4**

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PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Notes forming part of financial statements

21. 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 Liabilties	6.68	4.04	65%	Increase in debtors in FY25
(b) Debt-Equity Ratio,	Debt	Equity	-	-	NA	-
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	-	-	0%	-
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.44	0.30	49%	Increase in profit in FY25 compared to FY24
(e) Inventory turnover ratio,		-	NA	NA		-
(f) Trade Receivables turnover ratio,	Turnover	Trade Receivables	6.40	10.91	-41%	Y on Y Delayed collection of debtors
(g) Trade payables turnover ratio,	Trade Payables	Cost of professional + other expenses	0.18	0.07	159%	Y on Y Increase in average trade payable
(h) Net capital turnover ratio,	Turnover	Average working capital	3.48	3.04	15%	-
(i) Net profit ratio,	Net Profit after tax	Turnover	0.13	0.10	31%	Increase in operating margin
(j) Return on Capital employed,	Earnings Before Interest	Capital employed	0.51	0.61	-17%	-
(k) Return on investment.	Income generated from inves	Average invested funds in treasury investments	NA	NA	NA	-

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PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Notes forming part of financial

22. Unhedged foreign currency exposure at the end of the year

Particulars	31-Mar-25			31-Mar-24		
	Amount in FC (In thousand)	Exchange Rate	Amount in INR (In ₹ thousand)	Amount in FC (In thousand)	Exchange Rate	Amount in INR (In ₹ thousand)
Trade payable	INR 743.23	1.00	743.23	USD 50.28	83.40	4,193.07
Advance received	USD 10.00	85.47	854.70	-	-	-
Advance given	USD 0.50	85.47	39.67	-	-	-
Trade receivables	USD 984.50	85.47	84,145.13	USD 360.00	83.40	30,024.00
Bank Balance	USD 727.58	85.47	62,185.49	USD 157.67	83.40	13,149.78

23. 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 resell deals. The Company's exposure to credit risk is insignificant as the top customers are renouned 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 ₹ thousand)

	31-Mar-25	31-Mar-24
Trade receivables	84,145.13	30,024.00
Trade payables	743.23	4,193.07
Advance received	854.70	-
Advance given	39.67	-
Bank balance	62,185.49	13,149.78

Foreign currency sensitivity analysis:

For the year ended March 31, 2025 , every percentage point depreciation / appreciation in the exchange rate between the CRC and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 1.42%.

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 ₹ 107,490.33 thousand and ₹ 62,019.95 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:

(In ₹ thousand)

	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days	18,750.59	-
Total receivables	107,490.33	62,019.95
Overdue for more than 90 days as a % of total receivables	17%	0%

Ageing of trade receivables

(In ₹ thousand)

	As at	
	March 31, 2025	March 31, 2024
Within the credit period	44,415.21	31,024.51
1 to 30 days past due	14,695.40	16,817.44
31 to 60 days past due	29,629.12	14,178.00
61 to 90 days past due	-	-
91 to 120 days past due	-	-
121 and above past due	18,750.59	-
Less: Expected credit loss	-	-
Net trade receivables	**107,490.33**	**62,019.95**

Movement in expected credit loss allowance

	As at	
	March 31, 2025	March 31, 2024
Opening balance	-	-
Charge for the year	-	-
Effect of Currency translation	-	-
Closing balance	-	-

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 ₹ 193,151.82 thousand including cash and cash equivalents of ₹ 74,611.17 thousand. As at March 31, 2024, the Company had a working capital of ₹ 118,895.87 thousand including cash and cash equivalents of ₹ 37,092.44 thousand.

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

(In ₹ thousand)

	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	708.02	2,606.84	123.06	-
Financial liabilities- Borrowings	-	-	-	-

24. 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:

	For the year ended March 31, 2025 In '000	For the year ended March 31, 2024 In '000
Profit before tax	104,042.10	78,200.02
Enacted tax rate	30.00%	30.00%
Computed tax expense at enacted tax rate	31,212.63	23,460.02
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Short Tax Provision of earlier years(Net)	-	-
Others (Net)	563.13	-
Income tax expense	**31,775.76**	**23,460.02**

PERSISTENT SYSTEMS COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

Notes forming part of financial statements

25. Related party transactions

I. Names of related parties

Holding Company:
Persistent Systems Germany GmbH

Ultimate Holding Company:
Persistent Systems Limited

Companies under same Management:
Persistent Systems Limited
Persistent Systems Inc
Persistent Systems UK Limited (FKA Aepona Limited)
Persistent Telecom Solutions Inc.
Persistent Systems Mexico, S.A. de C.V

Key Management Personnel:
Ms.Vanessa Hernandez Carrera (Manager)

II. Related party transactions:

Particulars	Name of the related Party	Relationship with the Related Party	For the year ended	
			March 31, 2025 (In ₹ thousand)	March 31, 2024 (In ₹ thousand)
Income				
Sale of Services	Persistent Systems Limited	Ultimate Holding company	106,535.93	4,826.39
	Persistent Systems Inc	Companies under same management	135,400.65	195,910.93
	Persistent Systems UK Limited (FKA A	Companies under same management	-	9,827.08
	Persistent Telecom Solutions Inc.	Companies under same management	-	5,752.27
Cost of technical professional	Persistent Systems Mexico, S.A. de C.V	Companies under same management	-	2,215.78
Dividend payment	Persistent Systems Germany GmBH	Holding Company	-	190,414.01
Remuneration paid	Key management personnel			
	- Ms.Vanessa Hernandez Carrera	Manager	7,517.15	6,967.73

III. Related party balances

Particulars	Name of the related Party	Relationship with the Related Party	As at	As at
			March 31, 2025 (In ₹ thousand)	March 31, 2024 (In ₹ thousand)
Share Capital	Persistent Systems Germany GmbH	Holding Company	4.68	4.68
Trade receivables	Persistent Systems Inc	Companies under same management	52,074.14	28,356.00
	Persistent Systems Limited	Ultimate Holding Company	32,071.00	1,668.00
Advance given	Persistent Systems Limited	Ultimate Holding Company	39.67	-
Advance received	Persistent Systems Limited	Ultimate Holding Company	854.70	1,251.00
Trade payable	Persistent Systems Mexico, S.A. de C.V	Companies under same management	-	2,352.24
	Persistent Systems Limited	Ultimate Holding Company	743.23	-

26. Contingent liability

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

27. 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 ₹ thousand)

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	543.44	474.24	394.58	386.00	1,798.26	1,675.16

28. Capital Commitments

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

29. The financial statements are presented in ₹ Thousand except for per share information or as otherwise stated.

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

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 COSTA RICA LIMITADA (Formerly Known As DataGlove IT Solutions Limitada)

per Tejashree Joshi
Partner
Membership No.139807

Place: India
Date : April 21, 2025

Thomas Klein
Manager

Place: USA
Date : April 21, 2025

Pravin Tarde
Manager

Place: Italy
Date : April 21, 2025

Persistent

Persistent Systems Poland Spółka Z O O

Regd. Office: Warsaw, ul. Towarowa 28, 00-839 Warsaw, Poland

Persistent Systems Poland Spółka Z O O
Regd. Office: Warsaw, ul. Towarowa 28, 00-839 Warsaw, Poland

Annual Report FY 2024-2025

Report of the Directors

Your Directors are pleased to present the Second Annual Report of your Company together with the audited statement of accounts for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc, USA (PSI) and is engaged in software development, professional and marketing services to its Europe based customers.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR Thousand)

Particulars	2024 – 2025	2023 – 2024
Total income	259,431.49	257,834.53
Expenditure	241,694.30	243,486.55
Profit /(Loss) before taxation	**17,737.19**	**14,347.98**
Total Tax Expense	1,199.16	1,717.81
Net profit/ (loss) after taxation	**16,538.03**	**12,630.17**

Business Operations

The Company is engaged in rendering software development and professional services in Europe.

Directors

The Members may note that Your company has appointed Mr. Vinit Teredesai as a Director of the Company.

Hence, the Directors of the Company are:

1. Mr. Sandeep Kalra, USA
2. Mr. Vinit Teredesai, India
3. Mr. Thomas Klein, USA

Event based questions

Your Company introduces a Whistleblower Policy which was implemented for the employees in Poland as per the Regulations.. Since the employee count was less than 50, the adoption of this Policy was a voluntary step taken by the Management with effect from October 1, 2024.

Acknowledgments

Your Board would like to thank all the stakeholders for excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

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999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PERSISTENT SYSTEMS Poland s.p.z.o.o

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Persistent Systems Poland s.p.z.o.o. ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the Period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the profit and total comprehensive income, changes in equity and its cash flows for the Period ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules 2014 as amended in our opinion and to the best of our information and according to the explanation given to us

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in note no 11 to the accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For **JOSHI APTE & Co**.
Chartered Accountants
(Firm's Registration No. 104370W)

TEJASHREE JOSHI
Partner
(Membership No.139807)
Place: Pune,
Date: 21st April, 2025
UDIN: 25139807BMLLAM6945

Persistent Systems Poland Sp. z o.o.

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	7,963.87	7,355.71
Capital work-in-progress		-	2,597.72
Right of use asset	5.2	1,482.33	18,382.79
Intangible assets	5.3	149,268.65	-
		158,714.85	**28,336.22**
Financial assets			
- Other non current financial assets	6	84.60	4,381.38
Deferred tax assets (net)		1,555.96	2,501.82
		160,355.41	**35,219.42**
Current assets			
Financial Assets			
- Trade receivables	7	31,310.48	17,336.14
- Cash and cash equivalents	8	13,470.41	21,834.78
- Other current financial assets	9	4,578.96	-
Other current assets	10	8,133.50	6,768.06
Current tax assets (net)		4,105.29	-
		61,598.64	**45,939.00**
TOTAL		**221,954.05**	**81,158.42**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	95.26	95.26
Other equity		30,882.76	13,027.27
		30,978.02	**13,122.53**
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Other non-current financial liabilities	11	134,817.29	1,848.17
		134,817.29	**1,848.17**
Current liabilities			
Financial liabilities			
- Trade payables	12	19,046.37	8,212.09
- Other current financial liabilities	13	19,948.01	23,432.27
Other current liabilities	14	336.09	6,104.95
Provisions	15	16,828.27	27,797.99
Current tax liabilities (net)		-	640.42
		56,158.74	**66,187.72**
TOTAL		**221,954.05**	**81,158.42**
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 Poland Sp. z o.o.

per Tejashree Joshi	Sandeep Kalra	Thomas Klein
Partner	Director	Director
Membership No. 139807		
Place: India	Place: USA	Place: USA
Date: April 21, 2025	Date: April 21, 2025	Date: April 21, 2025

Persistent Systems Poland Sp. z o.o.

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Notes	For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Income			
Revenue from operations	16	258,441.95	257,696.85
Other income	17	989.54	137.68
Total income (A)		**259,431.49**	**257,834.53**
Expenses			
Employee benefits expense	18.1	172,719.28	196,484.58
Cost of technical professionals	18.2	18,074.69	2,278.27
Finance costs		1,470.82	1,739.64
Depreciation and amortization expense	5.4	20,516.07	18,062.31
Other expenses	19	28,913.44	24,921.75
Total expenses (B)		**241,694.30**	**243,486.55**
Profit/(loss) before tax (A - B)		**17,737.19**	**14,347.98**
Tax expense			
Current tax		94.57	4,145.01
Tax credit in respect of earlier years		-	-
Deferred tax charge / (credit)		1,104.59	(2,427.20)
Total tax expense		**1,199.16**	**1,717.81**
Net profit/(loss) for the Year/Period (C)		**16,538.03**	**12,630.17**
Other comprehensive income			
Items that may be reclassified to profit or loss (E)			
- Exchange differences in translating the financial statements of foreign operations		1,317.45	397.10
		1,317.45	**397.10**
Total comprehensive income for the Year/Period (C) + (D) + (E)		**17,855.48**	**13,027.27**
Earnings per equity share	20		
Basic (In ₹)		165,380.30	126,301.73
Diluted (In ₹)		165,380.30	126,301.73
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 Poland Sp. z o.o.

Sandeep Kalra
Director

Place: USA
Date: April 21, 2025

Thomas Klein
Director

Place: USA
Date: April 21, 2025

Persistent Systems Poland Sp. z o.o.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Cash flow from operating activities			
Profit / (loss) before tax		**17,737.19**	**14,347.98**
Adjustments for:			
Finance cost		1,470.82	1,739.64
Depreciation and amortization expense		20,516.07	18,062.31
Unrealised exchange (gain)/ loss (net)		(236.07)	(179.65)
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents		(656.02)	1,279.00
Excess provision written back		(875.08)	-
Currency translation reserve		662.08	367.47
Operating profit before working capital changes		**38,618.99**	**35,616.75**
Movements in working capital :			
(Increase)/Decrease in trade receivables		(13,908.49)	(17,336.14)
(Increase)/ Decrease in other current assets (including financial assets)		(1,365.43)	(6,485.90)
(Increase) / Decrease in other non current assets		-	(4,381.38)
Increase/(Decrease) in trade payables and current liabilities		3,804.80	16,520.46
Increase/(Decrease) in provisions		(10,969.72)	27,797.99
Operating profit after working capital changes		**16,180.15**	**51,731.79**
Direct taxes paid (net of refunds)		(5,115.31)	(3,632.02)
Net cash generated from operating activities	**(A)**	**11,064.84**	**48,099.77**
Cash flows from investing activities			
Payment towards capital expenditure		(83,039.85)	(12,664.03)
Net cash (used in) investing activities	**(B)**	**(83,039.85)**	**(12,664.03)**
Cash flows from financing activities			
Proceeds from issuance of share capital		-	95.26
Inter corporate deposits received		106,837.50	-
Inter corporate deposits paid		(21,367.50)	-
Lease liability payments		(22,515.38)	(12,417.22)
Net cash (used in) financing activities	**(C)**	**62,954.62**	**(12,321.96)**
Net (Decrease)/ increase in cash and cash equivalents (A + B + C)		(9,020.39)	23,113.78
Cash and cash equivalents at the beginning of the period		21,834.78	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents		656.02	(1,279.00)
Cash and cash equivalents at the end of the Period		**13,470.41**	**21,834.78**
Components of cash and cash equivalents			
Balances with banks			
On current accounts		13,470.41	21,834.78
Cash and cash equivalents as per note 8		**13,470.41**	**21,834.78**

Sumamry 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.
ICAI 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 Poland Sp. z o.o.

Sandeep Kalra
Director

Place: USA
Date: April 21, 2025

Thomas Klein
Director

Place: USA
Date: April 21, 2025

Persistent Systems Poland Sp. z o.o.

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
95.26	-	-	95.26

(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 period	Balance as at March 31, 2024
			-
-	-	95.26	95.26

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Persistent Systems Poland Sp. z o.o.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2024	12,630.17	397.10	13,027.27
Net Profit/(Loss) for the year	16,538.03	-	16,538.03
Other Comprehensive income for the year	-	1,317.45	1,317.45
Balance as at March 31, 2025	**29,168.20**	**1,714.56**	**30,882.76**

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2023	-	-	-
Net Profit/(Loss) for the period	12,630.17	-	12,630.17
Other Comprehensive income for the period	-	397.10	397.10
Balance as at March 31, 2024	**12,630.17**	**397.10**	**13,027.27**

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.
ICAI Firm registration no. 104370W
Chartered Accountants

For and on behalf of the Board of Directors of
Persistent Systems Poland Sp. z o.o.

per Tejashree Joshi
Partner
Membership No. 139807

Sandeep Kalra
Director

Thomas Klein
Director

Place: India
Date: April 21, 2025

Place: USA
Date: April 21, 2025

Place: USA
Date: April 21, 2025

Persistent Systems Poland Sp. z o.o.

Notes forming part of financial statements

1. Nature of operations

Persistent Systems Poland Sp. z o.o. ("the Company") (wholly owned subsidiary of Persistent Systems Inc.) is engaged in providing software products, services and technology innovation.

Persistent Systems Inc purchased shares of the company known as Bacarthill Investments Sp. z o.o. from Vistra Shelf Sp. z o.o. on April 5th, 2023, as per the share transfer agreement. The name "Bacarthill Investments Sp. z o.o." was changed to Persistent Systems Poland Sp. z o.o. on April 6th, 2023.

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 applied by the company during the period 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 financial statements are presented in ₹ Thousands.

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 March 31, 2025.

3. Material accounting policy information

3.1 Accounting year

The accounting year of the company is from April 1 to March 31. These financial statements have been prepared only for the purpose of consolidation.

3.2 Functional currency

The Company's functional currency is PLN. 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 period end conversion are recognised in Other Comprehensive Income and the said amount is shown under the head "Other Equity".

3.3 Use of estimates and judgements

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 crtitical accounting estimates involiving 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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is Poland. 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 lossed 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.

c) 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.

d) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

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. 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.

ii) 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 and use or sell it;
- 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.

e) 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 equipments	5 years

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

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

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

f) Impairment of Property, Plant and Equipment and Other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

g) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

iii) Impairment

a. 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.

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

h) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

i) 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:
i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

Where the Company is 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 recognized:

i. Income from sale of 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.
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.

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.

In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

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 payment is established by the balance sheet date. Dividend income is included under the head 'Other Income' in the statement of profit and loss.

k) Foreign currency translation

i) Foreign currency transactions and balances

a. Initial recognition

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

b. 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.

c. Exchange differences

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

d. 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.

ii) Translation of foreign operations

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

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Poland tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

m) Cash and cash equivalents

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

n) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

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4. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised Shares		
100.00 shares of 50 PLN each	PLN 5000.00	PLN 5000.00
	PLN 5000.00	**PLN 5000.00**
Issued, subscribed and paid-up shares		
100.00 shares of 50 PLN each (in ₹ '000)	**95.26**	**95.26**
Issued, subscribed and fully paid-up share capital	**95.26**	**95.26**

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

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

	As at March 31, 2025 (in Numbers)	As at March 31, 2024 (in Numbers)
Shares outstanding as at the beginning of period	**100.00**	**-**
Issued during the period	-	100.00
Shares outstanding as at the end of period	**100.00**	**100.00**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of 50 PLN per share. Each holder of equity shares is entitled to one vote per share.

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

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5.1 Property, Plant and Equipment

(In ₹'000)

	Computers	Total
Gross block (At cost)		
As at April 1, 2024	10,375.76	10,375.76
Additions	3,232.45	3,232.45
Deletions	-	-
- Exchange differences	870.92	870.92
As at March 31, 2025	**14,479.13**	**14,479.13**
Depreciation		
As at April 1, 2024	3,020.06	3,020.06
Charge for the year	3,167.21	3,167.21
- Exchange differences	327.99	327.99
As at March 31, 2025	**6,515.26**	**6,515.26**
Net block		
As at March 31, 2025	**7,963.87**	**7,963.87**
As at March 31, 2024	**7,355.71**	**7,355.71**

(In ₹'000)

	Computers	Total
Gross block (At cost)		
Opening Balance	-	-
Additions	10,066.31	10,066.31
Deletions	-	-
- Exchange differences	309.45	309.45
As at March 31, 2024	**10,375.76**	**10,375.76**
Depreciation		
Opening Balance	-	-
Charge for the period	2,929.98	2,929.98
- Exchange differences	90.07	90.07
As at March 31, 2024	**3,020.06**	**3,020.06**
Net block		
As at March 31, 2024	**7,355.71**	**7,355.71**

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5.2 Right of use asset

(In ₹'000)

	Right of use asset	Total
Gross block (At cost)		
As at April 1, 2024	33,980.32	33,980.32
Additions	-	-
Deletions	-	-
- Exchange differences	2,188.50	2,188.50
As at March 31, 2025	**36,168.81**	**36,168.81**
Amortization		
As at April 1, 2024	15,597.52	15,597.52
Charge for the year	17,348.85	17,348.85
- Exchange differences	1,740.11	1,740.11
As at March 31, 2025	**34,686.49**	**34,686.49**
Net block		
As at March 31, 2025	**1,482.33**	**1,482.33**
As at March 31, 2024	**18,382.79**	**18,382.79**

(In ₹'000)

	Right of use asset	Total
Gross block (At cost)		
Opening Balance	-	-
Additions	32,966.86	32,966.86
Deletions	-	-
- Exchange differences	1,013.45	1,013.45
As at March 31, 2024	**33,980.32**	**33,980.32**
Amortization		
Opening Balance	-	-
Charge for the period	15,132.33	15,132.33
- Exchange differences	465.19	465.19
As at March 31, 2024	**15,597.52**	**15,597.52**
Net block		
As at March 31, 2024	**18,382.79**	**18,382.79**

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5.3 Intangible Assets

(In ₹'000)

	Other Intangible Assets	Total
Gross block (At cost)		
As at April 1, 2024	-	-
Additions	149,268.65	149,268.65
Deletions	-	-
- Exchange differences	-	-
As at March 31, 2025	**149,268.65**	**149,268.65**
Amortization		
As at April 1, 2024	-	-
Charge for the year	-	-
- Exchange differences	-	-
As at March 31, 2025	**-**	**-**
Net block		
As at March 31, 2025	**149,268.65**	**149,268.65**
As at March 31, 2024	**-**	**-**

(In ₹'000)

	Other Intangible Assets	Total
Gross block (At cost)		
Opening Balance	-	-
Additions	-	-
Deletions	-	-
- Exchange differences	-	-
As at March 31, 2024	**-**	**-**
Amortization		
Opening Balance	-	-
Charge for the period	-	-
- Exchange differences	-	-
As at March 31, 2024	**-**	**-**
Net block		
As at March 31, 2024	**-**	**-**

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5.4 Depreciation and amortization

	For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Property, Plant and Equipment	3,167.21	2,929.98
Right of use asset	17,348.85	15,132.33
	20,516.07	**18,062.31**

6. Other Non-current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Security Deposits	-	4,301.89
Deposits-Miscellaneous	84.60	79.48
	84.60	**4,381.38**

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7. Trade receivables

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Unsecured, considered good (Refer note 25)	31,310.48	17,336.14
Unsecured, considered doubtful	-	-
	31,310.48	**17,336.14**
Less : Provision for doubtful receivables	-	-
	31,310.48	**17,336.14**

Trade receivables Ageing Schedule

	Curent 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	31,310.48	-	-	-	-	-	31,310.48
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	**31,310.48**	**-**	**-**	**-**	**-**	**-**	**31,310.48**

	Curent 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	17,336.14	-	-	-	-	-	17,336.14
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	**17,336.14**	**-**	**-**	**-**	**-**	**-**	**17,336.14**

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	13,470.41	21,834.78
	13,470.41	**21,834.78**

9. Other current financial assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Security Deposits	4,578.96	-
	4,578.96	**-**

10. Other current assets

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Advances recoverable in cash or kind	41.65	-
Prepaid Expenses	1,477.60	1,756.97
VAT receivable (net)	6,614.25	5,011.09
	8,133.50	**6,768.06**

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11. Other non-current financial liabilities

		As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Contingent consideration payable for acquisition of assets	**(A)**	49,347.29	-
Intercompany deposits from related parties*			
- Persistent Systems Inc. (Refer note 25) (Repayment terms : At the end of three years) Rate of Interest : SOFR + 250 bps (Previous period : Nil)	**(B)**	85,470.00	-
Lease liabilities		1,967.25	22,974.49
Less: Current maturity of lease liabilities		(1,967.25)	(21,126.31)
	(C)	**-**	**1,848.17**

Movement of lease liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Opening balance	22,974.49	-
Addition during the year	-	32,966.86
Add: Interest recognised during the year	1,005.58	1,739.64
Less: Payments made	(22,515.38)	(12,417.22)
Exchange Difference	502.57	685.21
Closing balance	**1,967.25**	**22,974.49**

Total Other non-current financial liabilities (A+B+C)	**134,817.29**	**1,848.17**

*Entity has received USD 1.25 Million on March 6, 2025 from Persistent Systems Inc. (repaid USD 0.25 Million) out of which USD 0.96 Million is invested in Soho Dragon LT, UAB, Lithuania.

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12. Trade payables

	As at March 31,2025 (In ₹'000)	As at March 31,2024 (In ₹'000)
Trade payables for goods and services	19,046.37	8,212.09
	19,046.37	**8,212.09**

Trade payables Ageing Schedule

	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	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19,046.37	-	-	-	19,046.37
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
As at March 31, 2025	**19,046.37**	**-**	**-**	**-**	**19,046.37**

	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	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8,212.09	-	-	-	8,212.09
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	
As At March 31, 2024	**8,212.09**	**-**	**-**	**-**	**8,212.09**

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13. Other current financial liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Contingent consideration payable for acquisition of assets	17,516.23	-
Interest accrued but not due on Intercompany Deposits (Refer note 25)	464.52	
Advances from related parties (Refer note 25)		
Persistent Systems Germany GmbH	-	2,305.95
Current maturity of lease liabilities	1,967.25	21,126.31
	19,948.01	**23,432.27**

14. Other current liabilities

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
TDS Payable (Salary) - Outside India	169.69	784.87
Social Insurance Payable - Outside India	166.41	5,320.07
	336.09	**6,104.95**

15. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹'000)	As at March 31, 2024 (In ₹'000)
Provision for employee benefits		
Leave encashment	4,660.15	9,271.70
Other employee benefits	12,168.11	18,526.29
	16,828.27	**27,797.99**

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16. Revenue from operations

	For the period ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Sale of Services (Refer note 25)	258,441.95	257,696.85
	258,441.95	**257,696.85**

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 period ended March 31, 2025 and March 31, 2024

Particulars	**For the period ended March 31, 2025 (In ₹'000)**	**For the period ended March 31, 2024 (In ₹'000)**
Segment wise disclosure		
Industrial Segments	258,441.95	257,696.85
BFSI	-	-
LSHC	-	-
Total	**258,441.95**	**257,696.85**
Geographical disclosure		
India	246,971.12	254,077.47
North America	-	3,619.37
Rest of the World	11,470.83	-
Total	**258,441.95**	**257,696.85**
Onsite / offshore		
IP Led	-	-
Offshore	-	-
Onsite	258,441.95	257,696.85
Total	**258,441.95**	**257,696.85**

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.

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

Particulars	**March 31, 2025 (In ₹'000)**	**March 31, 2024 (In ₹'000)**
Balance at the beginning of the year	-	-
Revenue recognised during the year	-	-
Invoices raised during the year	-	-
Translation exchange difference	-	-
Balance at the end of the year	**-**	**-**

Changes in Unearned revenue are as follows:

Particulars	**March 31, 2025 (In ₹'000)**	**March 31, 2024 (In ₹'000)**
Balance at the beginning of the year	-	-
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	-	-
Increase due to invoicing during the year, not recognised as revenue during the year	-	-
Translation exchange difference	-	-
Balance at the end of the year	**-**	**-**

17. Other income

	For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Miscellaneous income	114.46	137.68
Excess provision written back	875.08	-
	989.54	**137.68**

18. Personnel expenses

	For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
18.1. Employee benefits expense		
Salaries, wages and bonus	141,661.43	169,261.06
Defined contribution to other funds	26,335.39	23,036.87
Staff welfare and benefits	4,722.46	4,186.65
	172,719.28	**196,484.58**
18.2 Cost of technical professionals		
Technical professionals - related parties	-	-
Technical professionals - others	18,074.69	2,278.27
	18,074.69	**2,278.27**
	190,793.97	**198,762.85**

19. Other expenses

	For the year ended March 31, 2025 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Communication expenses	-	-
Recruitment expenses	2,187.19	1,741.02
Training and seminars	19.32	6.06
Communication	24.76	13.83
Travelling and Conveyance	374.51	1,176.64
Rent	-	-
Freight	-	0.60
Rates and taxes	-	7.41
Professional fees	13,944.05	12,499.64
Office Expenses	2,346.19	853.48
Repairs and maintenance		
- Others	387.02	477.35
Internet link expenses	1,438.06	652.38
Computer consumables	55.57	440.86
Foreign exchange loss (net)	8,048.39	6,970.82
Miscellaneous expenses	88.38	81.68
	28,913.44	**24,921.75**

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20. Earnings per share

		For the year ended March 31, 2025	For the period ended March 31, 2024
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹'000)	(A)	16,538.03	12,630.17
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	100.00	100.00
Denominator for Diluted EPS			
Number of equity shares	(C)	100.00	100.00
Basic Earnings per share	(A/B)	165,380.30	126,301.73
Diluted Earnings per share	(A/C)	165,380.30	126,301.73

	For the year ended March 31, 2025	For the period ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	100.00	100.00
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	**100.00**	**100.00**

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21. 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 Liabilties	1.10	0.69	58%	Decrease in provision for employee benefits
(b) Debt-Equity Ratio,	Debt	Equity	2.82	1.75	61%	Due to Intercompany deposits received
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	1.76	2.75	-36%	Increase in lease payments
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	0.75	1.92	-61%	Increase in equity
(e) Trade Receivables turnover ratio,	Turnover	Average Trade Receivables	10.63	29.73	-64%	Increase in trade receivables
(f) Trade payables turnover ratio,	Net Credit Purchases	Average Trade Payables	2.86	4.37	-35%	Increase in trade payables
(g) Net capital turnover ratio,	Turnover	Average working capital	(34.90)	(25.45)	37%	Increase in working capital
(h) Net profit ratio,	Net Profit after tax	Turnover	0.06	0.05	31%	Decrease in personnel expenses
(i) Return on Capital employed,	EBITDA	Capital employed	0.34	0.95	-65%	Increase in capital employed

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22. Unhedged foreign currency exposure at the end of the year

Particulars	As at March 31, 2025		
	Amount in FC ('000)	Rate	Amount in INR ('000)
Trade Receivables	USD 362.82	85.47	31,010.54
	CHF 3.09	97.00	299.94
Trade Payables	EUR 9.19	92.46	849.83
	USD 23.90	85.47	2,042.73
Other non-current financial liabilities	USD 1,619.91	85.47	134,817.29
Other current financial liabilities	USD 167.83	85.47	17,980.76
Bank Balances	USD 51.54	85.47	4,405.09

Particulars	As at March 31, 2024		
	Amount in FC ('000)	Rate	Amount in INR ('000)
Trade Receivables	USD 207.87	83.40	17,336.14
Trade Payables	-	-	-
Other current financial liabilities	EUR 25.62	90.01	2,305.95
Bank Balances	USD 168.35	83.40	14,040.49

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23. 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 is high dependence on top customers. 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

(In ₹ thousand)

Particulars	As at Mar 31, 2025	As at Mar 31, 2024
Trade receivables (USD)	31,010.54	17,336.14
Trade receivables (CHF)	299.94	-
Trade payables (EUR)	849.83	-
Trade payables (USD)	2,042.73	-
Deposits received and interest thereon (USD)	85,934.52	-
Contingent Consideration (USD)	66,863.52	-
Advances received (EUR)	-	2,305.95

Foreign currency sensitivity analysis

For the period ended March 31, 2025, every percentage point depreciation / appreciation in the exchange rate between the PLN and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 6.44% (Previous period : 2.03%).

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 ₹ 31,310.48 thousand as at March 31, 2025 (Previous period : ₹ 17,336.14 thousand). Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk is managed by the Company's 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:

(In ₹ thousand)

Particulars	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 90 days	-	-
Total receivables	31,310.48	17,336.14
Overdue for more than 90 days as a % of total receivables	0.0%	0.0%

Ageing of trade receivables

(In ₹ thousand)

Particulars	As at March 31, 2024	As at March 31, 2024
Within the credit period	31,310.48	17,336.14
1 to 30 days past due	-	-
31 to 60 days past due	-	-
61 to 90 days past due	-	-
91 to 120 days past due	-	-
121 and above past due	-	-
Less: Expected credit loss	-	-
Net trade receivables	**31,310.48**	**17,336.14**

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As at March 31, 2025, the Company had working capital of ₹ 5,439.91 thousand (Previous period : Negative ₹ 20,248.70 thousand) including cash and cash equivalents of ₹ 13,470.41 thousand (Previous period : ₹ 21,834.78 thousand).

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

(In ₹ thousand)

Particulars	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables	19,046.37	-	8,212.09	-
Lease liabilities	1,979.19	-	-	23,973.39
Other financial liabilities	17,980.76	134,817.29	2,305.95	-

24. 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 (In ₹'000)	For the period ended March 31, 2024 (In ₹'000)
Profit before tax	17,737.19	14,347.98
Enacted tax rate	9.00%	9.00%
Computed tax expense at enacted tax rate	1,596.35	1,291.32
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:		
Short Tax Provision (Net)	-	3,383.76
Others (Net)	(397.19)	(2,957.27)
Income tax expense	**1,199.16**	**1,717.81**

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25. Related Party Disclosures

a. Names of related parties and their related party relationships

Holding Company
Persistent Systems Inc.

Ultimate Holding Company
Persistent Systems Limited

Companies under the same management
Persistent Systems Germany GmbH
Persistent Systems Switzerland AG
Persistent Systems Pte. Ltd.

b. Related party transactions

(Amount in ₹ '000)

Particulars	Name of Related Party	Relation with the company	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of services	Persistent Systems Limited	Ultimate Holding Company	246,971.12	254,077.47
Sale of services	Persistent Systems Switzerland AG	Companies under the same management	6,725.81	-
Sale of services	Persistent Systems Pte. Ltd.	Companies under the same management	4,745.02	-
Sale of services	Persistent Systems Inc.	Holding Company	-	3,619.37
Intercompany Interest expenses	Persistent Systems Inc.	Holding Company	465.24	-

c. Balances outstanding

(Amount in ₹ '000)

Particulars	Name of Related Party	Relation with the company	As at March 31, 2025	As at March 31, 2024
Share capital	Persistent Systems Inc.	Holding Company	95.26	95.26
Advances from Related Parties	Persistent Systems Germany GmbH	Companies under the same management	-	2,305.95
Deposits from Related Parties	Persistent Systems Inc.	Holding Company	85,470.00	-
Interest accrued on deposits	Persistent Systems Inc.	Holding Company	464.52	-
Trade receivables	Persistent Systems Limited	Ultimate Holding Company	32,901.10	13,605.50
Trade receivables	Persistent Systems Switzerland AG	Companies under the same management	299.94	-
Trade receivables	Persistent Systems Pte. Ltd.	Companies under the same management	(1,890.56)	-
Trade receivables	Persistent Systems Inc.	Holding Company	-	3,730.64

(This space is intentionally left blank)

26. Auditor's Remuneration

(Amount in ₹'000)

Particulars	For the year ended March 31, 2025	For the year ended March 31, 2024
Audit fees	-	-

27. Leases

The table below provides details regarding the contractual maturities of lease liabilities as of March 31, 2025 and March 31, 2024 on an undiscounted basis:

Particulars	As at 'March 31, 2025 (In ₹'000)	As at 'March 31, 2024 (In ₹'000)
- Less than one year	1,979.19	22,113.96
- One to five years	-	1,859.43
- 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.

The Company has adopted Ind AS 116, Leases; and has recognized interest on lease liability of ₹ 1005.58 thousand (Previous period : ₹ 1739.64 thousand) under finance costs.

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).

28. Contingent liabilities

The Company does not have any contingent liability as at March 31, 2025 (Previous period : Nil).

29. Capital commitments

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

30. 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. April 1, 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	324.81	328.38	328.38	321.24	1,302.81	1,302.81

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

32. Previous period's comparatives

Previous period figures have been regrouped wherever necessary to conform with the current period's classification. The impact of such regrouping is not material to 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 Poland Sp. z o.o.

Sandeep Kalra
Director

Place: USA
Date: April 21, 2025

Thomas Klein
Director

Place: USA
Date: April 21, 2025

Persistent

MediaAgility INC.

100 Somerset Corporate Center Bridgewater Township
New Jersey, NJ 08807, USA

MEDIAAGILITY INC.

100 Somerset Corporate Center Bridgewater Township, New Jersey, NJ 08807, USA

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc., USA, having its office in the USA.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total Income	348.41	570.70
Total Expenditure	378.35	626.46
Profit /(Loss) before tax	(29.94)	(55.76)
Total Tax Expense	(7.92)	8.92
Net Profit/loss after tax	**(22.02)**	**(64.68)**

Directors

The director/office bearers of your Company as of March 31, 2025, were as follows:

1. Mr. Sandeep Kalra
2. Mr. Vinit Teredesai
3. Mr. Thomas Klien

Acknowledgements

The management would like to thank all the stakeholders for the excellent support rendered in their respective areas.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
E-mail: Info@avallp.in
LLPIN: AAF-8214

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of MediaAgility Inc

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MediaAgility Inc.** (the "Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income) for the period January 01, 2025 to March 31, 2025 and year ended on that date, the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on use and distribution

We draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial statements have been prepared solely for its Parent Company to assist them in preparation of its consolidated financial statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
E-mail: Info@avallp.in
LLPIN: AAF-8214

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the accompanying financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the accompanying financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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E-mail: Info@avallp.in
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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
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LLPIN: AAF-8214

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Ahuja Valecha & Associates LLP
Firm Registration No. 126791W/W100132
Chartered Accountants

Ankit Shah
Partner
Membership No. 118976
UDIN: 25118976BMIECA6902
Place: Pune
Date: April 21, 2025

MediaAgility Inc.
Balance Sheet as at March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	5	-	0.03
		-	**0.03**
Financial assets			
- Investments	6	0.78	0.76
Deferred tax assets (net)	7	36.10	15.60
	(A)	**36.88**	**16.38**
Current assets			
Financial assets			
- Trade receivables	8	191.90	249.75
- Cash and cash equivalents	9	158.57	285.19
- Other current financial assets	10	867.00	748.58
Other current assets	11	26.17	9.29
	(B)	**1,243.64**	**1,292.82**
TOTAL	**(A) + (B)**	**1,280.52**	**1,309.20**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12 (a)	23.27	23.27
Other equity	12 (b)	863.49	862.88
	(A)	**886.76**	**886.15**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Trade payables	13	241.83	344.11
Other current liabilities	14	57.93	9.47
Income tax liabilities (net)	15	94.00	69.47
	(B)	**393.76**	**423.05**
TOTAL	**(A)+(B)**	**1,280.52**	**1,309.20**
Summary of material accounting policies	1-3		
The accompanying notes form an integral part of the interim condensed financial statements	4-30		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility Inc.

Ankit Shah
Partner
Membership No.: 118976

Place : India
Date : April 21, 2025

Sandeep Kalra
Director

Place : USA
Date : April 21, 2025

Thomas Klein
Director

Place : USA
Date : April 21, 2025

MediaAgility Inc.
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise, except earning per share)

	Notes	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Income					
Revenue from operations (net)	16	46.26	106.10	317.05	534.37
Other income	17	9.00	12.52	31.36	36.33
Total income (A)		**55.26**	**118.62**	**348.41**	**570.70**
Expenses					
Employee benefit expenses		-	-	-	-
Depreciation and amortization expense	18	-	0.02	0.03	0.31
Other expenses	19	57.95	179.23	378.32	626.15
Total expenses (B)		**57.95**	**179.25**	**378.35**	**626.46**
(Loss) / profit before tax (A - B)		**(2.69)**	**(60.63)**	**(29.94)**	**(55.76)**
Tax expense					
Current tax		13.06	14.78	14.30	20.22
Tax charge in respect of earlier period/year		-	-	(1.65)	-
Deferred tax charge/ (credit)		(49.14)	(2.74)	(20.57)	(11.30)
Total tax expense / (credit)		**(36.08)**	**12.04**	**(7.92)**	**8.92**
Net (loss) / profit for the period	**(C)**	**33.39**	**(72.67)**	**(22.02)**	**(64.68)**
Other comprehensive income					
Items that will be reclassified to profit or loss	**(D)**				
- Exchange differences on translating the financial statements		8.17	4.90	8.17	13.57
		8.17	**4.90**	**8.17**	**13.57**
Total comprehensive income / (loss) for the period (C) + (D)		**41.56**	**(67.77)**	**(13.85)**	**(51.11)**
Earnings per equity share [nominal value of Share USD 0.10] (Previous period USD 0.10)	20				
Basic (In Rs.)		7.68	(16.72)	(5.07)	(14.88)
Diluted (In Rs.)		7.68	(16.72)	(5.07)	(14.88)
Summary of material accounting policies	1-3				
The accompanying notes form an integral part of the interim condensed financial statements	4-30				

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place : India
Date : April 21, 2025

For and on behalf of the Board of Directors of
MediaAgility Inc.

Sandeep Kalra
Director

Place : USA
Date : April 21, 2025

Thomas Klein
Director

Place : USA
Date : April 21, 2025

MediaAgility Inc.
Cash Flow Statement for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

Particulars		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
(Loss) / profit before tax		**(29.94)**	**(55.76)**
Adjustments for:			
Exchange differences in translating the financial statements		23.72	12.73
Unrealised foreign exchange loss		(1.09)	-
Provision for impairment on investment		-	108.49
Interest income		(25.44)	(31.49)
Depreciation and amortization		0.03	0.31
Provision for doubtful debts (net)		94.91	(70.14)
Operating (loss) / profit before working capital changes		**62.19**	**(35.86)**
Movements in working capital :			
Decrease / (Increase) in trade receivable		(37.05)	316.14
Decrease / (Increase) in other non current assets and other current assets		(16.88)	(6.73)
Decrease / (Increase) in other current financial assets		87.84	30.39
Decrease / (Increase) in other non current financial assets		-	(34.23)
(Decrease) / Increase in trade payables		(102.28)	(186.42)
(Decrease) / Increase in current liabilities		48.46	(36.35)
Operating (loss) / profit after working capital changes		**42.27**	**46.94**
Direct taxes paid (net of refunds)		11.95	(11.73)
Net cash flow generated from / (used in) operating activities	**A**	**54.23**	**35.21**
Cash flows from investing activities			
Loan given to related party		(186.74)	-
Change in investments due to currency transalation		(0.02)	-
Interest received		5.92	-
Net cash flow generated from (used in) investing activities	**B**	**(180.84)**	**-**
Cash flows from financing activities		-	-
Net cash flow from financing activities	**C**	-	-
Net (decrease) / increase in cash and cash equivalents (A + B + C)		**(126.61)**	**35.21**
Cash and cash equivalents at the beginning of the period		**285.19**	**249.98**
Cash and cash equivalents at the end of the period		**158.57**	**285.19**
Bank balances with banks		158.57	285.19
Cash and cash equivalents		**158.57**	**285.19**
Summary of material accounting policies	1-3		
The accompanying notes form an integral part of the interim condensed financial statements	4-30		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility Inc.

Ankit Shah
Partner
Membership No.: 118976

Sandeep Kalra
Director

Thomas Klein
Director

Place : India
Date : April 21, 2025

Place : USA
Date : April 21, 2025

Place : USA
Date : April 21, 2025

MediaAgility Inc.
Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

Note 4 : Statement of changes in equity

Particulars	Retained earnings	Exchange differences on translating the financial statements of foreign operations*	Total
		Items of other comprehensive income	
Balance as at April 01, 2023	**862.91**	**51.08**	**913.99**
Profit for the period	(64.68)	-	(64.68)
Foreign currency translation	(14.47)	28.04	13.57
Balance as at March 31, 2024	**783.76**	**79.12**	**862.88**

Balance as at April 01, 2024	**783.76**	**79.12**	**862.88**
Profit for the period	(22.02)	-	(22.02)
Foreign currency translation	14.46	8.17	22.63
Balance as at March 31, 2025	**776.20**	**87.29**	**863.49**

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.

Summary of material accounting policies 1-3

The accompanying notes form an integral part of the interim condensed financial statements 4-30

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility Inc.

Ankit Shah
Partner
Membership No.: 118976

Sandeep Kalra
Director

Thomas Klein
Director

Place: Pune
Date : April 21, 2025

Place : USA
Date : April 21, 2025

Place : USA
Date : April 21, 2025

MediaAgility Inc.
Notes forming part of Finanacial Statements as at March 31, 2025

1. Nature of operations

MediaAgility, Inc. ("The Company") is a wholly owned subsidiary of Persistent Systems, Inc ("The Holding Company"). The Company is specializing in software product, services and technology innovation.

2. Basis of preparation

The financial statements for the year ended March 31, 2025 of the Company have been prepared solely for the purpose of consolidation with the Holding Company. 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. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in the 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.

The Special Purpose Financial Statements have been prepared solely to enable the Company's management to provide information for the consolidation with the Holding Company and for their internal use.

While preparing these special purpose financial statements, the Company has presented the following:
a. Balance Sheet as at March 31, 2025
b. Statement of Profit and Loss for the year ended March 31, 2025
c. Statement of Cash Flow for the year ended March 31, 2025.
d. Statement of Changes in Equity for the year ended March 31, 2025.

The accompanying Special Purpose Financial Statements have been prepared solely to assist the management of Persistent Systems Limited ('the Holding Company') in the preparation of its consolidated financial statements for the year ended March 31, 2025.

3. Material accounting policy information

A. Accounting year

The accounting year of the Company for consolidation is from April 01, 2024 to March 31, 2025.

B. Functional currency

The Company's functional currency is the U.S. Dollar. To facilitate consolidation in Parent 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 converted at weighted average of Inter Bank Selling Rate for the year;
iii. The equity share capital is translated on the date of transaction;
iv. The exchange difference arising out of the year-end conversion is transferred to Currency Translation Reserve are recognized in Other Comprehensive Income and the said amount is shown under the head "Other Equity".

C. Use of estimates

(a) The preparation of the special purpose interim financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of 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 the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the interim condensed financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

(a) Critical accounting estimates

i. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

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 at a point of time. The company has applied the principles of Ind AS 115 to account for revenues from these performance obligations.

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ii. Income taxes

The Company's major tax jurisdiction is United States of America, Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals 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

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities.

D. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is current when it is:
· Expected to be realised or intended to be sold or consumed in the normal operating cycle;
· Held primarily for the purpose of trading;
· Expected to be realised within twelve months after the reporting period; or
· Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
· All other assets are classified as non-current assets.

A liability is current when:
· It is expected to be settled in the normal operating cycle;
· It is held primarily for the purpose of trading;
· It is due to be settled within twelve months after the reporting period; or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current liabilities.

E. 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, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its original cost 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.

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F. Depreciation and amortization

Depreciation on property, plant and equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the property, plant and equipment as follows:

Assets	Useful lives
Computers	2 years
Office equipment	3 years
Furniture and fixtures*	3 years

* For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation methods, useful lives and residual values are reviewed periodically.

G . Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement
The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. the Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Non-derivative financial instruments
Subsequent measurement

Financial assets

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 recognised 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 recognised in other comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)
Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts included within the FVTPL category are subsequently measured at fair value with all changes recognised in the statement of profit and loss.

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Investments in subsidiaries
Investment in subsidiaries are carried at cost.

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

Financial liabilities

Financial liabilities at amortised cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 recognised in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognised in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognised in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Impairment of 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.

H . Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration The Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which The Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

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i. Income from software services and licensing

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 of IND AS 115 to account for the 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.

In case of reselling agreements, the revenue is recognized on a net basis i.e. amount paid to the vendor for reselling the products or services as reduced by amount collected from customer.

Unbilled revenue (Contract Asset) represents revenue recognized in relation to work done until the Balance Sheet date for which billing has not taken place.

Unearned revenue (Contract Liability) represents the billing in respect of contracts for which the revenue is not recognized.

ii. Interest

Income from interest is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head "Other income" in the statement of profit and loss.

I. Contract balances

Contract assets
A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Company provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities
A contract liability is the obligation to provide services or transfer products to a customer for which the Company has received consideration (or an amount of consideration is due) from the consideration. If the Company receives the consideration from the customer before the Company provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

J. Foreign currency transactions and balances

i. Initial recognition

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

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

iii. Settlement
Revenue, 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 year in which the transaction is settled.

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K. 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 tax laws prevailing in United States. 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.

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.

L. Earnings per share (EPS)

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

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

M. 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 of the amount 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.

N. Contingent liabilities and commitments

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 interim condensed financial statements.

O. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

P. Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

Q. Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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MediaAgility Inc.

Notes forming part of Finanacial Statements as at March 31, 2025

(All amounts are in INR Million, unless stated otherwise, except earning per share)

5 Property, plant and equipment

Particulars	Office equipment	Computers	Furniture & fixtures	Total
Gross block				
Closing as at April 01, 2023	1.38	8.93	1.08	11.39
Additions	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.02	0.13	0.03	0.18
Closing as at March 31, 2024	**1.40**	**9.06**	**1.11**	**11.57**
Additions	-	-	-	-
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	-
Closing as at March 31, 2025	**1.40**	**9.06**	**1.11**	**11.57**
Accumulated depreciation				
As at April 01, 2023	**1.34**	**8.63**	**1.08**	**11.05**
Charge for the period	0.04	0.27	0.01	0.32
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	0.02	0.13	0.02	0.17
Closing as at March 31, 2024	**1.40**	**9.03**	**1.11**	**11.54**
Charge for the period		0.03	-	0.03
Disposals	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	-	-	-
Closing as at March 31, 2025	**1.40**	**9.06**	**1.11**	**11.57**
Net block				
Closing as at March 31, 2024	**-**	**0.03**	**-**	**0.03**
Closing as at March 31, 2025	**-**	**-**	**-**	**-**

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MediaAgility Inc.

Notes forming part of Finanacial Statements as at March 31, 2025

(All amounts are in INR Million, unless stated otherwise)

6. Non-current financials assets : Investments

	As at March 31, 2025	As at March 31, 2024
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
-In Wholly owned subsidiary companies		
MediaAgility Pte. Ltd, Singapore		
150 ordinary shares of SGD 1.4 par value	0.68	0.66
MediaAgility UK Ltd., UK	0.10	0.10
1 Ordinary Share of GBP 1000 each		
Digitalagility Mexico, S.A. de C. V, Mexico		
10,000 ordinary shares of 2657.689 Pesos par value	107.64	107.64
Less : Provision for impairment	(107.64)	(107.64)
Aggregate amount of unquoted investments	**0.78**	**0.76**

7. Deferred tax asset (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
Arising on account of :		
Difference in WDV as per books and federal tax	0.51	0.83
Provision for doubtful debt and advances	35.30	14.77
Others	0.29	-
Deferred tax assets	**36.10**	**15.60**
Deferred tax assets (net)	**36.10**	**15.60**

8. Trade receivables

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good	191.90	249.75
Unsecured, credit impaired	167.08	70.14
	358.98	319.89
Less : Allowance for expected credit loss	(167.08)	(70.14)
	191.90	**249.75**

9. Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- On current accounts	158.57	285.19
	158.57	**285.19**

10. Other current financial assets

	As at March 31, 2025	As at March 31, 2024
Loans to related parties		
- Digitalagility S. DE R.L. de C.V ,Mexico	60.26	33.36
- MediaAgility UK Ltd, UK	40.32	39.23
- Persistent System Inc, USA	700.85	542.10
	801.43	**614.69**
Contract assets	3.56	98.30
Interest accrued	62.01	35.59
	65.57	**133.89**
Total	**867.00**	**748.58**

Note: The loan given to MediaAgility UK Ltd, UK is repayable on demand. The interest rate is Secured Overnight Financing Rate (SOFR) plus two hundred basis points (i.e 6.40%).

Loan given to Persistent System Inc, USA and. The interest rate for both parties shall be the applicable federal rate (as published by IRS as per the Revenue Code) on effective date and reset on 1st day of each subsequent quarter (i.e 4.26%).

11. Other current assets

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good		
Prepaid expenses	26.17	9.29
	26.17	**9.29**

MediaAgility Inc.
Notes forming part of Finanacial Statements as at March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

12 (a). Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised (In USD)		
5,000,000 Common Shares (as at March 31, 2024 : 5,000,000 Common Shares) of USD 0.00001 each	USD 50.00	USD 50.00
	50.00	**50.00**
Issued, subscribed and paid-up		
4,347,275 Common Shares (as at March 31, 2024 : 4,347,275 Common Shares) of USD 5.35 each fully paid up	23.27	23.27
All shares are held by Holding Company i.e. Persistent Systems Inc. USA		
	23.27	**23.27**

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

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
No. of Shares at the beginning of the reporting year	43,47,275	23.27	43,47,275	23.27
Add : Additional Shares issued during the year	-	-	-	-
No. of Shares at the end of the reporting year	**43,47,275**	**23.27**	**43,47,275**	**23.27**

12(b) Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Retained Earnings	776.20	783.76
Items of other comprehensive income		
Foreign currency transalation reserve	87.29	79.12
	863.49	**862.88**

Retained Earnings

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	783.76	862.91
Adjustment towards foreign exchange	14.46	(14.47)
Profit/(loss) after tax for the reporting year	(22.02)	(64.68)
	776.20	**783.76**

Foreign currency translation reserve

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	79.12	51.08
Foreign currency transalation during the year	8.17	28.04
	87.29	**79.12**

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13. Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables for services	241.83	344.11
	241.83	**344.11**

14. Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Payable to related party		
Persistent Systems Limited	49.64	-
Other payables		
VAT payable (net)	4.83	8.50
Advance from customers	1.32	0.97
Unearned revenue	2.14	-
	57.93	**9.47**

15. Income tax liability

	As at March 31, 2025	As at March 31, 2024
Income tax liability (net of advance tax)	94.00	69.47
	94.00	**69.47**

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16. Revenue from operations

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Software services	5.39	86.79	206.55	402.77
Software licenses	40.87	19.31	110.50	131.60
	46.26	**106.10**	**317.05**	**534.37**

The table below presents disaggregated revenues from contracts with customers by segments, geography and timing . 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 period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue by industry segments				
Technology Companies and Emerging Verticals	46.26	106.10	317.05	534.37
Total	**46.26**	**106.10**	**317.05**	**534.37**
Timing of revenue				
Point of time	46.26	106.10	317.05	534.37
Over time	-	-	-	-
Total	**46.26**	**106.10**	**317.05**	**534.37**

17. Other income

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest on financial assets carried at amortised cost	9.00	7.76	31.34	31.49
Refund of employee insurance	-	4.75	-	4.75
Miscellaneous income	-	0.01	0.02	0.09
	9.00	**12.52**	**31.36**	**36.33**

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18. Depreciation expense

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, plant and equipment	-	0.02	0.03	0.31
	-	**0.02**	**0.03**	**0.31**

19. Other expenses

		For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal and professional fees		40.40	55.54	239.26	444.03
Books, memberships, subscriptions		0.14	0.30	1.02	9.62
Provision for impairment		-	108.49	-	108.49
Allowance for credit loss (net)		1.02	12.98	94.91	58.03
Foreign exchange gain/ (loss) (net)	-	0.80	0.52	2.69	1.66
Insurance		-	0.08	2.02	0.43
Software and subscription charges		17.09	-	38.27	-
Miscellaneous expenses		0.10	1.32	0.15	3.89
		57.95	**179.23**	**378.32**	**626.15**

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20. Earnings per share

Particulars		For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Basic earnings per share					
Numerator					
Net (Loss) / Profit after tax	A	33.39	(72.67)	(22.02)	(64.68)
Denominator for Basis EPS					
Weighted average number of equity share	B	43,47,275	43,47,275	43,47,275	43,47,275
Denominator for Diluted EPS					
Weighted average number of equity shares	C	43,47,275	43,47,275	43,47,275	43,47,275
Basic earnings per share (Face value of USD 0.00001 each)	A / B	**7.68**	**(16.72)**	**(5.07)**	**(14.88)**
Diluted earnings per share (Face value of USD 0.00001 each)	A / C	**7.68**	**(16.72)**	**(5.07)**	**(14.88)**

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21. Trade receivables ageing

As at March 31, 2025

Particulars	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	91.88	80.78	19.24	-	-	-	191.90
Undisputed trade receivables- Which have significant increase in credit risk	-	15.71	151.37	-	-	-	167.08
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	91.88	**96.49**	**170.61**	**-**	**-**	**-**	**358.98**

As at March 31, 2024

Particulars	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	118.28	122.02	9.45	-	-	-	249.75
Undisputed trade receivables- Which have significant increase in credit risk	0.79	10.87	16.61	41.88	-	-	70.14
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
	119.07	**132.88**	**26.06**	**41.88**	**-**	**-**	**319.89**

22. Trade payables ageing

As at March 31, 2025

Particulars	Current but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	128.68	109.35	3.80	-	-	241.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	128.68	**109.35**	**3.80**	**-**	**-**	**241.83**

As at March 31, 2024

Particulars	Current but 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	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	193.43	149.36	1.32	-	-	344.11
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	193.43	**149.36**	**1.32**	**-**	**-**	**344.11**

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23. Income taxes

The reconciliation of estimated income tax expense at USA statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	For the year ended
	March 31, 2025	March 31, 2024
Profit before tax	(29.94)	(55.76)
Enacted tax rate	21.00%	21.00%
Computed tax expense at enacted tax rate	(6.29)	(11.71)
Effect of non-deductible expenses	-	22.78
Prior Period Tax charge / (Credit)	(1.65)	-
Effect of Change in tax rate in current year	-	-
Others	0.01	(2.15)
Income tax expense	**(7.92)**	**8.92**

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24. Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ Financial liabilities	March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Investments in subsidiaries	-	-	0.78
Loans	-	-	801.43
Cash and cash equivalents	-	-	158.57
Trade receivables (net)	-	-	191.90
Other current financial asset	-	-	29.73
Total Financial Assets	**-**	**-**	**1,182.41**
Financial Liabilities:			
Trade payables	-	-	241.83
Total Financial Liabilities	**-**	**-**	**241.83**

Financial assets/ Financial liabilities	March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Investments in subsidiaries	-	-	0.66
Loans	-	-	80.62
Cash and cash equivalents	-	-	285.19
Trade receivables (net)	-	-	249.75
Other current financial assets	-	-	178.92
Total Financial Assets	**-**	**-**	**795.13**
Financial Liabilities:			
Trade payables	-	-	344.11
Total Financial Liabilities	**-**	**-**	**344.11**

***Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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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 risk to the Company is credit risk.The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

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

	MXN in INR	CAD in INR	Total
Trade payables	10.03	-	10.03
Trade receivables	-	1.71	1.71

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

	CAD in INR	Total
Trade receivables	3.99	3.99

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. 358.98 million as at March 31, 2025 (Rs. 319.89 million as at March 31, 2024), respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the . 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 management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 180 days (₹ million)*	170.61	67.94
Total receivables (gross) (₹ million)	358.98	319.89
Overdue for more than 180 days as a % of total receivables	47.5%	21.2%

* Out of this amount, Rs. 167.08 million as at March 31, 2025 (Rs. 70.14 million as at March 31, 2024) have been provided for.

Ageing of trade receivables

	As at March 31, 2025	As at March 31, 2024
Within the credit period	91.88	119.07
1 to 30 days past due	67.73	69.69
31 to 60 days past due	9.54	13.16
61 to 90 days past due	1.64	15.62
91 to 120 days past due	16.59	15.46
121 and above past due	171.59	86.90
Less: Expected credit loss	(167.08)	(70.14)
Net trade receivables	**191.90**	**249.75**

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Movement in expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
Opening balance	70.14	11.53
Movement in expected credit loss allowance	94.91	58.03
Translation differences	2.03	0.58
Closing balance	**167.08**	**70.14**

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 no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived. The Company had a working capital of Rs. 849.87 milion as at March 31, 2025 (Rs. 300.09 milion as at March 31, 2024) including cash and cash equivalents of Rs. 158.57 million as at March 31, 2025 (Rs. 285.19 million as at March 31, 2024).

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

	As at March 31, 2025	
	Less than 1 year	More than 1 year
Trade payables and deferred payment liabilities	238.03	3.80

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

	As at March 31, 2024	
	Less than 1 year	More than 1 year
Trade payables and deferred payment liabilities	342.79	1.32

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26. Un-hedged foreign currency exposures

(i) Details of un-hedged foreign currency exposures at the end of the period:-

	As at March 31, 2025		
	Amount	**Foreign currency (In million)**	**Conversion rate (₹)**
Trade payables	10.03	MXN 2.40	4.18
Trade receivables	1.71	CAD 0.03	59.56
Investments			
Mediaagility Pte Ltd, Singapore	0.68	USD 0.01	85.47
MediaAgility UK. Limited, UK	0.10	USD 0.01	85.47
Digitalagility S. DE R.L. de C.V, Mexico	107.64	USD 1.31	85.47

	As at March 31, 2024		
	Amount	**Foreign currency (In million)**	**Conversion rate (₹)**
Trade receivables	3.99	CAD 0.06	61.38
Investments			
Mediaagility Pte Ltd, Singapore	0.66	USD 0.01	82.2
Digitalagility S. DE R.L. de C.V, Mexico	107.64	USD 0.01	82.17

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27. Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists :

Ultimate Holding Company	i. Persistent Systems Limited, India (Wholly owned holding)
Holding Company	i. Persistent Systems, Inc., USA (Wholly owned holding)
Subsidiaries	i. MediaAgility Pte Ltd, Singapore (Wholly owned subsidiary) ii. MediaAgility UK Ltd, UK (Wholly owned subsidiary) iii. Digitalagility S. DE R.L. de C.V, Mexico (Wholly owned subsidiary)
Fellow Subsidiaries	i. Persistent Systems Mexico S.A.de C.V., Mexico ii. MediaAgility India Private Limited, India
Key management personnel	i. Sandeep Kalra (w.e.f. November 02, 2024) ii. Thomas Klein (w.e.f. November 02, 2024) iii. Vineet Teredesai (w.e.f. November 02, 2024) iv. Rajesh Abhyankar (upto to date November 02, 2024) v. Abhay Sathe (upto to date December 31, 2023)

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MediaAgility Inc.
Notes forming part of Finanacial Statements as at March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

(ii) List of Transactions with Related parties

Particular	Amount	Amount
Sale of software services	-	0.12
Legal and professional fees	236.02	423.44
Cost of professionals	-	-
Cost of goods sold	11.28	9.85
Loans given	171.37	-
Interest income	31.34	31.49
Total	**450.01**	**464.90**

(iii) Transactions taken during the period

	Name of the related party and nature of relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of software services	**Holding Company**		
	Persistent Systems Inc., USA	-	-
	Fellow Subsidiaries		
	MediaAgility India Private Limited, India	-	0.12
	Total	**-**	**0.12**
Legal and professional fees	**Holding Company**		
	Persistent Systems, Inc., USA	9.37	152.01
	Ultimate Holding Company		
	Persistent Systems Limited, India	199.75	235.72
	Fellow Subsidiaries		
	Persistent Systems Mexico S.A.de C.V., Mexico	26.90	35.71
	Subsidiary		
	Digitalagility S. DE R.L. de C.V, Mexico	-	-
	Total	**236.02**	**423.44**
Cost of goods sold	**Fellow Subsidiaries**		
	MediaAgility India Private Limited	11.28	9.85
	Subsidiary		
	MediaAgility Pte Ltd, Singapore	-	-
	Total	**11.28**	**9.85**
Loans given	**Holding Company**		
	Persistent Systems Inc., USA	145.30	-
	Subsidiary		
	Digitalagility S. DE R.L. de C.V, Mexico	26.07	-
	Total	**171.37**	**-**
Interest income	**Holding Company**		
	Persistent Systems Inc., USA	27.67	26.33
	Subsidiary		
	Mediaagility UK Ltd, UK	2.54	2.80
	Digitalagility S. DE R.L. de C.V, Mexico	1.13	2.37
	Total	**31.34**	**31.49**

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(iv) Outstanding balances as at period end

	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
Advances from related party	**Holding Company**		
	Persistent Systems Inc., USA	49.64	-
	Total	**49.64**	**-**
Trade payables	**Ultimate Holding Company**		
	Persistent Systems Limited, India	68.36	-
	Holding Company		
	Persistent Systems Inc., USA	7.47	17.39
	Fellow Subsidiaries		
	Persistent Systems Mexico S.A.de C.V., Mexico	10.03	-
	MediaAgility India Private Limited, India	-	0.51
	Total	**85.86**	**17.90**
Loan given to related party	**Holding Company**		
	Persistent Systems Inc., USA	700.85	569.76
	Subsidiary		
	Mediaagility UK Ltd, UK	40.32	43.33
	Digitalagility S. DE R.L. de C.V, Mexico	60.26	37.29
	Total	**801.43**	**650.38**
Trade Receivables	**Ultimate Holding Company**		
	Persistent Systems Limited, India	-	1.90
	Fellow Subsidiaries		
	MediaAgility India Private Limited, India	3.85	3.75
	Subsidiary		
	Mediaagility UK Ltd, UK	-	13.48
	Total	**3.85**	**19.14**
Investment	**Subsidiary**		
	Mediaagility UK Ltd, UK	0.11	-
	Digitalagility S. DE R.L. de C.V, Mexico	111.97	107.64
	MediaAgility Pte Ltd, Singapore	0.68	0.66
	Total	**112.75**	**108.30**

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28. Ratio Analysis

Ratio	Denomination	March 31, 2025	March 31, 2024	Variance	Reason (If Variance > 25%)
(a) Current Ratio	Number	3.16	1.71	85%	As the major portion of revenue has been transferred to the its holding Company i.e. Persistent Inc. This lead to decrease in the purchases and sales of service income of the Company resulting in decrease in the amount of outstanding trade payables and outstanding receivable resulting in improvement in current ratio.
(b) Return on Equity Ratio	%	(0.02)	(0.07)	-65%	As the major portion of revenue has been transferred to the its holding Company i.e. Persistent Inc. The volume of sales has been declined substantially which leds to fall in profit margin. This resulted in decrease in net profit ratio.
(c) Trade Receivables turnover ratio	Number	3.10	3.81	-19%	NA
(d) Trade payables turnover ratio	Number	1.27	1.05	21%	NA
(e) Net capital turnover ratio	Number	0.81	4.73	-83%	As the major portion of revenue has been transferred to the its holding Company i.e. Persistent Inc. This leds to reduction in revenue of the Company , which leads to reduction in capital turnover ratio
(f) Net profit ratio	%	(0.03)	(0.05)	-29%	As the major portion of revenue has been transferred to the its holding Company i.e. Persistent Inc. The volume of sales has been declined substantially which leds to fall in profit margin.
(g) Return on Capital employed	%	(0.03)	(0.06)	-45%	Reduction of profit in current year , leads to fall in return on capital employed ratio.

Note: Following ratios are not applicable to the company

1. Debt-Equity Ratio
2. Debt Service Coverage Ratio
3. Inventory turnover ratio
4. Return on investment

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MediaAgility Inc.
Notes forming part of Finanacial Statements as at March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

29. Contingent Liabilities

Sr No	Calendar Year	Department	Issue pending	As at March 31, 2025	As at March 31, 2024
1	2023	NYS Workers Compensation Board, Binghamton	Penalties and assessments related to workers' compensation and/or disability and paid family leave benefits insurance	-	2.54
2	2022	Florida Department of Revenue	Penalty & Fees Due on corporate income tax for year	-	0.03
3	2023	Florida Department of Revenue	Penalty & Fees Due on corporate income tax for year	0.03	0.03
4	2023	New York State Department of Taxation and Finance	Sales tax assessment	1.69	1.57
5	2024	Florida Department of Revenue	Penalty & Fees Due on corporate income tax for year	0.03	-

30. The Comparative period's figures have been regrouped where necessary to confirm to this period's classification.

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place : India
Date : April 21, 2025

For and on behalf of the Board of Directors of
MediaAgility Inc.

Sandeep Kalra
Director

Place : USA
Date : April 21, 2025

Thomas Klein
Director

Place : USA
Date : April 21, 2025

Persistent

MediaAgility Pte. Ltd.

31, Cantonment Road, Singapore 089747

MEDIAAGILITY PTE. LTD.

31, Cantonment Road, Singapore 089747

Annual Report 2024-25

Your directors are pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of MediaAgility Inc., USA, carrying out operations from its office located in Singapore.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total Income	9.29	6.67
Total Expenditure	17.54	3.25
Profit /(Loss) before tax	(8.25)	3.42
Total Tax Expense	(1.36)	0.26
Net profit/(loss) after tax	**(6.89)**	**3.16**

Directors

The Directors of the Company as of March 31, 2025, were as follows:

a. Mr. Azlin Bin Ghazali
b. Mr. John Alfred Paul Ryan

Acknowledgements

Your Board would like to thank all the stakeholders for the excellent support rendered in their respective areas.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
E-mail: Info@avallp.in
LLPIN: AAF-8214

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Media Agility Pte. Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Media Agility Pte. Ltd.** (the "Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income) for the period January 01, 2025 to March 31, 2025 and year ended on that date, the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on use and distribution

We draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial statements have been prepared solely for its Parent Company to assist them in preparation of its consolidated financial statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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E-mail: Info@avallp.in
LLPIN: AAF-8214

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the accompanying financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the accompanying financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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LLPIN: AAF-8214

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Ahuja Valecha & Associates LLP
Firm Registration No. 126791W/W100132
Chartered Accountants

Ankit Shah
Partner
Membership No. 118976
UDIN: 25118976BMIEBW5425
Place: Pune
Date: April 21, 2025

MediaAgility Pte Ltd.
Balance Sheet as at March 31, 2025
(All amounts in INR Million unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Deferred tax assets (net)	4	1.49	-
Current assets			
Financial assets			
- Trade receivables	5	18.70	22.28
- Cash and cash equivalents	6	6.63	15.59
- Other current financial assets	7	-	5.38
Other current assets	8	1.50	0.64
Income tax assets (net)	9	0.25	-
		27.08	**43.89**
Total		**28.57**	**43.89**
Equity and Liabilities			
Equity			
Equity share capital	10	0.01	0.01
Other equity		10.13	16.90
		10.14	**16.91**
Liabilities			
Current liabilities			
Financial liabilities			
- Trade payables	11	17.91	26.88
- Other financial liabilities	12	-	0.10
Other current liabilities	13	0.52	-
		18.43	**26.98**
TOTAL		**28.57**	**43.89**
Summary of material accounting policies	1-3		
The accompanying notes form an integral part of the financial statements	4-30		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility Pte Ltd.

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

John Ryan
Director

Place: Singapore
Date : April 21, 2025

MediaAgility Pte Ltd.
Statement of Profit and Loss for the year ended March 31, 2025
(All amounts in INR Million unless otherwise stated, except earning per share)

	Notes	For the period ended January 01, 2025 to March 31, 2025	For the period ended January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Income					
Revenue from operations (net)	14	3.30	0.81	8.91	3.75
Other income	15	0.27	1.75	0.38	2.92
Total income (A)		**3.57**	**2.56**	**9.29**	**6.67**
Expenses					
Other expenses	16	1.34	0.96	17.54	3.25
Total expenses (B)		**1.34**	**0.96**	**17.54**	**3.25**
Profit/(loss) before tax (A - B)		**2.23**	**1.60**	**(8.25)**	**3.42**
Tax expense					
Current tax		-	0.02	-	0.02
Deferred tax (credit) / charge		0.30	(0.02)	(1.41)	0.24
Tax charge in respect of earlier years		0.05		0.05	
Total tax expense		**0.35**	-	**(1.36)**	**0.26**
Profit/(loss) for the period		**1.88**	**1.60**	**(6.89)**	**3.16**
Other comprehensive income					
Items that may be reclassified to profit or loss (E)					
- Exchange differences in translating the financial statements from functional currency to reporting currency		0.12	(7.90)	0.12	-
		0.12	**(7.90)**	**0.12**	-
Total comprehensive income/(loss) for the period (C) + (D) + (E)		**2.00**	**(6.30)**	**(6.77)**	**3.16**
Earnings per equity share	17				
Basic (In INR)		12,555.27	10,675.16	(45,926.35)	21,099.85
Diluted (In INR)		12,555.27	10,675.16	(45,926.35)	21,099.85
Summary of material accounting policies	1-3				
The accompanying notes form an integral part of the financial statements	4-30				

As per our report of even date attached

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Director

Place: Singapore
Date : April 21, 2025

MediaAgility Pte Ltd.
Cash Flow Statement for the year ended March 31, 2025
(All amounts in INR Million unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
Profit /(loss) before tax		(8.25)	3.42
Adjustments for:			
Change in foreign currency translation reserve		0.12	-
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)		0.06	-
Operating profit / (loss) before working capital changes		**(8.07)**	**3.42**
Movements in working capital :			
(Increase)/ decrease in trade receivables		3.52	1.31
(Increase)/ decrease in other current assets		(1.12)	0.41
(Increase)/ decrease in current financial assets		5.38	1.12
Increase/(decrease) in trade payables		(8.97)	7.06
Increase/(decrease) in other current liabilities		0.52	-
Operating loss after working capital changes		**(8.74)**	**13.32**
Direct taxes paid (net of refunds)		(0.23)	0.44
Net cash generated from operating activities	**(A)**	**(8.96)**	**13.76**
Cash flows from investing activities			
Net cash generated from investing activities	**(B)**	-	-
Cash flows from financing activities			
Net cash (used in) financing activities	**(C)**	-	-
Net increase/(decrease) in Cash and cash equivalents (A+B+C)		**(8.96)**	**13.75**
Cash and cash equivalents at the beginning of the period		**15.59**	**1.84**
Cash and cash equivalents at the closing of the period		**6.63**	**15.59**
Components of cash and cash equivalents			
Balances with banks			
- On current accounts		6.63	15.59
Cash and cash equivalents as per note 6		**6.63**	**15.59**

Summary of material accounting policies	1-3
The accompanying notes form an integral part of the financial statements	4-30

As per our report of even date attached

For Ahuja Valecha & Associates LLP
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Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility Pte Ltd.

Ankit Shah
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Membership No.: 118976

Place: Pune
Date : April 21, 2025

Azlin Ghazali
Director

Place: Malaysia
Date : April 21, 2025

John Ryan
Director

Place: Singapore
Date : April 21, 2025

MediaAgility Pte Ltd.
Interim Condensed Statement of Changes in Equity
(All amounts in INR Million unless otherwise stated)

A. Equity share capital

Balance as at March 31, 2023	Changes in equity share capital during the year	Balance as at December 31, 2023
0.01	-	0.01
0.01	**-**	**0.01**

Balance as at March 31, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
0.01	-	0.01
0.01	**-**	**0.01**

B. Other equity

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance at April 01, 2023	**12.21**	**1.53**	**13.74**
Net profit/(loss) for the period	3.16	-	3.16
Foreign currency transalation difference	-	-	-
Balance at March 31, 2024	**15.37**	**1.53**	**16.90**

Balance at March 31, 2024	**15.37**	**1.53**	**16.90**
Net profit/(loss) for the period	(6.89)	-	(6.89)
Foreign currency transalation difference	-	0.12	0.12
Balance at March 31, 2025	**8.48**	**1.65**	**10.13**

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.

Summary of material accounting policies 1-3
The accompanying notes form an integral part
of the Financial Statements 4-30

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility Pte Ltd.

Ankit Shah
Partner
Membership No.: 118976

Azlin Ghazali
Director

John Ryan
Director

Place: Pune
Date : April 21, 2025

Place: Malaysia
Date : April 21, 2025

Place: Singapore
Date : April 21, 2025

MediaAgility Pte Ltd.
Notes forming part of Financial Statements for the year ended March 31, 2025

1 Nature of operations

MediaAgility Pte Ltd. ("the Company") is a Singapore based wholly owned subsidiary of MediaAgility Inc. The Company is cloud transformation service provider with deep expertise building scalable, as a Google cloud-based solutions as a Google Cloud Premier Partner.

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. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year 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.

Statement of compliance

These interim condensed financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for the period ended Janaury 01, 2025 to March 31, 2025 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act.

3 Summary Material accounting policy information

(a) Accounting year

The accounting year of the Company is from April 01, 2024 to March 31, 2025.

(b) Functional currency

The Company's functional currency is Singapore Dollar (SGD).

(c) Use of estimates and judgements

The preparation of the interim condensed financial statements in conformity with Ind AS requires the management to make judgements, estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of revenues and expenses during the period / year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in these condensed interim financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the condensed interim financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed interim consolidated financial statements.

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.

i) Income taxes

The Company's tax jurisdictions is Singapore. 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 deductibletemporary differences and tax losses be utilised. The management evaluates if the deferred tax assets will be realised in futureconsidering the historical taxable income, scheduled reversal of deferred tax liabilities, projected future taxable income and taxplanning 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.

ii) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to assess contingent liabilities.

(d) Expected credit loss:

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future using the forward-looking approach as prescribed by Ind AS 109.

(f) Revenue recognition

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

(i) Income from software services and products

The Company derives revenues primarily from sale of cloud transformation services.

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 at a point of time.

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.

In the case of reselling agreements, the revenue is recognized on a net basis i.e amount paid to the vendor for reselling the products or services as reduced by the amount collected from the customer.

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 Goods and service tax (GST) 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.

(g) Foreign currency translation

I) Foreign currency transactions and balances Initial recognition

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

II) Conversion

The transactions are in SGD, 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.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other equity".

III) 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.

(This space is intentionally left blank)

(h) Income tax and deferred tax

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

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

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 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.

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.

(i) 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.

(j) Contingent liabilities and commitments

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 interim condensed financial statements .

(k) Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

(l) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(m) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(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 reporting period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year, are adjusted for the effects of all dilutive potential equity shares.

(o) 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.

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.

ii) 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 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.

MediaAgility Pte Ltd.
Notes forming part of Financial Statements for the year ended March 31, 2025
(All amounts in INR Million unless otherwise stated)

4. Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax asset		
On tax losses	1.49	-
	1.49	**-**
Deferred tax assets (net)	**1.49**	**-**

5. Trade receivables

	As at March 31, 2025	As at March 31, 2024
Trade receivables		
Unsecured, considered good	18.70	22.28
Unsecured, considered doubtful	14.17	3.42
	32.87	**25.70**
Less : Allowance for expected credit loss	(14.17)	(3.42)
	(14.17)	**(3.42)**
	18.70	**22.28**

6. Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- On current accounts	6.63	15.59
	6.63	**15.59**

7. Other current financial assets

	As at March 31, 2025	As at March 31, 2024
Contract assets*	-	5.38
	-	**5.38**

8. Other current assets

	As at March 31, 2025	As at March 31, 2024
Other advances (Unsecured, considered good)		
Balance with government authority (includes GST)	-	0.64
Prepayments	0.20	-
Advance to vendor	1.30	-
	1.50	**0.64**

9. Income tax

	As at March 31, 2025	As at March 31, 2024
Current tax asset (net)	0.25	-
	0.25	**-**

10(a). Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised (In SGD)		
150 ordinary shares (as at March 31, 2024 :150 ordinary shares) of S$1.4 each	SGD 210	SGD 210
	SGD 210	**SGD 210**
Issued, subscribed and paid-up		
150 ordinary shares (as at March 31, 2024 :150 ordinary shares) of S$1.4 each	0.01	0.01
	0.01	**0.01**

** All shares held by MediaAgility Inc.,USA*

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

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
No. of Shares at the beginning of the reporting year	150	0.01	150	0.01
Add : Additional Shares issued during the year	-	-	-	-
No. of Shares at the end of the reporting period	**150**	**0.01**	**150**	**0.01**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of SGD 1.4 per share. Each holder of equity share is entitled to one vote per share.
In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by shareholders.

c) Details of shares held by promoters

As at March 31, 2025	No of shares held at beginning of year	% of Total Shares	% Change during the year
MediaAgility Inc., USA	150	100%	-

As at March 31, 2024	No of shares held at beginning of year	% of Total Shares	% Change during the year
MediaAgility Inc., USA	150	100%	-

10(b). Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Retained earnings	8.48	15.37
Items of other comprehensive income		
Foreign currency transalation reserve	1.65	1.53
	10.13	**16.90**

(i) Retained earnings

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	15.37	12.21
(Loss)/Profit after tax for the reporting year	(6.89)	3.16
	8.48	**15.37**

(ii) Foreign currency transalation reserve

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	1.53	1.53
Increase/(decrease) during the year	0.12	-
	1.65	**1.53**

11. Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables for goods and services	17.91	26.88
	17.91	**26.88**

12. Other current financial liabilities

	As at March 31, 2025	As at March 31, 2024
Contract liabilities	-	0.10
	-	**0.10**

13. Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory liabilities	0.52	-
	0.52	**-**

(This space is intentionally left blank)

14. Revenue from operations (net)

	For the period ended January 01, 2025 to March 31, 2025	For the period ended January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Software licenses (net)	3.30	0.81	8.91	3.75
Total	**3.30**	**0.81**	**8.91**	**3.75**

15. Other income

	For the period ended January 01, 2025 to March 31, 2025	For the period ended January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision for doubtful receivables written back	0.06	1.71	-	1.71
Miscellaneous income	0.21	0.04	0.38	1.21
	0.27	**1.75**	**0.38**	**2.92**

16. Other expenses

	For the period ended January 01, 2025 to March 31, 2025	For the period ended January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Software and subscription charges	0.72	-	4.33	-
Legal and professional fees	0.19	0.36	1.85	2.07
Foreign exchange loss (net)	0.43	0.16	1.10	0.73
Provision for doubtful receivables	-	0.44	10.26	0.44
Bank charges	-	-	-	0.01
	1.34	**0.96**	**17.54**	**3.25**

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17. Earnings per share

		For the period ended January 01, 2025 to March 31, 2025	For the period ended January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS					
Net Profit after tax (In INR 'millions)	(A)	1.88	1.60	(6.89)	3.16
Denominator for Basic EPS					
Weighted average number of equity shares of S$ 1 each	(B)	150	150	150	150
Denominator for Diluted EPS					
Number of equity shares	(C)	150	150	150	150
Basic Earnings per share of face value SGD 1.4 each	(A/B)	**12,555.27**	**10,675.16**	**(45,926.35)**	**21,099.85**
Diluted Earnings per share of face value SGD 1.4 each	(A/C)	**12,555.27**	**10,675.16**	**(45,926.35)**	**21,099.85**

18. Income taxes

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

	For the year ended March 31, 2025	For the year ended March 31, 2024
Profit / (Loss) before tax	(8.25)	3.41
Enacted tax rate	17.00%	17.00%
Computed tax expense at enacted tax rate	(1.40)	0.58
Prior Period Tax Charge/(Cerdit)	0.05	(0.31)
Others	(0.01)	-
Income tax expense	**(1.36)**	**0.27**

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19 Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ Financial liabilities	March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	6.63
Trade receivables (net)	-	-	18.70
Other financial assets	-	-	-
Total Financial Assets	**-**	**-**	**25.34**
Financial Liabilities:			
Trade payables	-	-	17.91
Total Financial Liabilities	**-**	**-**	**17.91**

Financial assets/ Financial liabilities	March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	15.59
Trade receivables (net)	-	-	22.28
Other financial assets	-	-	5.38
Total Financial Assets	**-**	**-**	**43.25**
Financial Liabilities:			
Trade payables	-	-	26.88
Total Financial Liabilities	**-**	**-**	**26.88**

***Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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20 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 financial risk to the Company is credit risk.The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

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

	USD in INR	Total
Trade receivables	22.79	22.79
Trade Payables	16.61	16.61

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

	USD in INR	Total
Trade receivables	20.57	20.57
Trade Payables	23.02	23.02

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.32.87 million as at March 31, 2025 (Rs. 25.70 million as at March 31, 2024) respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the Singapore. 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 management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 180 days (₹ million)*	15.65	14.38
Total receivables (gross) (₹ million)	32.87	25.70
Overdue for more than 180 days as a % of total receivables	47.6%	55.9%

* Out of this amount, Rs. 14.17 million as at March 31,2025 (Rs.3.42 million as at March 31, 2024) have been provided for.

Ageing of trade receivables

	As at March 31, 2025	As at March 31, 2024
Within the credit period	6.88	3.56
1 to 30 days past due	7.06	2.84
31 to 60 days past due	0.01	1.13
61 to 90 days past due	1.98	1.44
91 to 120 days past due	1.19	1.38
121 and above past due	15.74	15.36
Less: Expected credit loss	(14.17)	(3.42)
Net trade receivables	**18.70**	**22.28**

Movement in expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
Opening balance	3.42	3.65
Movement in expected credit loss allowance	10.26	0.44
Translation differences	0.49	(0.67)
Closing balance	**14.17**	**3.42**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings.

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 no outstanding bank borrowings. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived, As at March 31, 2025, the Company has a working capital of ₹ 8.65 million (as at March 31, 2024 Rs. 16.91 million) including cash and cash equivalents of Rs 6.63 million (as at March 31, 2024 Rs. 15.59 million).

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

	As at March 31, 2025	
	Less than 1 year	More than 1 year
Trade payables	16.69	1.22

	As at March 31, 2024	
	Less than 1 year	More than 1 year
Trade payables	25.71	1.17

21 Un-hedged foreign currency exposures

(i) Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2025		
	Amount (In INR millions)	Foreign currency (In million)	Conversion rate
Trade and other payables	16.61	USD 0.19	85.47
Trade receivables	22.79	USD 0.27	85.47
Advance to vendor	1.28	USD 0.01	85.47

	As at March 31, 2024		
	Amount (In INR millions)	Foreign currency (In million)	Conversion rate
Trade and other payables	23.02	USD 0.28	83.35
Trade receivables	20.57	USD 0.25	83.35

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22 Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists	
Ultimate Holding Company	Persistent Systems Limited, India
Holding Company	MediaAgility Inc., USA
Fellow subsidiaries	Mediaagility UK Ltd., UK
	Digitalagility S. DE R.L. de C.V, Mexico
	MediaAgility India Private Limited
	Persistent Systems Pte. Ltd., Singapore
Key Managerial personnel	Azlin Ghazali
	John Ryan

(ii) Related party transactions

	Name of the related party and nature of relationship	For the year ended March 31, 2025	For the year ended March 31, 2024
Software licenses	**Fellow subsidiaries**		
	MediaAgility India Private Limited	4.93	11.62
Inter Company Outsourced expenses	**Ultimate Holding Company**		
	Persistent Systems Limited, India	0.48	0.65

(iii) Outstanding balances

	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
Trade Receivables	**Fellow subsidiaries**		
	MediaAgility India Private Limited	4.56	1.82
Trade Payables	**Fellow subsidiaries**		
	MediaAgility India Private Limited	1.20	1.17
	Persistent Systems Pte. Ltd., Singapore	8.72	-
Advance to vendor	**Ultimate Holding Company**		
	Persistent Systems Limited, India	1.28	0.23

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23 Trade receivable ageing schedule

	Outstanding as on March 31, 2025 from the due date						
Particulars	**Not due**	**Less than 6 Months**	**6 Months to 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed trade receivables							
- Considered good	6.88	10.34	1.48	-	-	-	18.70
- Significant increase in credit risk	-	-	0.38	1.42	12.37	-	14.17
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	**6.88**	**10.34**	**1.86**	**1.42**	**12.37**	**-**	**32.87**

	Outstanding as on March 31, 2024 from the due date						
Particulars	**Not due**	**Less than 6 Months**	**6 Months to 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed trade receivables							
- Considered good	3.56	7.77	2.73	8.04	0.06	0.12	22.28
- Significant increase in credit risk	-	-	0.50	1.50	1.42	-	3.42
- Credit impaired	-	-	-	-	-	-	-
	-	-	-	-	-	-	
Disputed trade receivables	-	-	-	-	-	-	
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
Total	**3.56**	**7.77**	**3.23**	**9.54**	**1.48**	**0.12**	**25.70**

24 Trade payable ageing schedule

	Outstanding as on March 31, 2025 from the due date					
Particulars	**Not due**	**Less than 1**	**1 to 2 Years**	**2 to 3 Years**	**More than**	**Total**
Undisputed						
-Total Outstanding dues of micro enterprises and small enterprises	10.09	6.60	1.22	-	-	17.91
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Disputed						
-Total Outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**10.09**	**6.60**	**1.22**	**-**	**-**	**17.91**

	Outstanding as on March 31, 2024 from the due date					
Particulars	**Not due**	**Less than 1**	**1 to 2 Years**	**2 to 3 Years**	**More than**	**Total**
Undisputed						
-Total Outstanding dues of micro enterprises and small enterprises	8.46	17.25	1.17	-	-	26.88
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Disputed	-	-	-	-	-	
-Total Outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
- Total Outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**8.46**	**17.25**	**1.17**	**-**	**-**	**26.88**

25 Ratio Analysis

Particulars	Numerator/ Denominator	As at March 31, 2025	As at March 31, 2024	% change	Remarks , if change is more than 25%
Current Ratio (in times)	Current Assets/ Current Liabilities	1.47	1.63	-9.63%	NA
Return on Equity Ratio (in %)	PAT / Average shareholder's equity	-50.96%	18.66%	-373.07%	During the current year there is loss after tax vis-à-vis profit after tax in the previous year. It has resulted in significant fall in the ratio.(Change in profitability has been primarily resulted due to increase in provison for doubtful debts.)
Trade Receivables Turnover Ratio (in times)	Sales (net) / Average trade receivables	2.56	2.31	10.64%	NA
Trade Payable Turnover Ratio (in times)	Purchases net / Average trade payables	1.91	2.14	-10.83%	NA
Net Capital Turnover Ratio (in times)	Sales (net) / [current assets - current liabilities]	6.05	3.14	93.00%	During the year the sales has been slightly increased as compared to previous year and the net capital has significantly decreased year-on-year hence the ratio has increased.
Net Profit Ratio (in %)	PAT / Sales (net)	-13.15%	5.95%	-320.95%	During the year there is slight increase in sales as compared to previous year, but there is Loss before tax as against Profit after tax for previous year.(Change in profitability has been primarily resulted due to increase in provison for doubtful debts.)
Return on Capital Employed (in %)	EBIT / [Net worth+long term debt+deferred tax liability]	-48.76%	20.20%	-341.46%	During the year there is Loss after tax as against Profit after tax for previous year hence there is significant fall in the ratio.(Change in profitability has been primarily resulted due to increase in provison for doubtful debts.)

Note: The following ratios are not applicable to the company.
1.Debt-Equity ratio
2.Debt Service Coverage ratio
3.Inventory Turnover ratio
4.Return on Investment

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26 Capital and other commitments

The Company does not have any capital and other commitments as at March 31, 2025 (as at March 31, 2024 : Nil).

27 Contingent liabilities

The Company does not have any contingent liabilites as at March 31, 2025 (as at March 31, 2024 : Nil).

28 The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

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

30 Previous year figures:
The figures for the corresponding previous period have been regrouped or reclassified wherever necessary, to make them comparable.

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Media Agility Pte Ltd.

Azlin Ghazali	John Ryan
Director	Director
Place: Malaysia	Place: Singapore
Date : April 21, 2025	Date : April 21, 2025

MediaAgility UK Limited

Regd. Office: 3 More London Riverside, London SE1 2RE

Regd. Office: 3 More London Riverside, London SE1 2RE

Annual Report FY 2024-25

Report of the Directors

The Directors have pleasure in presenting the Twelfth Annual Report of the Company to the Members together with the audited financial statements of the Company for the financial year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of MediaAgility Inc. USA carrying out operations from its registered office located in the UK.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, are as follows:

(Amount in INR Millions)

Particulars	2024-25	2023 – 2024
Total income	8.57	28.25
Expenditure	10.63	29.12
Profit /(Loss) before taxation	**(2.06)**	**(0.87)**
Total Tax Expense	1.85	(1.48)
Net profit/ (loss) after taxation	**(3.91)**	**0.61**

Business Operations

The Company is engaged in rendering software development and professional services in the U.K.

Directors

The Directors of the Company in office are:

1. Mr. Rajasekar Sukumar, UK
2. Mr. Sachin Dewasthalee, India

Event Based Disclosures:

- **Appointment of Mr. Rajasekar Sukumar and Mr. Sachin Dewasthalee and resignation of Mr. Rajesh Abhyankar and Mr. Nilesh Chavda as Directors**

  Your Company appointed Mr. Rajasekar Sukumar and Mr. Sachin Dewasthalee on November 18, 2024, and filed the resignation of Mr. Rajesh Abhyankar and Mr. Nilesh Chavda on November 22, 2024, as Directors of the Company.

Acknowledgements

The Board would like to thank all the stakeholders of the Company, for the excellent support rendered in their respective areas.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
E-mail: Info@avallp.in
LLPIN: AAF-8214

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of MediaAgility UK Ltd

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MediaAgility UK Ltd** ("the Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income) for the period January 01, 2025 to March 31, 2025 and year ended on that date, the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on use and distribution

We draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial statements have been prepared solely for its Parent Company to assist them in preparation of its consolidated Ind AS financial statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
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LLPIN: AAF-8214

Matter of Emphasis

Without qualifying our opinion, we draw attention to note 4 of the notes to accounts. As at March 31, 2025, the Company had accumulated losses resulting in complete erosion of net worth and net current liabilities over assets. However, due to mitigating factors which have been more fully discussed in the notes to accounts and support letter received from the parent Company the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the accompanying financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the accompanying financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

Meera Madhav Plot No. 38, Sainik Vihar, Cloud 9 Estate Off NIBM Road, Pune 411060, Maharashtra, India.
E-mail: Info@avallp.in
LLPIN: AAF-8214

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration No. 126791W/W100132

Ankit Shah
Partner
Membership No. 118976
UDIN: 25118976BMIEBZ7467

Place: Pune
Date: April 21, 2025

MediaAgility UK Ltd.
Balance Sheet as at March 31, 2025
(All amounts in INR Million, unless stated otherwise)

	Notes	As at March 31, 2025	As at March 31, 2024
Assets			
Non-current assets			
Deferred tax assets (net)	5	-	1.77
		-	**1.77**
Current assets			
Financial assets			
- Trade receivables	6	2.03	8.84
- Cash and cash equivalents	7	27.37	80.09
		29.40	**88.93**
Total		**29.40**	**90.70**
Equity and liabilities			
Equity			
Equity share capital	8A	0.10	0.10
Other equity	8B	(19.15)	(14.48)
		(19.05)	**(14.38)**
Current liabilities			
Financial liabilities			
- Borrowings	10	40.31	39.24
- Trade payables	11	6.52	62.44
Other current liabilities	12	1.62	3.40
		48.45	**105.08**
Total		**29.40**	**90.70**
Summary of material accounting policies	1-4		
The accompanying notes are an integral part of financial statements	5-31		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility UK Ltd.

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Rajasekar Sukumar
Director

Place: UK
Date : April 21, 2025

MediaAgility UK Ltd.

Statement of Profit and Loss for the year ended March 31, 2025

(All amounts in INR Million, unless stated otherwise, except earnings per share)

	Notes	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Income					
Revenue from operations	13	1.88	1.43	8.57	22.93
Other income	14	1.49	3.40	-	5.32
Total income (A)		**3.37**	**4.83**	**8.57**	**28.25**
Expenses					
Depreciation expense	15	-	-	-	0.02
Finance costs	16	0.64	0.72	2.81	2.80
Other expenses	17	1.57	3.65	7.82	26.31
Total expenses (B)		**2.21**	**4.37**	**10.63**	**29.13**
Profit / (loss) before tax (A - B)		**1.16**	**0.46**	**(2.06)**	**(0.87)**
Tax expense					
Current tax		-	-	-	-
Deferred tax charge / (credit)		1.83	0.35	1.85	(1.48)
Total tax expense		**1.83**	**0.35**	**1.85**	**(1.48)**
Net profit / (loss) after tax for the period (C)		**(0.67)**	**0.11**	**(3.91)**	**0.61**
Other comprehensive income					
Items that may be reclassified to profit or loss					
- Exchange differences in translating the financial statements of foreign operations		1.07	0.10	(0.75)	(0.48)
Total other comprehensive income for the period (D)		**1.07**	**0.10**	**(0.75)**	**(0.48)**
Total comprehensive income for the period (C) + (D)		**0.40**	**0.21**	**(4.66)**	**0.13**
Earnings per equity share	17				
[Nominal value of share GBP 1000]					
Basic (In ₹)		(6,70,656.50)	1,08,762.29	(39,14,444.88)	6,06,418.97
Diluted (In ₹)		(6,70,656.50)	1,08,762.29	(39,14,444.88)	6,06,418.97
Summary of material accounting policies	1-4				
The accompanying notes are an integral part of financial statements	5-31				

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Media Agility UK Ltd.

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Rajasekar Sukumar
Director

Place: UK
Date : April 21, 2025

MediaAgility UK Ltd.
Cash flow statement for the year ended March 31, 2025
(All amounts in INR Million, unless stated otherwise)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flow from operating activities			
(Loss)/ Profit before tax		**(2.06)**	**(0.87)**
Adjustments for:			
Finance cost		2.81	2.80
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)		0.07	(0.34)
Currency translation reserve		(0.85)	(0.48)
Unrealised foreign exchange (gain)/loss (net)		0.60	0.03
Operating profit before working capital changes		**0.57**	**1.14**
Movements in working capital :			
Changes in trade receivables		6.15	42.31
Changes in other current assets (including financial assets)		-	2.37
Changes in trade payables and current liabilities		(54.86)	25.42
Operating profit after working capital changes		**(48.14)**	**71.24**
Direct taxes paid (net of refunds)		-	0.03
Net cash used in operating activities	**(A)**	**(48.14)**	**71.27**
Cash flows from investing activities		-	-
Net cash flow from investing activities	**(B)**	-	-
Cash flows from financing activities			
Interest paid		(4.59)	(2.80)
Net cash used in financing activities	**(C)**	**(4.59)**	**(2.80)**
Net (Decrease)/ increase in cash and cash equivalents	**(A+B+C)**	(52.73)	68.47
Cash and cash equivalents at the beginning of the year		80.09	11.63
Cash and cash equivalents at the end of the year		**27.37**	**80.09**
Components of cash and cash equivalents			
Balances with banks			
On current accounts		27.37	80.09
Cash and cash equivalents as per note 7		**27.37**	**80.09**

Summary of material accounting policies 1-4

The accompanying notes are an integral part of financial statements 5-31

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility UK Ltd.

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Rajasekar Sukumar
Director

Place: UK
Date : April 21, 2025

MediaAgility UK Ltd.
Statement of Change In Equity for the year ended March 31, 2025
(All amounts in INR Million, unless stated otherwise)

Equity Share Capital (Refer note 9A)

Balance as at March 31, 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
0.10	**-**	**-**	**0.10**

Balance as at March 31, 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
0.10	-	-	**0.10**

Other equity

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance at March 31, 2023	**(13.69)**	**(0.92)**	**(14.61)**
Net profit for the period	0.61	-	0.61
Other comprehensive income for the period	-	(0.48)	(0.48)
Balance as at March 31, 2024	**(13.08)**	**(1.40)**	**(14.48)**
Net profit for the year	(3.91)	-	(3.91)
Foreign currency translation difference	0.11	(0.86)	(0.75)
Balance as at March 31, 2025	**(16.89)**	**(2.26)**	**(19.15)**

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.

Summary of material accounting policies	1-4
The accompanying notes are an integral part of financial statements	5-31

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Media Agility UK Ltd.

Ankit Shah
Partner
Membership No.: 118976

Sachin Dewasthalee
Director

Rajasekar Sukumar
Director

Place: Pune
Date : April 21, 2025

Place: India
Date : April 21, 2025

Place: UK
Date : April 21, 2025

MediaAgility UK Ltd.
Notes to the Financial Statements for the year ended March 31, 2025
(All amounts in INR Million, unless stated otherwise)

8A. Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised (In GBP)		
1 Ordinary Share of GBP 1000 each	0.10	0.10
	0.10	**0.10**
Issued, subscribed and paid-up (in million)		
1 Ordinary Share of GBP 1000 each	0.10	0.10
Issued, Subscribed and fully paid-up share capital	**0.10**	**0.10**

*** All the Shares are held by MediaAgility Inc., USA**

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

	As at March 31, 2025		As at March 31, 2024	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
Number of shares at the beginning of the reporting period	1	0.10	1	0.10
Add : Additional Shares issued during the period	-	-	-	-
Number. of shares at the end of the reporting period	**1**	**0.10**	**1**	**0.10**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of GBP 1000 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in the proportion to the number of equity shares held by shareholders

c) Details of shares held by promoters

As at March 31, 2025

	No of shares held at the beginning of the period	Changes during the period	No of shares at the end of the period	% of Total Shares	% Change during the period
MediaAgility Inc., USA	1	-	1	100%	-

As at March 31, 2024

	No of shares held at the beginning of the period	Changes during the period	No of shares at the end of the period	% of Total Shares	% Change during the period
MediaAgility Inc., USA	1	-	1	100%	-

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MediaAgility UK Ltd.
Notes to the Financial Statements for the year ended March 31, 2025
(All amounts in INR Million, unless stated otherwise)
8B. Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Retained earnings	(17.00)	(13.08)
	(17.00)	**(13.08)**
Items of other comprehensive income		
Foreign currency translation reserve	(2.15)	(1.40)
	(2.15)	**(1.40)**
Total Other equity	**(19.15)**	**(14.48)**

(i)Retained earnings

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	(13.08)	(13.69)
Loss after tax for the reporting year	(3.91)	0.61
	(17.00)	**(13.08)**

(ii)Foreign currency transalation reserve

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	(1.40)	(0.92)
Addition/reduction during the period	(0.75)	(0.48)
	(2.15)	**(1.40)**

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MediaAgility UK Ltd.
Notes to the Financial Statements for the year ended March 31, 2025

1. **Nature of operations**
MediaAgility UK Limited (a UK based wholly owned subsidiary of MediaAgility Inc.). The Company is a digital consulting Company with the vision of making work meaningful for all. The Company is a premier Google Cloud partner across Cloud, Maps, G Suite with Google certified specialists on board and the Data Analytics & Location-based Services specialization awarded by Google Cloud, the Company is a full spectrum digital consulting firm creating AL and Analytics based innovative solutions, building conversational intelligence and designing powerful operational intelligence and machine learning capabilities for customers.

2. **Basis of preparation**
The accompanying Special Purpose Financial Statements have been prepared solely to assist the management of Persistent Systems Limited ('the Holding Company') in the preparation of its consolidated financial statements for the year ended March 31, 2025. These 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. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year 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.

Statement of compliance
These financial statements have been prepared in accordance with Ind AS 34 Financial Reporting for the period ended January 01, 2025 to March 31, 2025 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. **Summary of material accounting policies**

(a) Accounting year
The accounting year of the Company for consolidation is from April 01, 2024 to March 31, 2025.

(b) Functional currency
The Company's functional currency is Great Britain Pound (GBP) however for the purpose of preparation and presentation in the financial statement INR currency is used.

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

(d) Current versus non-current classification
The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:
- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current liabilities.

Critical accounting estimates

i) Revenue recognition
The Company contracts with customers include promises to transfer multiple services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Fixed-price maintenance revenue is recognized rateably either on (1) a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period or (2) using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of contract because the services are generally discrete in nature and not repetitive. The use of method to recognize the maintenance revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

Revenue is measured at the transaction price, which is the amount of consideration expected to be received in exchange for transferring the service. This excludes any amounts collected on behalf of third parties.

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

ii) Income taxes
The Company's tax jurisdictions is in UK. Significant judgements are involved in determining the provision for income taxes.

iii) Provisions and Contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities.

(e) Expected credit loss:

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future using the forward-looking approach as prescribed by Ind AS 109.

(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.

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.

ii) 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 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.

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 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.

(g) Revenue recognition

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

(i) Income from software services and products

The Company derives revenues primarily from sale of computer hardware, accessories and computer software.

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 at a point of time.

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.

In the case of reselling agreements, the revenue is recognized on a net basis i.e. amount paid to the vendor for reselling the products or services as reduced by the amount collected from the customer.

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 Valued added tax ("VAT") @ 20% on revenue from the customers. The Company does not keep this VAT, it is a liability owed to the tax authority. VAT collected from customers is not recognized as revenue and is presented as a current liability in the statement of financial position until it is remitted to the relevant tax authorities.

(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.

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(h) Foreign currency translation

i) Foreign currency transactions and balances Initial recognition

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

ii) Conversion

The transactions are in GBP, 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.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other equity".

iii) 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.

(i) 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 the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

(j) 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 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.

(k) 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.

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(l) Contingent liabilities and commitments

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 .

(m) Cash and cash equivalents

Cash comprises demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Going Concern

The Company had accumulated losses of Rs.19.15 Millions (March 31, 2024 Rs.14.48 millions) against an equity of Rs. 0.10 Millions (March 31, 2024 - Rs. 0.10 Millions) as at the balance sheet date, resulting in a complete erosion of the Company's Net Worth. Additionally, as at the balance sheet date, the financial statements disclose a net current liabilities over current assets of Rs. 19.05 Millions (March 31, 2024 - Rs. 16.15 Millions).

The Company has no intention of curtailing materially the scale of operations. Further, the Company has been able to meet its obligations in the ordinary course of business through sales of Google products and as per the support letter provided by the holding Company, it will support the Company for any working capital requirement which may arise for the next one year. Accordingly the financial statements have been prepared assuming that the Company will continue as a going concern.

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5. Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets		
- On tax losses	-	1.77
	-	**1.77**

6. Trade receivables

	As at March 31, 2025	As at March 31, 2024
Unsecured, considered good	2.03	8.84
Unsecured, considered doubtful	0.27	0.17
	2.30	**9.01**
Less: Allowance for credit impairment	0.27	0.17
	2.03	**8.84**

(Refer note no. 23 for ageing)

7. Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Cash and cash equivalents		
Balances with banks		
- On current accounts	27.37	80.09
	27.37	**80.09**

(This space is intentionally left blank)

9. Borrowings

	As at March 31, 2025	As at March 31, 2024
Current		
Borrowings from related parties		
Term loans		
- Inter Company loan from MediaAgility Inc., USA	40.31	39.24
(Repayment terms : On demand)		
	40.31	**39.24**

The rate of interest on this term loan is Secured Overnight Financial Rate ("SOFR") plus 2%, currently SOFR being 4.40%

10. Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables for goods and services	6.52	62.44
	6.52	**62.44**

(Refer note no. 24 for ageing)

11. Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Other payables		
- Statutory liabilities	0.84	0.79
Advance from customers	0.15	0.21
Interest accrued but not due	0.63	2.40
	1.62	**3.40**

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12. Revenue from operations

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Revenue from services and softwares	1.88	1.43	8.57	22.93
	1.88	**1.43**	**8.57**	**22.93**
The revenue consists of:				
Software licence	1.88	1.43	8.57	2.79
Software services	-	-	-	20.14
	1.88	**1.43**	**8.57**	**22.93**

13. Other income

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision no longer required (written back)	0.29	0.34	-	0.34
Foreign exchange gain (net)	1.20	-	-	-
Miscellaneous income	-	3.06	-	4.98
	1.49	**3.40**	**-**	**5.32**

14. Depreciation and amortization

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Depreciation and amortization expense	-	-	-	0.02
	-	-	-	**0.02**

15. Finance Cost

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	0.64	0.72	2.81	2.80
	0.64	**0.72**	**2.81**	**2.80**

16. Other expenses

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal and professional fees	0.07	3.06	0.54	23.69
Travelling and conveyance	-	-	-	0.07
Provision for doubtful receivables (net)	-	-	0.07	-
Software and subscription charges	-	-	2.35	-
Foreign exchange loss (net)	-	0.59	0.60	1.94
Rates and Taxes	-	-	0.16	-
Miscellaneous expenses	1.50	-	4.10	0.61
	1.57	**3.65**	**7.82**	**26.31**

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17. Earnings per share

		For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS					
Net profit / (loss) after tax	(A)	(0.67)	0.11	(3.91)	0.61
Denominator for Basic EPS					
Weighted average number of equity shares	(B)	1	1	1	1
Denominator for Diluted EPS					
Number of equity shares	(C)	1	1	1	1
Basic Earnings per share of face value of GBP 1 each (In ₹)	(A/B)	**(6,70,656.50)**	**1,08,762.29**	**(39,14,444.88)**	**6,06,418.97**
Diluted Earnings per share of face value of GBP 1 each (In INR)	(A/C)	**(6,70,656.50)**	**1,08,762.29**	**(39,14,444.88)**	**6,06,418.97**

18. 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:

	For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss) / profit before tax	(2.06)	(0.87)
Enacted tax rate	**19.00%**	**19.00%**
Computed tax expense at enacted tax rate	(0.39)	(0.17)
Others	0.39	0.17
Deferred tax asset recognised on Tax losses	1.85	(1.48)
Income tax expense	**1.85**	**(1.48)**

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19 Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

	March 31, 2025		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets:			
Cash and cash equivalents	-	-	27.37
Trade receivables (net)	-	-	2.03
Other financial assets	-	-	-
Total Financial Assets	**-**	**-**	**29.40**
Financial Liabilities:			
Borrowings	-	-	40.31
Trade payables	-	-	6.52
Total Financial Liabilities	**-**	**-**	**46.83**

	March 31, 2024		
	FVTPL	**FVTOCI**	**Amortised Cost**
Financial Assets:			
Cash and cash equivalents	-	-	80.09
Trade receivables (net)	-	-	8.84
Other financial assets	-	-	-
Total Financial Assets	**-**	**-**	**88.93**
Financial Liabilities:			
Borrowings	-	-	39.24
Trade payables	-	-	62.44
Total Financial Liabilities	**-**	**-**	**101.68**

***Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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20 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 financial risk to the Company is credit risk.The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

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

	USD in INR	EUR in INR	Total
Trade receivables	-	0.44	0.44
Borrowings	40.31	-	40.31
Trade and other payables	0.32	-	0.32

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

	USD in INR	EUR in INR	Total
Trade receivables	-	2.86	2.86
Borrowings	41.64	-	41.64
Trade and other payables	0.96	-	0.96

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. 2.30 million as at March 31, 2025 (Rs. 9.01 million as at March 31, 2024) respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the UK . 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 management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 180 days (₹ million)*	0.08	0.20
Total receivables (gross) (₹ million)	2.30	9.01
Overdue for more than 180 days as a % of total receivables	3.4%	2.2%

* Out of this amount, Rs. 0.27 million as at March 31, 2025 (Rs.0.17 million as at March 31, 2024) have been provided for.

Ageing of trade receivables

	As at March 31, 2025	As at March 31, 2024
Within the credit period	0.27	8.27
1 to 30 days past due	1.78	-
31 to 60 days past due	0.15	-
61 to 90 days past due	-	-
91 to 120 days past due	-	0.26
121 and above past due	0.37	0.48
Less: Expected credit loss	(0.27)	(0.17)
Net trade receivables	**2.30**	**8.84**

Movement in expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
Opening balance	0.17	0.50
Movement in expected credit loss allowance	0.07	(0.33)
Translation differences	(0.03)	-
Closing balance	**0.27**	**0.17**

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Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As companies working capital is not sufficient to meet its current fund requirements, Company is completely dependent on the financial support from the group. Accordingly, no liquidity risk is perceived. As at March 31, 2025, the Company had a working capital of Rs. (19.05) million [as at March 31, 2024 Rs. (16.15) million] including cash and cash equivalents of Rs 27.37 million (as at March 31, 2024 Rs. 80.09 million).

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

	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings	40.31	-	39.24	-
Trade payables and deferred payment liabilities	4.04	2.48	62.44	-

21 Un-hedged foreign currency exposures

Details of un-hedged foreign currency exposures at the end of March 31, 2025

	Amount	Foreign currency (In million)	Conversion rate (₹)
Trade and Other Payables	0.32	USD 0.0038	85.47
Trade Receivables	0.44	EUR 0.0048	92.46
Borrowings	40.31	USD 0.4716	85.47

Details of un-hedged foreign currency exposures at the end of March 31, 2024

	Amount	Foreign currency (In million)	Conversion rate (₹)
Trade and Other Payables	0.96	USD 0.01	83.35
Trade Receivables	2.86	EUR 0.03	90.01
Borrowings	41.64	USD 0.50	83.35

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22 Related Party Disclosure

(i) Names of related parties and related party relationships

Related parties where control exists	
Ultimate Holding Company	Persistent Systems Limited, India
Holding Company	Mediaagility Inc., USA
Fellow subsidiaries	MediaAgility India Private Limited, India
	Persistent Systems Limited (UK Branch)
Key Managerial personnel	Mr. Sachin Dewasthalee (w.e.f November 18, 2024)
	Mr. Rajeskar Sukumar, UK (w.e.f November 18, 2024)
	Mr. Rajesh Abhyankar (till November 22, 2024)
	Mr. Nilesh Chavda (till November 22, 2024)

(ii) List of transactions with related parties

Particulars	**For the period April 01, 2024 to March 31, 2025**	**For the period April 01, 2023 to March 31, 2024**
Revenue from operations	1.46	-
Legal and professional fees	-	21.90
Finance cost	2.81	2.80
Advance received from related party	-	18.91
	4.27	**43.61**

(iii) Transactions with related parties at year end:-

	Name of the related party and nature of relationship	**For the period April 01, 2024 to March 31, 2025**	**For the period April 01, 2023 to March 31, 2024**
Revenue from operations	**Fellow subsidiaries**		
	Persistent Systems UK Limited	1.46	-
Legal and professional fees	**Ultimate Holding Company**		
	Persistent Systems limited	-	14.43
	Fellow subsidiaries		
	Persistent Systems limited (UK Branch)	-	7.47
Finance costs	**Holding Company**		
	Mediaagility Inc., USA	2.81	2.80
Advance received from related party	**Holding Company**		
	Mediaagility Inc., USA	-	12.96
	Fellow subsidiaries		
	Persistent Systems Limited - UK Branch	-	5.95

(iv) Outstanding balances as at year end:-

	Name of the related party and nature of relationship	**As at March 31, 2025**	**As at March 31, 2024**
Trade receivables	**Fellow subsidiaries**		
	Persistent Systems UK Limited (FKA Aepona Limited)	1.78	-
Trade payables	**Ultimate Holding Company**		
	Persistent Systems limited	-	20.67
	Fellow subsidiaries		
	Persistent Systems limited (UK Branch)	-	19.06
	Holding Company		
	Mediaagility Inc., USA	-	13.14
Inter Company loan payable	**Holding Company**		
	Mediaagility Inc., USA	40.31	41.64

23 Trade receivables ageing schedule

	Outstanding as on March 31, 2025 from the due date						
Particulars	**Not due**	**Less than 6 Months**	**6 Months to 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed trade receivables							
- Considered good	-	1.95	0.08	-	-	-	2.03
- Significant increase in credit risk	0.27	-	-	-	-	-	0.27
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables							
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
As at March 31, 2025	**0.27**	**1.95**	**0.08**	**-**	**-**	**-**	**2.30**

	Outstanding as on March 31, 2024 from the due date						
Particulars	**Not due**	**Less than 6 Months**	**6 Months to 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Undisputed trade receivables							
- Considered good	8.11	0.54	0.18	-	-	-	8.84
- Significant increase in credit risk	0.16	-	0.01	-	-	-	0.17
- Credit impaired	-	-	-	-	-	-	-
Disputed trade receivables	-	-	-	-	-	-	
- Considered good	-	-	-	-	-	-	-
- Significant increase in credit risk	-	-	-	-	-	-	-
- Credit impaired	-	-	-	-	-	-	-
As at March 31, 2024	**8.27**	**0.54**	**0.20**	**-**	**-**	**-**	**9.01**

24 Trade payable ageing schedule

	Outstanding as on March 31, 2025 from the due date					
Particulars	**Not due**	**Less than 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	3.78	0.26	2.48			6.52
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
As at March 31, 2025	**3.78**	**0.26**	**2.48**	**-**	**-**	**6.52**

	Outstanding as on March 31, 2024 from the due date					
Particulars	**Not due**	**Less than 1 Year**	**1 to 2 Years**	**2 to 3 Years**	**More than 3 Years**	**Total**
Outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Outstanding dues of creditors other than micro enterprises and small enterprises	24.39	38.06	-	-	-	62.44
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro and small enterprises	-	-	-	-	-	-
As at March 31, 2024	**24.39**	**38.06**	**-**	**-**	**-**	**62.44**

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25 Ratio Analysis

Particulars	Numerator/ Denominator	As at March 31, 2025	As at March 31, 2024	% change	Remarks , if change is more than 25%
Current Ratio (in times)	Current Assets/ Current Liabilities	0.61	0.85	-28.30%	There has been a significant delcine in Cash which indicates that it has been used to settle Trade payables and Borrowings which has resulted a decline in Current Ratio.
Debt-Equity Ratio (in times)	Total debt/ shareholder's equity	(2.12)	(2.73)	-22.43%	There has been a payment of interest as a result of which the borrowings have declined.
Debt Service Coverage Ratio (in times)	[PAT + non-cash operating expenses+finance cost] / [finance cost + principal repayments]	(0.39)	1.22	-132.03%	There has been a significant decline in revenue resulting into Loss after tax for financial year ended March 2025.
Return on Equity Ratio (in %)	PAT / Average shareholder's equity	20.55%	-4%	-587.44%	During the year, there is decrease in revenue of the Company which has resulted in significant decrease in the ratio.
Inventory Turnover Ratio (in times)	Cost of goods sold / Average Inventory	NA	NA	NA	
Trade Receivables Turnover Ratio (in times)	Sales (net) / Average trade receivables	1.33	0.67	98.64%	Revenue has decreased during the year ended March 2025
Net Capital Turnover Ratio (in times)	Sales (net) / [current assets - current liabilities]	(0.45)	(1.42)	-68.31%	During the year, there is decrease in revenue of the entity which has resulted in significant decrease in the ratio.
Net Profit Ratio (in %)	PAT / Sales (net)	(0.46)	0.03	-1826.57%	The entity has incurred loss during year ended March 2025
Return on Capital Employed (in %)	EBIT / [Net worth+long term debt+deferred tax liability]	-3.97%	-13%	-70.28%	During the year, there is decrease in revenue of the Company which has resulted in significant decrease in EBIT and ratio.
Return on Investment (in %)	Profit on Investment /Cost of Investment	NA	NA	NA	

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

27 The Company does not have any Capital Commitments as at March 31, 2025 (as at March 31, 2024 - Nil).

28 The Company has not invested or traded in crypto currency or virtual currency during the financial year.

29 The employees are been transferred to holding company viz. Persistent Systems Ltd. as on January 01 , 2023. Accordingly, no expense is made for employee benefit expense in the books of account during the year ended March 31, 2025 (March 31, 2024 - Nil)

30 The financial statements are presented in INR Million and decimal thereof except for per share information or as otherwise stated.

31 Previous year figures:
Previous year numbers have been regrouped / rearranged to confirm to current year presentation.

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
MediaAgility UK Limited

Sachin Dewasthalee
Director

Place: India
Date : April 21, 2025

Rajasekar Sukumar
Director

Place: UK
Date : April 21, 2025

Persistent

Digitalagility S. DE R.L. de C.V.

Av. Lopez Mateos Sur 1450 Piso 2 Colonia Las Villas Tlajomulco de Zuñiga 45643 Jalisco, Mexico

Digitalagility S. DE R.L. de C.V .

Av. Lopez Mateos Sur 1450 Piso 2 Colonia Las Villas Tlajomulco de Zuñiga 45643 Jalisco, Mexico

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of MediaAgility Inc., USA, having its office in Mexico.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts in INR Million)

Particulars	FY 2024-25	FY 2023-24
Total Income	10.25	8.56
Total Expenditure	19.78	26.41
Profit /(Loss) before tax	(9.52)	(17.85)
Total Tax Expense	0.34	0.98
Net loss after tax	**(9.86)**	**(18.83)**

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Office Bearer

Mr. Pravin Tarde is the Manager/office bearer of your Company as of March 31, 2025.

Acknowledgements

The management would like to thank all the stakeholders for the excellent support rendered in their respective areas.

Meera Madhav Plot No. 38, Sainik Vihar,
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411060, Maharashtra, India.
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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors of Digitalagility S. DE R.L. de C.V. Mexico

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Digitalagility S. DE R.L. de C.V. Mexico** (the "Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income) for the period January 01, 2025 to March 31, 2025 and year ended on that date, the statement of changes in equity and the statement of cash flows for the year ended on that date and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with Indian Accounting Standard prescribed under section 133 of the Companies Act, 2013 (the "Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis of Preparation and Restriction on use and distribution

We draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial statements have been prepared solely for its Parent Company to assist them in preparation of its consolidated Ind AS financial statements. Our report is intended solely for the use of management and Board of Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

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LLPIN: AAF-8214

Matter of Emphasis

Without qualifying our opinion, we draw attention to note 4 of the notes to accounts. As at March 31, 2025, the Company had accumulated losses resulting in complete erosion of net worth and net current liabilities over assets. However, due to mitigating factors which have been more fully discussed in the notes to accounts and support letter received from the Parent Company the accompanying financial statements have been prepared under the going concern assumption, and consequently, no adjustments have been made to the carrying values or classification of balance sheet accounts.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the accompanying financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the accompanying financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Responsibilities for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in accordance with Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For Ahuja Valecha & Associates LLP
Firm Registration No. 126791W/W100132
Chartered Accountants

Ankit Shah
Partner
Membership No. 118976

UDIN: 25118976BMIEBY8353

Place: Pune
Date: April 21, 2025

Digitalagility S. DE R.L. de C.V .
Balance Sheet as at March 31, 2025
(All amounts are in INR million unless otherwise stated)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Current assets			
Financial assets			
- Trade receivables	5	14.66	13.15
- Cash and cash equivalents	6	4.20	10.80
Other current financial assets	7	0.50	4.30
Income tax assets (net)	8	-	0.34
		19.36	**28.59**
TOTAL		**19.36**	**28.59**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	9A	0.04	0.04
Other equity	9B	(69.59)	(71.14)
		(69.55)	**(71.10)**
LIABILITIES			
Current liabilities			
Financial liabilities			
- Borrowings	10	60.26	39.08
- Trade payables	11	17.30	55.86
Other current liabilities	12	11.35	4.75
		88.91	**99.69**
TOTAL		**19.36**	**28.59**
Summary of material accounting policies	1-4		
The accompanying notes are an integral part of the financial statements	5-29		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Ankit Shah
Partner
Membership No.: 118976

Pravin Tarde
Manager

Place: Pune
Date : April 21, 2025

Place : Italy
Date : April 21, 2025

Digitalagility S. DE R.L. de C.V .

Statement of Profit and Loss for the year ended March 31, 2025

(All amounts are in INR million unless otherwise stated except earnings per share)

	Notes	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Income					
Revenue from operations (net)	13	6.33	2.78	8.00	8.56
Other income	14	7.45	-	2.25	-
Total income (A)		**13.78**	**2.78**	**10.25**	**8.56**
Finance costs	15	1.80	0.92	2.33	2.31
Other expenses	16	3.35	3.61	17.44	24.10
Total expenses (B)		**5.15**	**4.53**	**19.78**	**26.41**
Profit/ (loss) before tax (A - B)		**8.62**	**(1.75)**	**(9.52)**	**(17.85)**
Tax expense					
Current tax		-	-	0.05	-
Taxes in respect of eariler years		0.28	-	0.28	-
Deferred tax charge / (credit)		-	5.81	-	0.98
Total tax expense		**0.28**	**5.81**	**0.34**	**0.98**
Net profit/ (loss) for the period (C)		**8.34**	**(7.56)**	**(9.86)**	**(18.83)**
Other comprehensive income					
Items that will be reclassified to profit or loss (E)					
- Exchange differences in translating the financial statements of foreign operations		(2.24)	(1.89)	11.70	(6.22)
Total other comprehensive income for the period (D) + (E)		**(2.24)**	**(1.89)**	**11.70**	**(6.22)**
Total comprehensive income for the period (C) + (D) + (E)		**6.10**	**(9.45)**	**1.84**	**(25.05)**
Earnings per equity share	17				
[Nominal value of share MXN 1					
Basic (In ₹)		834.02	(756.00)	(986.29)	(1,883.00)
Diluted (In ₹)		834.02	(756.00)	(986.29)	(1,883.00)
Summary of material accounting policies	1-4				
The accompanying notes are an integral part of the financial statements	5-29				

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
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Ankit Shah
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Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Pravin Tarde
Manager

Place : Italy
Date : April 21, 2025

Digitalagility S. DE R.L. de C.V .
Cash flow statement for the year ended March 31, 2025
(All amounts are in INR million unless otherwise stated)

		For the year ended March 31, 2025	For the year ended March 31, 2024
(Loss) before tax		**(9.52)**	**(17.85)**
Adjustments for:			
Foreign currency translation reserve		11.70	(2.20)
Provision for doubtful debts (net)		2.19	13.33
Unrealised foreign exchange (gain) (net)		(1.58)	-
Finance costs		2.33	2.31
Operating profit before working capital changes		**5.12**	**(4.41)**
Movements in working capital :			
(Increase) / decrease in trade receivables		(3.71)	10.45
(Increase) / decrease in other current financial assets and other current assets		4.15	(4.30)
Increase /(decrease) in trade payables and current liabilities		(38.56)	-
Increase/(Decrease) in other financial liabilities		-	13.57
Increase /(decrease) in current liabilities		3.88	-
Increase/(decrease) in provisions		-	(5.29)
Operating profit/(loss) after working capital changes		**(29.12)**	**10.02**
Direct taxes paid (net of refunds)		-	(0.08)
Net cash generated/(used) from operating activities	**(A)**	**(29.12)**	**9.94**
Cash flow from investing activities			
Foreign exchange rate difference		-	-
Net cash generated investing activities	**(B)**	**-**	**-**
Cash flow from financing activities			
Proceeds from Long term borrowings		22.13	-
Interest paid		0.39	-
Net cash generated from financing activities	**(B)**	**22.52**	**-**
Net increase/(decrease) in cash and cash equivalents	**(A + B)**	**(6.60)**	**9.94**
Cash and cash equivalents as at beginning of the year		10.80	0.86
Cash and cash equivalents as per note 6		**4.20**	**10.80**
Components of cash and cash equivalents			
Balances with banks			
- on savings account		4.20	10.80
Cash and cash equivalents		**4.20**	**10.80**

Summary of material accounting policies 1-4

The accompanying notes are an integral part of the financial statements 5-29

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Pravin Tarde
Manager

Place : Italy
Date : April 21, 2025

Digitalagility S. DE R.L. de C.V .
Notes to the Financial Statements for the year ended March 31, 2025
(All amounts are in INR million unless otherwise stated)

1. Nature of operations

Digitalagility S. DE R.L. de C.V. (a Mexico based wholly owned subsidiary of MediaAgility Inc.). The Company is a digital consulting Company with the vision of making work meaningful for all. The Company is a premier Google Cloud partner across Cloud, Maps, G Suite with Google certified specialists on board and the Data Analytics & Location-based Services specialization awarded by Google Cloud, the Company is a full spectrum digital consulting firm creating AL and Analytics based innovative solutions, building conversational intelligence and designing powerful operational intelligence and machine learning capabilities for customers.

2. Basis of preparation

The accompanying Special Purpose Financial Statements have been prepared solely to assist the management of Persistent Systems Limited ('the Holding Company') in the preparation of its consolidated financial statements for the year ended March 31, 2025 . These 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. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year 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.

Statement of compliance

These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for the period ended January 01, 2025 to March 31, 2025 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013. The Financial statements are presented in ₹ Millions.

3. Summary of material accounting policies

(a) Accounting year

The accounting year of the Company is from April 01, 2024 to March 31, 2025. These financial statements have been prepared only for the purpose of consolidation.

(b) Functional currency

The Company's functional currency is Mexican Peso.

(c) Use of estimates

The preparation of the financial statements is in conformity with Ind AS requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. 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) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.
An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as Non-current liabilities.

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.

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ii) Income taxes
The Company's tax jurisdictions is in Mexico. Significant judgements are involved in determining the provision for income taxes.

iii) Provision of Contigent Liabilities
The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities.

(e) Expected credit loss:
The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future using the forward-looking approach as prescribed by Ind AS 109.

(f) Financial Instruments
i) Financial assets

a) 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.

b) 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.

c) 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.

ii) Financial liabilities

a) 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.

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b) 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.

c) 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.

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 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.

(g) Revenue recognition

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

(i) Income from software services and products

The Company derives revenues primarily from sale of computer hardware, accessories and computer software.

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 at a point of time

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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.

In the case of reselling agreements, the revenue is recognized on a net basis i.e amount paid to the vendor for reselling the products or services as reduced by the amount collected from the customer.

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 Valued added tax ("VAT") @ 16% on revenue from the customers. The Company does not keep this VAT, it is a liability owed to the tax authority. VAT collected from customers is not recognized as revenue and is presented as a current liability in the statement of financial position until it is remitted to the relevant tax authorities.

(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.

(h) Foreign currency translation

i) Foreign currency transactions and balances Initial recognition

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

ii) Conversion

The transactions are in MXN, 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.

The exchange difference arising out of the period / year end conversion is translated to Currency Translation Reserve and the said amount is shown under the head "Other equity".

iii) 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.

(i) 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 the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profiV 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.

(j) 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 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.

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(k) 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.

(l) Contingent liabilities and commitments

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 .

(m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

(n) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

4 Going concern

The Company had accumulated losses of Rs. 69.59 millions (previous year - Rs 71.14 millions) against an equity share capital of Rs. 0.04 millions (previous year - Rs. 0.04 millions) as at the balance sheet date, resulting in a complete erosion of the Company's Net Worth. Additionally, as at the balance sheet date, the financial statements disclose a net current liabilities over current assets of Rs 9.30 millions (previous year net current liabilities of Rs 32.02 millions).

The Company has no intention of curtailing materially the scale of operations. Further, the Company has been able to meet its obligations in the ordinary course of business through digital consultancy and as per the support letter provided by the Holding Company, it will support the Company for any working capital requirement which may arise for the next one year. Accordingly the financial statements have been prepared assuming that the Company will continue as a going concern.

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Digitalagility S. DE R.L. de C.V .
Statement of Change In Equity for the year ended March 31, 2025
(All amounts are in INR million unless otherwise stated)

A. Share capital

Balance as at April 01, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
0.04	-	0.04
0.04	**-**	**0.04**

Balance as at April 01, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025
0.04	-	0.04
0.04	**-**	**0.04**

B. Other Equity

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2023	**(38.82)**	**(7.58)**	**(46.40)**
Net profit for the period	(18.83)	-	(18.83)
Other comprehensive income for the period	0.31	(6.22)	(5.91)
Balance at March 31, 2024	**(57.34)**	**(13.80)**	**(71.14)**
Net loss for the period	(9.86)	-	(9.86)
Foreign currency translation	(0.29)	11.70	11.41
Balance at March 31, 2025	**(67.49)**	**(2.10)**	**(69.59)**

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.

Summary of material accounting policies 1-4

The accompanying notes are an integral part of the financial statements 5-29

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Pravin Tarde
Manager

Place : Italy
Date : April 21, 2025

5 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Others		
Unsecured, considered good	14.66	13.15
Unsecured, credit impaired	28.75	32.22
	43.41	**45.37**
Less : Allowance for credit loss	(28.75)	(32.22)
	14.66	**13.15**

6 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- On current accounts	4.20	10.80
	4.20	**10.80**

7 Other current financial assets

	As at March 31, 2025	As at March 31, 2024
Contract assets	-	3.85
Advance to vendor	0.10	-
Security deposit	0.40	0.45
	0.50	**4.30**

8 Income tax asset (net)

	As at March 31, 2025	As at March 31, 2024
Advance tax (net)	-	0.34
	-	**0.34**

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Note 9A
Share capital

	As at March 31, 2025	As at March 31, 2024
Authorised		
10,000 Ordinary shares of Mexican Peso 1 each	0.04	0.04
	0.04	**0.04**
Issued, subscribed and paid-up (In No.)		
10,000 Ordinary shares of Mexican Peso 1 each	0.04	0.04
All shares are held by Holding Company i.e. MediaAgilty Inc., USA		
	0.04	**0.04**

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

	March 31, 2025		March 31, 2024	
	No. of Shares	Amount	No. of Shares	Amount
No. of Shares at the beginning of the reporting period	10,000	0.04	10,000	0.04
Add : Additional Shares issued during the period	-	-	-	-
No. of Shares at the end of the reporting period	**10,000**	**0.04**	**10,000**	**0.04**

b) Details of shares held by promoters

As at March 31, 2025	No of shares held at beginning of quarter	Changes during the quarter	No of shares at the end of quarter	% of Total Shares	% Change during the quarter
Media Agility Inc.	10,000	-	10,000	100%	-

As at March 31, 2024	No of shares held at beginning of year	Changes during the year	No of shares at the end of quarter	% of Total Shares	% Change during the quarter
Media Agility Inc.	10,000	-	10,000	100%	-

Note 9B
Other equity

	As at March 31, 2025	As at March 31, 2024
Reserves and Surplus		
Retained earnings	(67.49)	(57.34)
	(67.49)	**(57.34)**
Items of other comprehensive income		
Foreign currency transalation reserve	(2.10)	(13.80)
	(2.10)	**(13.80)**
Total Other equity	**(69.60)**	**(71.14)**

(i)Retained earnings

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	(57.34)	(38.82)
Profit after tax for the reporting year	(9.86)	(18.83)
Adjustment towards foreign exchange	(0.29)	0.31
	(67.49)	**(57.34)**

(ii)Foreign currency transalation reserve

	As at March 31, 2025	As at March 31, 2024
Balance as per last financial statements	(13.80)	(7.58)
Addition/reduction during the period	11.70	(6.22)
	(2.10)	**(13.80)**

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10 Current financial liabilities

	As at March 31, 2025	As at March 31, 2024
Loan from related parties (Unsecured, considered good)		
- Intercompany borrowings from MediaAgility, Inc USA	60.26	39.08
	60.26	**39.08**

The rate of interest on this term loan is Applicable Federal Rate ("AFR"), currently AFR being 4.26%

11 Trade payables

	As at March 31, 2025	As at March 31, 2024
Trade payables for goods and services	17.30	55.86
	17.30	**55.86**

12 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Statutory dues		
- VAT payable	6.21	2.13
- IVA payable	-	0.20
Interest Accrued but not due	5.14	2.42
	11.35	**4.75**

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13 Revenue from operations

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of software licenses	6.33	2.78	8.00	8.56
	6.33	**2.78**	**8.00**	**8.56**

14 Other income

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Other non-operating income				
Miscellaneous Income	0.67	-	0.67	-
Foreign exchange Gain (net)	6.78		1.58	
	7.45	**-**	**2.25**	**-**

15 Finance costs

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest expense	1.80	0.92	2.33	2.31
	1.80	**0.92**	**2.33**	**2.31**

16 Other expenses

	For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Provision for doubtful debts	2.19	0.28	2.19	13.33
Legal and professional fees	0.67	1.62	7.75	2.19
Office expenses	-	0.19	-	1.17
Rent	-	-	-	0.33
Insurance	-	0.01	-	0.01
Rates and taxes	-	-	5.45	-
Miscellaneous expenses	0.49	1.52	2.05	7.07
	3.35	**3.61**	**17.44**	**24.10**

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17 Earnings per share

		For the period January 01, 2025 to March 31, 2025	For the period January 01, 2024 to March 31, 2024	For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS					
Net Profit/ (loss) after tax	(A)	8.34	(7.56)	(9.86)	(18.83)
Denominator for Basic EPS					
Weighted average number of equity shares	(B)	10,000	10,000	10,000	10,000
Denominator for Diluted EPS					
Number of equity shares	(C)	10,000	10,000	10,000	10,000
Basic Earnings per share of face value of Peso 1 each (In ₹)	(A/B)	**834.02**	**(756.00)**	**(986.29)**	**(1,883.00)**
Diluted Earnings per share of face value of Peso 1 each (In ₹)	(A/C)	**834.02**	**(756.00)**	**(986.29)**	**(1,883.00)**

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Ageing

18 Trade receivables Ageing Schedule

Outstanding as on March 31, 2025 from the due date

Particulars	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	-	14.66	-	-	-	-	14.66
Undisputed trade receivables- Which have significant increase in credit risk	-	-	2.06	0.17	26.52	-	28.75
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
							-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**-**	**14.66**	**2.06**	**0.17**	**26.52**	**-**	**43.41**

Outstandind as on March 31, 2024 from the due date

Particulars	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables- considered good	-	9.34	0.90	2.92	-	-	13.15
Undisputed trade receivables- Which have significant increase in credit risk	-	-	0.22	32.00	-	-	32.22
Undisputed trade receivables- credit impaired	-	-	-	-	-	-	-
							-
Disputed trade receivables- considered good	-	-	-	-	-	-	-
Disputed trade receivables- Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables- credit impaired	-	-	-	-	-	-	-
Total	**-**	**9.34**	**1.11**	**34.92**	**-**	**-**	**45.37**

19 Trade payable ageing schedule

Outstanding as on March 31, 2025 from the due date

Particulars	Not due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3.33	13.97	-	-	-	17.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**3.33**	**13.97**	**-**	**-**	**-**	**17.30**

Outstanding as on March 31, 2024 from the due date

Particulars	Not due	Less than 1 Year	1 to 2 Years	2 to 3 Years	More than 3 Years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5.99	34.55	15.32	-	-	55.86
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**5.99**	**34.55**	**15.32**	**-**	**-**	**55.86**

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20 Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ Financial liabilities	March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	4.20
Trade receivables (net)	-	-	14.66
Other financial asset	-	-	0.50
Total Financial Assets	**-**	**-**	**19.36**
Financial Liabilities:			
Trade payables	-	-	17.30
Borrowings	-	-	60.26
Total Financial Liabilities	**-**	**-**	**77.56**

Financial assets/ Financial liabilities	March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial Assets:			
Cash and cash equivalents	-	-	10.80
Trade receivables (net)	-	-	13.15
Other financial asset	-	-	4.30
Total Financial Assets	**-**	**-**	**28.25**
Financial Liabilities:			
Trade payables	-	-	55.86
Borrowings (including accrued interest)	-	-	39.08
Total Financial Liabilities	**-**	**-**	**94.94**

***Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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21 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 financial risk to the Company is credit risk.The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

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

	USD in INR	Other currencies	Total
Trade receivables	-	43.41	43.41
Cash and cash equivalents and bank balances	0.21	3.99	4.20
Borrowings	60.26	-	60.26
Trade and other payables	0.49	16.81	17.30

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

	USD in INR	Other currencies	Total
Trade receivables	-	45.37	45.37
Cash and cash equivalents and bank balances	0.33	10.80	11.13
Borrowings	41.50	-	41.50
Trade and other payables	17.60	38.26	55.86

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 43.41 million as at March 31, 2025 (Rs 45.37 million as at March 31, 2024) respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the Mexico . 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 management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 180 days (₹ million)*	28.75	36.04
Total receivables (gross) (₹ million)	43.41	45.37
Overdue for more than 180 days as a % of total receivables	66.2%	79.4%

* Out of this amount, Rs 28.75 million as at March 31, 2025 (Rs 32.22 million as at March 31, 2024) have been provided for.

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22 Financial risk management

Ageing of trade receivables

	As at March 31, 2025	As at March 31, 2024
Within the credit period		
1 to 30 days past due	3.96	-
31 to 60 days past due	3.65	1.14
61 to 90 days past due	6.70	-
91 to 120 days past due	0.35	-
121 and above past due	28.75	44.23
Less: Expected credit loss	(28.75)	(32.22)
Net trade receivables	**14.66**	**13.15**

Movement in expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
Opening balance	32.22	16.48
Movement in expected credit loss allowance	2.19	13.33
Translation differences	(5.66)	2.41
Closing balance	**28.75**	**32.22**

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings.

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 believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived. As at March 31, 2025, the Company had a working capital of Rs (9.30) million [Rs (29.60) million as at March 31, 2024] including cash and cash equivalents of Rs 4.20 million (Rs 10.80 million as at March 31, 2024).

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

	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings	-	60.26	-	41.50
Trade payables and deferred payment liabilities	17.30	-	40.54	15.32

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23 Un-hedged foreign currency exposures

(ii) Details of un-hedged foreign currency exposures at the end of the year:

Particulars	As at March 31, 2025		
	Amount (In INR millions)	Foreign currency (In millions)	Conversion rate (₹)
Trade and other payables	0.49	USD 0.006	85.47
Borrowing	60.26	USD 0.705	85.47

Particulars	As at March 31, 2024		
	Amount (In INR millions)	Foreign currency (In millions)	Conversion rate (₹)
Trade and other payables	16.45	USD 0.20	83.40

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24 Related party disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Ultimate Holding Company	Persistent Systems limited
Holding Company	MediaAgility Inc. USA
Fellow subsidiaries	Mediaagility UK Ltd., UK Mediaagility Pte Ltd., Singapore
Key Managerial personnel	Abhay Sathe (Upto December 31, 2023) Pravin Tarde

(ii) Related party transactions

	Name of the related party and nature of relationship	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Inter company sale	**Fellow subsidiaries**		
	Persistent Systems Inc, USA	0.66	-
Legal and professional fees	**Fellow subsidiaries**		
	Persistent Systems Mexico, S.A. de C.V, Mexico	0.61	0.63
Loan from related party	**Holding Company**		
	MediaAgility Inc. USA	22.13	-
Interest on Intercompany Borrowings	**Holding Company**		
	MediaAgility Inc. USA	2.33	2.31

(iii) Outstanding balances

	Name of the related party and nature of relationship	**For the year ended March 31, 2025**	**For the year ended March 31, 2024**
Trade receivables	**Fellow subsidiaries**		
	Persistent Systems Mexico, S.A. de C.V, Mexico	0.10	0.49
	Persistent Systems Inc USA	0.66	-
Borrowings	**Holding Company**		
	Mediaagility Inc. USA	60.26	41.50

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25 Ratio Analysis

Particulars	Numerator/ Denominator	As at March 31, 2025	As at March 31, 2024	% change	Remarks , if change is more than 25%
Current Ratio (in times)	Current Assets/ Current Liabilities	0.22	0.29	-24.06%	The company reduced its trade payables through a payment, resulting in a decline in current liabilities from INR 55.86 million to INR 17.30 million. This reduction in current liabilities, specifically trade payables, has led to an improvement in the current ratio,
Debt-Equity Ratio (in times)	Total debt/ shareholder's equity	(0.87)	-	#DIV/0!	The company has availed additional borrowings of Rs 22.13 million during the current year, leading to an increase in total debt. Consequently, this has resulted in a higher debt-equity ratio
Debt Service Coverage Ratio (in times)	[PAT + non-cash operating expenses+finance cost] / [finance cost + principal repayments]	(3.22)	(7.15)	-54.91%	The reduction in losses during the current year has led to an improvement in the Debt Service Coverage Ratio (DSCR), indicating enhanced capacity to meet debt obligations
Return on Equity Ratio (in %)	PAT / Average shareholder's equity	-14.02%	-32.06%	-56.26%	Due to negative net worth and continued losses in both the current and previous year, the ratios remain adverse. However, the Company has incurred comparatively lower losses during the current year, although the accumulated losses have significantly eroded its net worth
Trade Receivables Turnover Ratio (in times)	Sales (net) / Average trade receivables	1.23	2.31	-46.72%	The Company has transfer major of its revenue to its ultimate holding company , which leads to reduction in revenue of the company. Hence trade receivable turnover ratio is decreased.
Trade Payable Turnover Ratio (in times)	Purchases net / Average trade payables	0.26	1.07	-75.38%	The Company has transfer major of its revenue to its ultimate holding company resulting in reduction of purchases. This has resulted in decrease in trade payables turnover ratio.
Net Capital Turnover Ratio (in times)	Sales (net) / [current assets - current liabilities]	(0.25)	(1.95)	-87.41%	NA
Net Profit Ratio (in %)	PAT / Sales (net)	-57.67%	-32.58%	77.04%	The Company has incurred heavy losses during current year and also transferred revenue to its ultimate holding company which leds to fall in net profit ratio.
Return on Capital Employed (in %)	EBIT / [Net worth+long term debt+deferred tax liability]	-967.29%	-52.50%	1742.36%	The Company has incurred heavy losses during current year and also erode its networth. This leds to decrease in networth of the company and also return on capital employed.

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26 Capital and other commitments

The Company does not have any Capital and other commitments for the period ended March 31, 2025.(March 31, 2024- Nil)

27 Contingent liabilities

The Company does not have any Contingent liabilites for the period ended March 31, 2025. (March 31, 2024- Nil)

28 Previous year figures:

Previous year numbers have been regrouped / rearranged to confirm to current year presentation

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

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Reg. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: Pune
Date : April 21, 2025

For and on behalf of the Board of Directors of
Digitalagility S. DE R.L. de C.V .

Pravin Tarde
Manager

Place : Italy
Date : April 21, 2025

Persistent

MediaAgility India Private Limited

18th Floor, Tower – C, DLF Building No. 05, DLF Cyber City
Gurugram – 122002, Haryana, India

MEDIAAGILITY INDIA PRIVATE LIMITED
CIN: U72200HR2010PTC041548
Registered Office: 18th Floor, Tower – C, DLF Building No. 05, DLF Cyber City, Gurugram – 122002, Haryana
Email Id: accounts@mediaagility.com **| Contact No.:** +91 9899182847

BOARD'S REPORT

To,
The Members,
MediaAgility India Private Limited,
18th Floor, Tower C, DLF Building No 05, DLF
Cyber City DLF QE, Gurgaon, Haryana, India, 122002

Your directors have pleasure in presenting the 15th Annual Report on the business and operations of the Company together with the Audited Financial Statement and the Auditors' Report(s) thereon for the Financial Year ended on March 31, 2025.

1. FINANCIAL RESULTS:

The summary of the financial results of the Company for the year ended March 31, 2025, is as follows:

(Amount in INR Million)

Particulars	FY 2024-25	FY 2023-24
Revenue from Operations	2,931.82	4,323.77
Other income	12.46	8.40
Total Revenue	**2,944.28**	**4,332.16**
Expenses:		
Direct Cost	2,588.34	3,706.26
Employee Benefit Expenses		
Depreciation and amortisation expenses	0.04	0.41
Other expenses	201.99	402.54
Total Expenditure	**2,790.36**	**4,109.21**
Profit/(Loss) Before Taxes	**153.91**	**222.94**
(a) Current Tax	49.04	72.17
(b) Deferred Tax	(9.14)	(15.99)
(c) Prior period tax	0.19	9.37
Profit/(Loss) After Tax	**113.82**	**157.39**

2. RESULTS OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS:

The Company is a digital consultancy Company with the vision of making work meaningful for all. MediaAgility India Private Limited is a premier Google Cloud partner across cloud, Maps, G suit with Google certified specialists on board and data analytics and location-based services specialization awarded by Google Cloud, the Company is full spectrum digital consulting firm creating AI and analytics based innovative solutions, building conversational intelligence and designing meaningful operational intelligence and machine learning capabilities for its customers.

The highlights of the Company's performance for the financial year ended on March 31, 2025, are as under:

- Total Revenue from operations is **INR 2,931.82 million** as compared to the **INR 4,323.77 million** in the previous year.
- Net profit of the Company is **INR 113.82 million** as compared to net profit of **INR 157.39 million** in the previous year.
- Earnings per Share is **INR 35.49** for FY 2024-25 as compared to **INR 49.07** in the previous year.

3. EXTRACT OF THE ANNUAL RETURN:

In accordance with Section 92(3) and Section 134(3)(a) of the Act, as amended, the Company does not maintain a functioning website. Therefore, the Annual Return for the financial year 2024-25, in Form MGT-7, is made available through the Holding Company's website at https://www.persistent.com/wp-content/uploads/2025/07/annual-return-media-agility-india-2024-25.pdf.

4. INFORMATION ABOUT HOLDING/SUBSIDIARY / JOINT VENTURES / ASSOCIATE COMPANIES:

The details of the Holding and Fellow Subsidiary of MediaAgility India Private Limited is as follows:

Holding Company:

Sr. No.	Shareholder's Name	Address	Number of Shares of (INR 10 Each)	% of holding
1	Persistent Systems Limited	'Bhageerath' 402 Senapati Bapat Road Pune, Pune, Maharashtra, India, 411016	3,207,484	99.99%

5. CHANGE IN NAME OF THE COMPANY:

There has been no change in the Name of the Company during the reporting period.

6. CHANGE IN NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business during the year under review.

7. CHANGE IN REGISTERED OFFICE OF THE COMPANY:

Company has changed its Registered Office w.e.f., April 19, 2024, from **6th Floor, Paras Downtown Centre, Sector 53, Golf, Course Road, Gurgaon 122001, Haryana** to **18th Floor, Tower – C, DLF Building No. 05, DLF Cyber City, Gurugram – 122002, Haryana** within the local limit of the Gurgaon City.

8. MATERIAL CHANGES AND COMMITMENTS AFTER THE DATE OF FINANCIAL STATEMENTS:

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of this report.

9. DIVIDEND:

Your Directors do not recommend payment of dividend for the Financial Year ended March 31, 2025.

10. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:

The Board of Directors of your Company has decided not to transfer any amount to the Reserves for the year under review.

11. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND:

Since no unclaimed dividend amount is pending with the Company, no amount is required to be transferred to the Investor Education and Protection Fund.

12. SECRETARIAL AUDIT REPORT:

The Company has appointed M/s. SVD & Associates, Practicing Company Secretaries (Certificate of Practice Number: 11635) as Secretarial Auditor of the Company for conducting Secretarial Audit for the Financial Year 2024-25. The Secretarial Audit report issued by M/s. SVD & Associates forms part of this report and the same is attached as **Annexure I**.

13. COST AUDIT / MAINTENANCE OF COST RECORDS:

Your Company does not fall within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore the cost audit is not applicable for the FY 2024-25. Further, the provisions pertaining to the maintenance of cost records under the Companies Act, 2013 are not applicable to the Company.

14. CORPORATE SOCIAL RESPONSIBILITY:

The provisions of Section 135 of the Companies Act, 2013 pertaining to the Corporate Social Responsibility are applicable to the Company.

Further, as per Section 135(9) of the Companies Act, 2013 ('the Act'), where the amount to be spent by a Company on CSR activities does not exceed Fifty Lakh Rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable to the Company and the functions of such Committee provided under Section 135 shall, in such cases, be discharged by the Board of Directors of such Company. The CSR contribution of the Company for FY 2024-25 was INR 3.92M.

In view of the afore-mentioned provision of the Act, the CSR committee was dissolved by the Board of Directors in its meeting held in September 2024.

The Company's CSR activities revolve around five guiding principles – Impact, Partnerships, Affirmative Action, Communication and Innovation.

MediaAgility India Private Limited ('the Company'), as a responsible business corporation, is socially committed and focused on building sustainable and effective Corporate Social Responsibility (CSR) initiatives by focusing on community development, employment enhancement and environmental sustenance. The management has a strong belief in the merits of participation in CSR and accordingly, is excited to engage in social, environmental, and ethical responsibilities by working with communities around the Company's location to help drive a positive change in the neighbourhood.

The Company will act as a good corporate citizen and aims at supplementing the role of the Government in enhancing the welfare measures of the society within the framework of its policy.

The CSR Policy may be accessed on the Holding Company's website at persistent.com/wp-content/uploads/2023/08/mediaagility-csr-policy.pdf

During the year, the Company has spent INR 3,917,176/- on CSR activities.

The Annual report on Corporate Social Responsibility (CSR) activities is annexed herewith as **Annexure – II** to this Report.

15. CHANGES IN SHARE CAPITAL:

The Authorised Share Capital and Paid-up Share Capital of the Company remained unchanged for the financial year ended on March 31, 2025. Further, the Company has neither allotted any sweat equity shares, bonus shares or any shares under the employee stock option plan nor has bought back any shares or securities.

16. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company has duly met as per the details mentioned below. All the meetings were held within 120 days from the last Board Meeting and has complied with the provisions of the Companies Act, 2013 read along with the Articles of Association of the Company. The details of attendances are as under:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	April 19, 2024	5	2
2	July 15, 2024	5	2
3	September 25, 2024	3	2
4	September 28, 2024	4	3
5	October 19, 2024	4	2
6	January 20, 2025	3	2

17. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMP):

During the year under review, the Company welcomed Ms. Dhanashree Ajit Bhat (DIN: 10477919) as a Non-executive Director (Woman Director), following her appointment at the Annual General Meeting held on September 30, 2024.

Mr. Manish Khattar and Mr. Nirdesh Kumar Chahal stepped down from their roles as Directors on July 17, 2024, and August 11, 2024, respectively.

Subsequently, Mr. Sachin Dewasthalee (DIN: 06887975) was appointed as Non-executive Director with effect from September 25, 2024, and his appointment was confirmed by the members during the Annual General Meeting on September 30, 2024.

Mr. Kamal Puri (DIN: 02718454) resigned as Director, effective January 8, 2025.

Later, considering the organizational changes in the finance department of Persistent Systems Limited, Holding Company, Mr. Dewasthalee resigned from his position with effect from May 13, 2025, after which Mr. Sanjay Bapat (DIN: 07862775) was appointed as Director effective on the same date.

The Board expresses its sincere appreciation for the contributions and guidance provided by Mr. Khattar, Mr. Chahal, Mr. Puri, and Mr. Dewasthalee during their tenure as Directors of the Company.

The Composition of Board of Directors as on March 31, 2025, consists of following:

Sr. No.	Name of Directors	DIN	Designation
1.	Mr. Sachin Dewasthalee	06887975	Director
2.	Ms. Dhanashree Ajit Bhat	10477919	Director
3.	Mr. Shekhar Vishwas Patankar	09554237	Director

The Composition of Board of Directors as on the date of this report is as follows:

Sr. No.	Name of Directors	DIN	Designation
1.	Ms. Dhanashree Ajit Bhat	10477919	Director
2.	Mr. Sanjay Hari Bapat	07862775	Additional Director
3.	Mr. Shekhar Vishwas Patankar	09554237	Director

Further, the provisions of Section 203 of the Companies Act, 2013 with respect to appointment of Key Managerial Personnel are not applicable to the Company.

18. COMMITTEE OF THE BOARD:

The Board of Directors of your Company had earlier constituted the CSR Committee to help your Company frame, monitor, and execute the Company's CSR activities under its CSR scope. As per Section 135 (9) of the Companies Act, 2013, where the amount to be spent by a company on CSR activities does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable to the Company and the functions of such Committee provided under Section 135 shall, in such cases, be discharged by the Board of Directors of such Company.

In view of this exemption from constituting the CSR Committee, the Board of Directors dissolved the CSR Committee w.e.f., September 2024.

Further, the provisions relating to constitution of the Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee are not applicable to the Company.

19. MANAGERIAL REMUNERATION:

No remuneration was paid to any of the Directors of the Company during the period under review.

20. STATEMENT ON DECLARATION BY INDEPENDENT DIRECTORS:

The Company is not required to appoint Independent Directors. Accordingly, statement on declaration by Independent Directors under Section 149(7) of the Companies Act, 2013 is not applicable.

21. STATEMENT WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS:

The Company is not required to appoint Independent Directors. Accordingly, a statement regarding opinion of the Board with regard to integrity, expertise and experience (including the proficiency) of the Independent Directors is not applicable.

22. LOAN FROM DIRECTOR(S) AND RELATIVES OF DIRECTOR(S):

During the year under review, the Company has not accepted any loan from Directors or relatives of the Directors.

23. LOAN TO DIRECTOR(S):

During the year under review, the Company has not given any loan to any Director or any of his/her relatives.

24. DEPOSITS:

During the financial year under review, the Company has not accepted any deposits as prescribed under Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014.

25. PARTICULARS OF EMPLOYEES:

Disclosure in terms of the provisions of Rule 5 sub-rule 2 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, of the Companies Act, 2013 is not applicable to the Company.

26. DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY:

The Board of Directors of the Company reviews the operation and financial position, from time to time.

Your Company has a risk management framework in place. The risk management framework works at various levels across the enterprise. These levels form the strategic defence cover of the Company's risk management. The Company has an organizational structure for managing and reporting on risks.

Being a wholly owned subsidiary of Persistent Systems Limited (Persistent), the Company has adopted the Risk management Policy as a good governance practice.

27. CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION:

Conservation of energy and Technology absorption-

(i) the steps taken or impact on conservation of energy: Nil

(ii) the steps taken by the Company for utilising alternate sources of energy: Nil

(iii) the capital investment on energy conservation equipments: Nil

(i) the efforts made towards technology absorption: Nil

(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil

(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) the details of technology imported;

(b) the year of import;

(c) whether the technology been fully absorbed;

(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development: Nil

28. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Particulars	For the period ended on March 31, 2025 (In INR)	For the period ended on March 31, 2024 (In INR)
Foreign Exchange Earning	25,24,29,331.31	231,009,101
Foreign Exchange Outgo	82,96,24,851.86	946,848,866

29. STATUTORY AUDITORS:

At the Annual General Meeting (AGM) of the Company held on September 30, 2022, the members had approved appointment of M/s. Ahuja Valecha & Associates LLP, Chartered Accountants (FRN: 126791W/W100132), as the Statutory Auditors of the Company for the term of 5 years, to hold office till the conclusion of AGM to be held in FY 2027-28.

30. OBSERVATIONS IN THE AUDITORS' REPORT:

There are no qualifications, reservations or adverse remarks or disclaimer in the Auditors' Report which require any clarification/explanation. The notes/annexures to financial statements are self-explanatory and needs no further explanation.

31. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement of Section 134 (5) of the Companies Act, 2013, the Directors state that:

(a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
(b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
(c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies, Act 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
(d) The Directors had prepared the annual accounts on a going concern basis; and
(e) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

32. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENT:

The Company has not made any Inter-Corporate Loans, provided guarantees or securities or made any investments during the period under review as referred to under Section 186 of the Companies Act, 2013 and the rules made there under.

33. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES:

There are no material related party transactions during the year under review, which falls under the purview of Section 188 of the Companies Act, 2013. The transactions with related parties carried out during the year

under review were in the normal course of business and at arm's length. Further, the accounts of the Company are consolidated with the Holding Company – Persistent Systems Limited and the consolidated accounts are placed before the members of the Holding Company in its Annual General Meeting. The related party transactions are mentioned at Note 31 of the financial statements.

34. OBLIGATION OF COMPANY UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

There are no employees in the Company and thus, the provisions pertaining to the formation of a Internal Complaints Committee (ICC) under the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013, are not applicable.

Further, the Company has not received any complaints under the said Act during FY 2024-25.

35. DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961:

There are no employees in the Company and thus, the provisions of the Maternity Benefit Act, 1961, are not applicable.

36. COMPLIANCE WITH SECRETARIAL STANDARDS:

During the year under review, the Company has complied with all the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) and approved by the Ministry of Corporate Affairs, Central Government of India.

37. ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has maintained adequate internal controls commensurate with its size and nature of operations. There are suitably monitoring procedures in place to provide reasonable assurance for the accuracy and timely reporting of the financial information and compliance with the statutory requirements. There are policies, guidelines and delegation of power issued for the compliance of the same across the Company.

38. BOARD'S EVALUATION ON ITS OWN, COMMITTEES AND INDIVIDUAL DIRECTOR'S PERFORMANCE:

Since the paid-up capital of the Company does not exceed the threshold mentioned under Rule 8 (4) of the Companies (Accounts) Rules, 2014, the provisions regarding Boards' evaluation and evaluation of Individual Directors and committees are not applicable to the Company.

39. VIGIL MECHANISM/WHISTLE BLOWER POLICY AND RISK MANAGEMENT POLICY:

The Company is not mandatorily required to establish a Vigil Mechanism or Risk Management Policy under the provisions of Section 177(9) and 177(10) of the Companies Act, 2013.

However, the Company is a wholly owned subsidiary of Persistent Systems Limited and in the best interest of the Company and to promote a culture of transparency and good corporate governance, the Company

has voluntarily adopted the Vigil Mechanism / Whistle Blower Policy and Risk Management Policy of its holding company.

This ensures alignment with group-level governance standards and reinforces the Company's commitment to ethical conduct and responsible management.

40. FRAUDS REPORTED BY THE AUDITOR:

During the financial year under review, there were no frauds reported by the Statutory Auditors in the course of the performance of their duties.

41. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND THE COMPANY'S FUTURE OPERATIONS:

The Company has not received any such orders from regulators or courts or tribunals during the year, which may impact the going concern status of the Company or its operations.

42. CORPORATE INSOLVENCY RESOLUTION PROCESS INITIATED UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (IBC):

During the year under review no Corporate Insolvency Resolution Process were initiated by a financial or operational creditor or by the Company itself under The Insolvency and Bankruptcy Code, 2016 (IBC) before NCLT.

M/s. Think and Learn Private Limited (Commonly known as Byju's) was a customer of the Company. Byju's failed to honor its payment obligation under contract executed with them in the calendar year 2021. As a result of which an amount INR 4,04,50,080 remained outstanding with them. Byju's is undergoing an Insolvency Resolution Process Initiated Under The Insolvency And Bankruptcy Code, 2016 (IBC).

The Company has registered the claim with Interim Resolution Professional (IRP) - Mr. Pankaj Srivastava in order to recover outstanding debts.

43. INTERNAL AUDITOR:

The provisions of Section 138 of the Companies Act, 2013 related to Internal Audit is applicable to the Company.

The Board appointed Ms. Anuja Ramdasi-Head Internal Auditor of Persistent Systems Limited (Holding Company), as an Internal Auditor of the Company for F.Y 2024-25.

44. DETAILS REGARDING VALUATION REPORT:

During the year under review, your Company has not entered into any One-Time Settlement with Bank's or Financial Institutions and therefore, details of Valuation in this regard is not available.

45. ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation for the continued support and co-operation from shareholders, customers, banks, government authorities, financial institutions and such other business associates.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
MEDIAAGILITY INDIA PRIVATE LIMITED

Sd/-
Shekhar Patankar
Director
DIN: 09554237

DATE: July 16, 2025
PLACE: Pune

Sd/-
Sanjay Bapat
Additional Director
DIN: 07862775

DATE: July 16, 2025
PLACE: Pune

Enclosure:

1. **Annexure I - Secretarial Audit Report**
2. **Annexure II - Annual Report on Corporate Social Responsibility (CSR) activities**

Annexure I

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2025

[Pursuant to section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

MediaAgility India Private Limited,

18th Floor, Tower C, DLF Building No 05,
DLF Cyber City, DLF QE, Gurgaon,
Haryana - 122002

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MediaAgility India Private Limited** bearing **CIN: U72200HR2010PTC041548** (hereinafter called **the Company**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2025 (audit period)** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2025** according to the provisions of:

i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder to the extent applicable;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of the securities held in dematerialized form;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, External Commercial Borrowing and Overseas Direct Investment wherever applicable;

v. None of the Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are applicable to the Company.

vi. **We further report that,** the management has identified and confirmed the compliances of the following laws as specifically applicable to the Company:

   a. The Information Technology Act, 2000 and the rules made thereunder;
   b. The Trade-Mark Act, 1999 and the rules made thereunder

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by 'The Institute of Company Secretaries of India'.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that,

The Board of Directors of the Company is duly constituted with proper balance of Executive and Non-Executive Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and in case of shorter notice, the meeting is convened with obtaining necessary consent from the Directors of the Company and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings are carried out unanimously, as recorded in the minutes of the meetings of the Board of Directors.

We further report that,

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that,

During the audit period, there are no specific events/ actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For SVD & Associates
Company Secretaries

Sheetal S. Joshi
Partner
FCS No.: 10480
C P No.: 11635

Unique Code of Firm: P2013MH031900
Peer review No: 6357/2025
UDIN:

Place: Pune
Date:

***Note**: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.*

ANNEXURE A

To,
The Members,
MediaAgility India Private Limited,
18th Floor, Tower C, DLF Building No 05,
DLF Cyber City, DLF QE, Gurgaon,
Haryana – 122002

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. We have physically verified the documents and evidences and also relied on data provided through electronic mode to us.
5. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For SVD & Associates
Company Secretaries

Sheetal S. Joshi
Partner
FCS No.: 10480
C P No.: 11635

Unique Code of Firm: P2013MH031900
Peer review No: 6357/2025
UDIN:

Place: Pune
Date:

Annexure - II

Annual Report on CSR Activities

For the Financial Year ended on 31st March, 2025

1. **Brief outline on CSR Policy of the Company:**

   The Company's CSR activities revolve around five guiding principles – Impact, Partnerships, Affirmative Action, Communication and Innovation. Mediaagility India Private Limited, as a responsible business corporation, is socially committed and focused on building sustainable and effective Corporate Social Responsibility (CSR) initiatives by focusing on community development, employment enhancement and environmental sustenance. The management has a strong belief in the merits of participation in CSR and accordingly, is excited to engage in social, environmental and ethical responsibilities by working with communities around the Company location to help drive a positive change in the neighbourhood.

2. **Composition of CSR Committee:**

   The Board of Directors of the Company had constituted the CSR Committee to Company frame, monitor, and execute the Company's CSR activities under its CSR scope. This Committee was dissolved w.e.f. September 2024 as per Section 135 (9) of the Companies Act, 2013, Where the amount to be spent by a company on CSR activities does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable to the Company and the functions of such Committee provided under Section 135 shall, in such cases, be discharged by the Board of Directors of such company.

3. **Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:** persistent.com/wp-content/uploads/2023/08/mediaagility-csr-policy.pdf

4. **The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):** Not Applicable.

5. **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:** Not Applicable.

6. **Average net profit of the company as per section 135(5):** INR 195,858,786/-

7. **(a) Two percent of average net profit of the company as per section 135(5):** INR 39,17,176/-

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): INR 39,17,176 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
INR 39,17,176 /-	Not Applicable		Not Applicable		

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
Not Applicable												
	Total											

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in schedule VII to the Act.**	**Local area (Yes/ No).**	**Location of the project.**		**Amount spent for the project (in Rs.).**	**Mode of implementation - Direct (Yes/No).**	**Mode of implementation - Through implementing agency.**	
				State.	**District.**			**Name.**	**CSR registration number.**
1.	Integrated School Development Program	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Gurugram, Haryana		2,50,000/-	No	Persistent Foundation	CSR00002967
2	Tree Plantation and Maintenance	(ii) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water, including contribution to the Clean Ganga Fund set up by the Central Government for the rejuvenation	Yes	Gautam Buddha Nagar, Uttar Pradesh		1,37,000/-	No	Persistent Foundation	CSR00002967

		of the Ganga River.						
3	Paediatric Surgeries Support - Facial cleft Surgeries	(i) Eradicating hunger, poverty and malnutrition, 2 [''promoting health care including preventinve health care''] and sanitation 4 [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	East Delhi, Delhi	35,30,176/-	No	Persistent Foundation	CSR00002967
	Total				**39,17,176**			

(d) Amount spent in Administrative Overheads: NIL
(e) Amount spent on Impact Assessment, if applicable: NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): INR 39,17,176/-
(g) Excess amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	39,17,176
(ii)	Total amount spent for the Financial Year	39,17,176
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (In Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (In Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
Not Applicable							
	Total						

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Not Applicable								
	Total							

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).
(b) Amount of CSR spent for creation or acquisition of capital asset.
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
(d) Details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS OF
MEDIAAGILITY INDIA PRIVATE LIMITED

Sd/-
Shekhar Patankar
Director
DIN: 09554237

DATE: July 16, 2025
PLACE: Pune

Sd/-
Sanjay Bapat
Additional Director
DIN: 07862775

DATE: July 16, 2025
PLACE: Pune

INDEPENDENT AUDITOR'S REPORT

To the Members of MediaAgility India Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **MediaAgility India Private Limited** (the "Company"), which comprise the balance sheet as at March 31, 2025, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year ended March 31, 2025 and notes to the financial statements, including a summary of the material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025 and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Information Other than the financial statements and Auditor's report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the accompanying financial statements and our auditor's report thereon.

Our opinion on the accompanying financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the accompanying financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2021 specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the accompanying financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the accompanying financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the accompanying financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1", a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. A. As required by Section 143(3) of the Act, we report to the extent applicable that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account; except for the matter stated in subclause 2(B)(f) below on reporting under Rule 11(g).

d. In our opinion, the aforesaid financial statements comply with the Companies (Accounting Standards) Rules, 2021 specified under Section 133 of the Act; read with Rule 7 of the Companies (accounts) Rules 2015 as amended;

e. On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to the accompanying financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, (as amended from time to time) in our opinion and to the best of our information and according to the explanations given to us:

a. The Company does not have any pending litigations which would impact its financial position except as disclosed in note 29 of the financial statement.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

d. i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

iii) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material misstatement; and

e. No dividend is declared and paid during the year by the Company.

f. Based on our examination which included test checks, the Company have used accounting software for maintaining its books of account which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the accounting software.
Further, where audit trail (edit log) facility was enabled and operated, we did not come across any instance of the audit trail feature being tampered with. Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the previous year.

3. The provisions of Section 197 read with Schedule V of the Act are not applicable to the Company for the period ended March 31, 2025.

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration No. 126791W/W100132

Ankit Shah
Partner
Membership No. 118976

UDIN:

Place: Pune
Date: July 16, 2025

Annexure 1 referred to in paragraph 1 under the heading "report on other legal and regulatory requirements" of our Independent Auditor's Report of even date

Re: To the Members of Media Agility India Private Limited ("the Company")

i.

(a) (A)The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) The Company has a regular programme of physical verification of its property, plant and equipment, by which its property, plant and equipment will be physically verified by the management in a phased manner over a period of three years. In accordance with the programme, Computer have been verified during the year and no material discrepancies were identified on such verification. In our opinion this periodicity of physical verification is reasonable having regard to the size of the Company and nature of its assets.

(c) There is no immovable property held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, management has not revalued its property, plant and equipment or intangible assets during the year. Accordingly, the requirement to report on clause 3(i)(d) of the Order is not applicable to the Company.

(e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the requirement to report on clause 3(i)(e) of the Order is not applicable to the Company.

ii. (a) The Company's activities do not involve inventory and accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.

(b)The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii. (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

(d) The Company has not granted loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loan to directors as per section 185, nor has made any investment as per the section 186 of the Company Act, 2013. Accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

v. The Company has not accepted any deposits from the public in accordance with the provision of section 73 to 76 of the Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of theOrder is not applicable to the Company.

vi. The Central Government has not specified the maintenance of cost records under Section 148(1) of the Act, for the products of the Company. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.

vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, duty of customs, income-tax, provident fund, employees state insurance, cess and other statutory dues applicable to it. The provisions relating to sales tax, service tax, duty of excise and value added tax are not applicable to the Company.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to information and explanations given to us, there are no dues of Income tax, GST, Duty of Customs, which have not been deposited by the Company with appropriate authorities on account of any disputes except those mentioned below,

Name of statute	Nature of dues	Amount Rs. In million	Period to which the amount related	Amount paid under protest	Forum where the dispute is pending
Income Tax Act, 1961	Income tax matters	8.94	AY 2016-17	-	Assessing Officer
Income Tax Act, 1961	Income tax matters	0.04	AY 2016-17	-	DCIT(TDS)
Income Tax Act, 1961	Income tax matters	0.10	AY 2017-18	-	DCIT(TDS)
Income Tax Act, 1961	Income tax matters	0.08	AY 2013-14	-	DCIT(TDS)
Income Tax Act, 1961	Income tax matters	0.21	AY 2013-14	-	CIT(A)
Income Tax Act, 1961	Income tax matters	0.01	AY 2025-26	-	DCIT(TDS)

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender. Accordingly, the requirement to report on clause 3(ix)(a) of the Order is not applicable to the Company.

(b) The Company has not been a declared willful defaulter by any bank or financial institution or other lender. Accordingly, the requirement to report on clause 3(ix)(b) of the Order is not applicable to the Company.

(c) The Company did not have any term loans outstanding during the year hence, the requirement to report on clause 3(ix)(c) of the Order is not applicable to the Company.

(d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made preferential allotment or private placement of shares during the year. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable tothe Company.

xi. (a) No fraud by the Company or no fraud on the Company has been noticed or reported during the year.

(b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) There are no whistle blower complaints received by the Company during the year. Accordingly, the requirement to report on clause 3(xi)(c) of the Order is not applicable to the Company.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Accordingly, the requirement to report on clause 3(xii) (a), (b) and (c) of the Order is not applicableto the Company.

xiii. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the note to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order in so far as it relates to section 177 of the Act is not applicable to the Company.

xiv. The Company has an internal audit system commensurate with the size and nature of the business of the Company has required under the provisions of Section 138 of the Companies Act, 2013.

xv. The Company has not entered into non- cash transactions with directors or persons connected to its directors. Accordingly, the requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.

(b)The Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) As there is no Core Investment Company as a part of the Group. Accordingly, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has not incurred cash loss in the current financial year as well as immediately preceding financial year.

xviii. There has been no resignation of the previous statutory auditors during the year. Accordingly, the requirement to report on clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report and that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note to the financial statements.

xxi. The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration No. 126791W/W100132

Ankit Shah
Partner
Membership No. 118976

UDIN:

Place: Pune
Date: July 16, 2025

Annexure 2 to the Independent Auditor's Report on the financial statements of Media Agility India Private Limited for the year ended March 31, 2025

Report on the Internal Financial Controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI').
We have audited the accompanying financial statements of Media Agility India Private Limited ("the Company") as of March 31, 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting with reference to the financial statements.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receiptsand expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and

3. Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration No. 126791W/W100132

Ankit Shah
Partner
Membership No. 118976

UDIN:

Place: Pune
Date: July 16, 2025

MediaAgility India Private Limited
Balance Sheet as at March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

	Notes	As at March 31, 2025	As at March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	-	0.04
Deferred tax assets (net)	5	27.78	18.63
		27.78	**18.67**
Current assets			
Financial assets			
- Trade receivables	6	557.60	717.18
- Cash and cash equivalents	7	242.34	846.96
- Other bank balances	8	31.81	129.46
- Other financial assets	9	22.95	326.71
Other current assets	10	651.46	22.73
Income tax asset (net)	11	11.16	6.10
		1,517.32	**2,049.14**
Total Assets		**1,545.10**	**2,067.81**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	12	32.07	32.07
Other equity	13	475.03	361.21
Total equity		**507.10**	**393.28**
Current liabilities			
Financial liabilities			
- Trade payables			
- Total outstanding dues of micro enterprises and small enterprises	14	0.12	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	14	1,000.30	1,613.02
Other current liabilities	15	37.58	61.51
Total current liabilities		**1,038.00**	**1,674.53**
Total equity and liabilities		**1,545.10**	**2,067.81**
Summary of material accounting policies and corporate information	1-3		
The accompanying notes form an integral part of the financial statements.	4-47		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility India Private Limited
CIN : U72200HR2010PTC041548

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date: July 16, 2025

Dhanashree Bhat
Director
DIN: 10477919

Place: India
Date: July 16, 2025

Sanjay Bapat
Additional Director
DIN: 07862775

Place: India
Date: July 16, 2025

MediaAgility India Private Limited

Statement of Profit and Loss for the year ended March 31, 2025

(All amounts are in INR Million, unless stated otherwise, except earning per share)

	Notes	For the year ended March 31, 2025	For the year ended March 31, 2024
Income			
Revenue from operations	16	2,931.82	4,323.77
Other income	17	12.46	8.40
Total income (A)		**2,944.28**	**4,332.16**
Expenses			
Direct Cost	18	2,588.34	3,706.26
Depreciation and amortization expense	19	0.04	0.41
Other expenses	20	201.99	402.54
Total expenses (B)		**2,790.36**	**4,109.21**
Profit before tax (A - B)		**153.91**	**222.94**
Tax expense			
Current tax		49.04	72.17
Deferred tax (credit)/charge		(9.14)	(15.99)
Prior peroid tax		0.19	9.37
Total tax expense		**40.09**	**65.55**
Profit for the period (C)		**113.82**	**157.39**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
- Remeasurements of the defined benefit liabilities / asset (net of tax)		-	-
Total other comprehensive income, net of tax (D)		**-**	**-**
Total comprehensive income for the period (C) + (D)		**113.82**	**157.39**
Earnings per equity share			
Equity shares of par value ₹10/- each			
Basic (In ₹)	22	35.49	49.07
Diluted (In ₹)	22	35.49	49.07
Summary of material accounting policies and corporate information	1-3		
The accompanying notes form an integral part of the financial statements.	4-47		

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility India Private Limited
CIN : U72200HR2010PTC041548

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date: July 16, 2025

Dhanashree Bhat
Director
DIN: 10477919

Place: India
Date: July 16, 2025

Sanjay Bapat
Additional Director
DIN: 07862775

Place: India
Date: July 16, 2025

MediaAgility India Private Limited
Cash Flow Statement for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

		For the year ended March 31, 2025	For the year ended March 31, 2024
Cash flows from operating activities			
Profit before tax		153.91	222.94
Adjustments for:			
Depreciation and amortization expense		0.04	0.41
Interest Income		(12.46)	(7.82)
Bad debts		-	(3.69)
Provision for doubtful debts (net)		36.32	74.08
Unrealised foreign exchange (gain)/loss (net)		15.29	-
Remeasurements of the defined benefit liabilities / assets (before tax effects)		-	(1.57)
Operating profit before working capital changes		**193.10**	**284.35**
Movements in working capital :			
Changes in other current financial assets		(324.97)	(66.84)
Changes in other current assets		-	(20.44)
Changes in trade receivables		122.60	(56.01)
Changes in trade payables, current liabilities and non current liabilities		(651.16)	710.37
Changes other financial liabilities		-	(0.28)
Operating profit after working capital changes		**(660.43)**	**851.15**
Direct taxes paid (net of refunds)		(54.29)	(87.88)
Net cash generated from operating activities	**(A)**	**(714.73)**	**763.27**
Cash flows from investing activities			
- (Placed)		-	(26.10)
- Matured		91.00	-
Interest received		19.11	-
Net cash used in investing activities	**(B)**	**110.11**	**(26.10)**
Cash flows from financing activities			
Dividend paid		-	(249.99)
Net cash used in financing activities	**(C)**	**-**	**(249.99)**

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MediaAgility India Private Limited
Cash Flow Statement for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

	For the year ended March 31, 2025	For the year ended March 31, 2024
Net increase in cash and cash equivalents (A + B + C)	(604.62)	487.19
Cash and cash equivalents at the beginning of the period	846.96	359.78
Cash and cash equivalents at the end of the period	**242.34**	**846.96**
Components of cash and cash equivalents		
Cash on hand (refer note 7)		-
Balances with banks		
- On current accounts	226.98	836.52
- On deposit account with maturity of less than three months	-	-
- On exchange earner's foreign currency accounts	15.36	8.94
Remittance in transit	-	1.50
Cash and cash equivalents	**242.34**	**846.96**

Summary of material accounting policies and corporate information	1-3
The accompanying notes form an integral part of the financial statements.	4-47

As per our report of even date

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility India Private Limited
CIN : U72200HR2010PTC041548

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date: July 16, 2025

Dhanashree Bhat
Director
DIN: 10477919

Place: India
Date: July 16, 2025

Sanjay Bapat
Additional Director
DIN: 07862775

Place: India
Date: July 16, 2025

MediaAgility India Private Limited
Statement of Changes in Equity for the year ended March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

A. Equity share capital

Balance as at April 01, 2023	Changes in equity share capital during the period	Balance as at March 31, 2024
32.07	-	32.07
Balance as at March 31, 2024	**Changes in equity share capital during the period**	**Balance as at March 31, 2025**
32.07	-	32.07

B. Other equity

Particulars	Capital Reserve	Retained earnings	Items of other comprehensive income	Total
Balance as at March 31, 2023	**2.47**	**456.41**	**(5.07)**	**453.81**
Net profit for the year	-	157.39	-	**157.39**
Interim dividend paid	-	(249.99)	-	**(249.99)**
Other comprehensive income for the period	-	-	-	**-**
Balance as at March 31, 2024	**2.47**	**363.80**	**(5.07)**	**361.20**
Net profit for the year	-	113.82	-	**113.82**
Interim dividend paid	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Balance as at March 31, 2025	**2.47**	**477.62**	**(5.07)**	**475.02**

Nature and purpose of reserves

a) Capital reserve
A capital reserve refers to a specific fund or amount set aside to cater for future or unpredictable expenses or losses of a Company. It is an account on a Company's balance sheet put aside to settle financial emergencies or capital losses that the Company might face.

Summary of material accounting policies and corporate information 1-3

The accompanying notes form an integral part of the financial statements. 4-47

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration. No.126791W/W100132

For and on behalf of the Board of Directors of
MediaAgility India Private Limited
U72200HR2010PTC041548

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date: July 16, 2025

Dhanashree Bhat
Director
DIN: 10477919

Place: India
Date: July 16, 2025

Sanjay Bapat
Additional Director
DIN: 07862775

Place: India
Date: July 16, 2025

MediaAgility India Private Limited
Notes forming part of Financial Statements for the year March 31, 2025
(All amounts are in INR Million, unless stated otherwise)

1 Nature of operations

MediaAgility India Private Limited (the "Company") is a private Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company was incorporated on November 16, 2010. The Company is a digital consulting company with the vision of making work meaningful for all. The Company is a premier Google Cloud partner across Cloud, Maps, G Suite with Google certified specialists on board and the Data Analytics & Location-based Services specialization awarded by Google Cloud, the Company is a full spectrum digital consulting company creating AL and Analytics based innovative solutions, building conversational intelligence and designing powerful operational intelligence and machine learning capabilities for customers.

2 Basis of preparation

a. These financial statements have been prepared on historical cost basis, except for certain financial assets and liabilities that are measured at fair value .

b. 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 to the Companies Act, 2013. Based on the nature of products and services and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

All amounts disclosed in the financial statements have been rounded off to the nearest millions (upto two decimals) as per the requirements of Schedule III unless otherwise stated.

2.1 Historical cost convention and Indian Accounting Standards

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 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.

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI). These financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework.

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2.2 Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

3 Material accounting policies

3.1 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of 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 the 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.

3.2 Critical accounting estimates

a) Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

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 at point of time. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

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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 at a point of time.
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.

In the case of reselling agreements, the revenue is recognized on a net basis i.e. amount paid to the vendor for reselling the products or services as reduced by the amount collected from the customer.

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 Goods and service tax (GST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

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.

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.

Income from software licenses
In case of reselling agreements, the revenue is recognized on a net basis i.e. amount paid to the vendor for reselling the products or services as reduced by amount collected from customer.

Interest income
Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

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Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Company provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to provide services or transfer products to a customer for which the Company has received consideration (or an amount of consideration is due) from the total consideration. If the Company receives the consideration from the customer before the Company provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

b) Income taxes

The Company's major tax jurisdiction is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals 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.

3.3 Summary of material accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current assets.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current liabilities.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle of an entity is the time between the acquisition of assets for processing and their realization in the form of cash or cash equivalents. Where the entity's normal operating cycle is not clearly identifiable, its duration is assumed to be 12 months.

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b) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress includes cost of property, plant and equipment that are not ready to be put to use and is stated at cost. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment is added to its original cost 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) Impairment of non-financial assets

The Company assesses at each reporting date, if there is any indication of impairment based on internal or 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. 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.

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d) Depreciation and amortization

Depreciation on property, plant and equipment is provided using the Written Down Value method ('WDV') 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:

Asset	Depreciation Rate
Computers	63.16%
Office equipment	25.89%-45.07%
Furniture and fixtures	63.16%
Leasehold improvements	63.16%
Software	63.16%

*For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

Intangible assets are amortized on a written down value basis over their estimated useful lives ranging from 3 to 6 years from the day the asset is made available for use.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Depreciation methods, useful lives and residual values are reviewed periodically.

e) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

• those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at at Fair value through other comprehensive income (FVOCI).

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

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(b) Recognition

Regular way purchases and sales of financial assets are recognised on trade-date, being the date on which the Company commits to purchase or sale the financial asset.

(c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. The Company classifies its debt instruments into the following categories:

• **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in Other Income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/expenses. Impairment losses are presented as separate line item in the statement of profit and loss.

• **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost are measured at fair value through profit or loss. A gain or loss on a debt investment that subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

(d) Impairment of financial assets

The Company assesses on a forward-looking basis the expected credit loss associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach required by Ind AS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

A financial asset is derecognised only when

• The Company has transferred the rights to receive cash flows from the financial asset or

• Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted Companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company recognises loss allowances using the expected credit loss ('ECL') model for the financial assets which are not measured at FVTPL. For Trade receivables, the Company applies simplified approach permitted in Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the Trade receivables. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in Statement of Profit and Loss within Other expenses.

f) Foreign currency translation

Foreign currency transactions and balances

Initial recognition

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

Conversion

Foreign currency monetary items are converted 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.

Translation of foreign operations

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date.

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g) 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 Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. 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.

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.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period in which the temporary differences originate.

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.

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h) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the 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 attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

i) 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 of the amount 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.

j) 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.

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k) Trade receivables

Trade receivables are amounts due from customers for goods sold and services rendered in the Company's ordinary course of business. They are initially recognised at fair value, generally being the invoiced amounts towards the goods sold.

An allowance for impairment of Trade receivables is based upon the Company's past credit-loss experience and evaluation of potential losses in the current scenario. The amount of the said provision is recognised in the Statement of Profit and Loss within Other expenses.

Trade receivables are de-recognised from the Balance Sheet, when the amounts due are received, or rights to receive cash flows have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Moreover, when the Management believes that a particular Trade receivable balance is un-collectible, it is written off against the corresponding allowance account to the extent available, and any remaining balance is adjusted against the relevant Trade receivable balance. Any subsequent recoveries of amounts previously written off are credited in the Statement of Profit and Loss within Other income.

l) Trade payables

Trade payables are obligations to pay vendors for goods or services that have been acquired from them in the Company's ordinary course of business. Trade payables are initially recognised at fair value, generally being the invoiced amount towards the goods or services purchased.

Trade payables are classified under current liabilities if payment is due within twelve months; otherwise they are classified as non-current liabilities.

m) Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

n) Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

o) Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

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4.1 Property, plant and equipment

	Computers	Office equipment	Leasehold improvements	Furniture and fixtures	Total
Gross block (at cost)					
As at April 01, 2023	**17.83**	**1.30**	**0.67**	**2.12**	**21.92**
Additions	-	-	-	-	-
Disposals	13.67	0.70	-	-	14.37
As at March 31, 2024	**4.16**	**0.60**	**0.67**	**2.12**	**7.55**
Additions					
Disposals					
As at March 31, 2025	**4.16**	**0.60**	**0.67**	**2.12**	**7.55**
Accumulated depreciation					
As at April 01, 2023	**15.17**	**1.20**	**0.67**	**2.12**	**19.16**
Charge for the period	0.40	0.01	-	-	0.42
Disposals	11.45	0.62	-	-	12.07
As at March 31, 2024	**4.12**	**0.60**	**0.67**	**2.12**	**7.51**
Charge for the period	0.04				
Disposals					
As at March 31, 2025	**4.16**	**0.60**	**0.67**	**2.12**	**7.55**
Net block					
As at March 31, 2024	**0.04**	**-**	**-**	**-**	**0.04**
As at March 31,2025	**-**	**-**	**-**	**-**	**-**

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4.2 Other intangible assets

	Software	Total
Gross block		
As at April 30, 2023	**10.58**	**10.58**
Additions	-	-
Disposals	-	-
As at March 31, 2024	**10.58**	**10.58**
Additions	**-**	**-**
Disposals	**-**	**-**
As at March 31, 2025	**10.58**	**10.58**
Accumulated amortization		
As at April 30, 2023	**10.58**	**10.58**
Charge for the period		
As at March 31, 2024	**10.58**	**10.58**
Charge for the period	-	-
As at March 31, 2025	**10.58**	**10.58**
Net block		
As at March 31, 2024	**-**	**-**
As at March 31, 2025	**-**	**-**

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5 Deferred tax assets (net)

	As at March 31, 2025	As at March 31, 2024
Deferred tax assets:		
Arising on account of :		
Provision for doubtful debt and advances :	27.78	18.64
Deferred tax assets	**27.78**	**18.64**
Deferred tax liabilities		
Arising on account of :		
Difference in WDV as per books and income tax :	-	0.01
Deferred tax liabilities	**-**	**0.01**
Deferred tax assets (net)	**27.78**	**18.63**

6 Trade receivables

	As at March 31, 2025	As at March 31, 2024
Others		
Unsecured, considered good	557.60	717.18
Unsecured, credit impaired	124.57	88.16
	682.17	805.33
Less : Allowance for expected credit loss	(124.57)	(88.16)
	557.60	**717.18**

(Refer Note no. 23 for ageing)

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7 Cash and cash equivalents

	As at March 31, 2025	As at March 31, 2024
Balances with banks		
- On current accounts	226.98	836.52
- On exchange earner's foreign currency accounts	15.36	8.94
Remittance in transit	-	1.50
Total	**242.34**	**846.96**

8 Other bank balances

	As at March 31, 2025	As at March 31, 2024
Deposits with banks (Maturing after 3 months but less than 12 months)	30.10	121.10
Add: Interest accrued but not due on deposits with banks	1.71	8.36
Total	**31.81**	**129.46**

9 Other current financial assets

	As at March 31, 2025	As at March 31, 2024
Contract assets	22.95	326.71
	22.95	**326.71**

10 Other current assets

	As at March 31, 2025	As at March 31, 2024
Advances to suppliers (Unsecured, considered good)		
- Advances recoverable in cash or kind or for value to be received	-	0.05
Advance to related parties	-	0.04
Prepaid expenses	417.52	9.13
Balance with government authorities	233.94	13.51
	651.46	**22.73**

11 Income tax asset- current

	As at March 31, 2025	As at March 31, 2024
Advance tax (net of provision)	11.16	6.10
	11.16	**6.10**

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12 Share Capital

	As at March 31, 2025	As at March 31, 2024
Authorized share capital (No. in absolute)		
32,60,000 equity shares of ₹10 each	32.60	32.60
	32.60	**32.60**
Issued, subscribed and fully paid-up shares (No. in absolute)		
32,07,490 equity shares of ₹10 each	32.07	32.07
Issued, subscribed and fully paid-up share capital	**32.07**	**32.07**

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

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

	As at March 31, 2025		As at March 31, 2024	
	No of Shares	**Amount**	**No of Shares**	**Amount**
Number of shares at the beginning of the period	3,207,490	32.07	3,207,490	32.07
Less: Changes during the period	-	-	-	-
Number of shares at the end of the period	**3,207,490**	**32.07**	**3,207,490**	**32.07**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However, no such preferential amounts exist currently.

c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at March 31, 2025		As at March 31, 2024	
	No of Shares	**% Holding**	**No of Shares**	**% Holding**
Persistent Systems Limited	3,207,484	99.99%	3,207,484	99.99%

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members.

d) Details of shares held by promoters

Name of the shareholder	As at March 31, 2025		As at March 31, 2024	
	No of Shares	**% Holding**	**No of Shares**	**% Holding**
Persistent Systems Limited	3,207,484	100.00%	3,207,484	100.00%
Mr. Sunil Sapre (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-
Mr. Sameer Bendre (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-
Mr. Narasinha Upadhye (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-
Mr. Nitinchandra Shende (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-
Mr. Saket Rajurkar (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-
Mr. Shekhar Patankar (Beneficial owner on behalf of Persistent Systems Limited)	1	-	1	-

Note-1 (One) Equity Share held by the by shareholders apart from Persistent Systems Limited are beneficially held by Persistent Systems Limited. They are holding 1 (One) equity share as a nominee of Persistent Systems Limited.

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13 Other equity

	As at March 31, 2025	As at March 31, 2024
i. Retained earnings		
Opening balance	360.44	453.04
Add: Restated profit for the year	113.82	157.39
Interim dividend paid	-	(249.99)
Closing balance (A)	**474.26**	**360.44**
ii. Capital reserve		
Opening balance	2.47	2.47
Add: Transferred from retained earnings during the year	-	-
Closing balance (B)	**2.47**	**2.47**
(iii) Items of other comprehensive income		
Opening Balance	(1.70)	(1.70)
Other changes during the period / year	-	-
Closing balance (C)	**(1.70)**	**(1.70)**
Total Balance (A+B+C)	**475.03**	**361.21**

Retained earnings
The cumulative gain or loss arising from the operations which is retained by the Company is recognised and accumulated under the heading "Retained Earnings". At the end of the year, the profit after tax and Other comprehensive income is transferred from the statement of profit and loss to retained earnings. Other comprehensive income comprises actuarial gains and losses on defined benefit obligation.

14 Trade payable

	As at March 31, 2025	As at March 31, 2024
Trade payables for goods and services		
-Total outstanding dues of micro enterprises and small enterprises	0.12	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,000.30	1,613.02
	1,000.42	**1,613.02**

(Refer Note no. 24 for ageing)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for previous year and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

15 Other current liabilities

	As at March 31, 2025	As at March 31, 2024
Contract liabilities	0.18	0.20
Advance from customers	5.97	0.04
Statutory liabilities	31.43	59.27
Accrued employee liabilities	-	2.00
	37.58	**61.51**

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16 Revenue from operations

	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of services	2,931.82	4,323.76
	2,931.82	**4,323.77**

The table below presents disaggregated revenues from contracts with customers by segments, geography and timing . 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	For the year ended March 31, 2024
Revenue by industry segments		
Technology Companies and Emerging Verticals	2,931.82	4,323.77
Total	**2,931.82**	**4,323.77**
Timing of revenue		
Point of time	2,931.82	4,323.77
Over a period of time	-	-
Total	**2,931.82**	**4,323.77**

17 Other income

	For the year ended March 31, 2025	For the year ended March 31, 2024
Interest income		
On deposits carried at amortised cost	12.46	8.13
Other non-operating income		
Miscellaneous income	-	0.27
	12.46	**8.40**

18 Direct cost

	For the year ended March 31, 2025	For the year ended March 31, 2024
Purchase of software licenses	2,588.34	3,706.26
Total	**2,588.34**	**3,706.26**

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19 Depreciation expense

	For the year ended March 31, 2025	For the year ended March 31, 2024
Property, plant and equipment	0.04	0.41
	0.04	**0.41**

20 Other expenses

	For the year ended March 31, 2025	For the year ended March 31, 2024
Legal and professional fees (for audit fees refer note 21 below)	99.04	224.42
Software expenses	18.60	9.65
Provision for doubtful debts (net)	36.32	74.08
Marketing expense	24.25	70.04
Foreign exchange loss (net)	14.87	10.86
Rates and taxes	4.28	0.03
Corporate social responsibility expenditure*	3.92	3.78
Rent	0.01	0.08
Books, memberships, subscriptions	-	4.33
Bad debts	-	3.69
Miscellaneous expenses	0.71	1.58
	201.99	**402.54**

refer note 30 for details of Corporate Social Responsibility

21 Auditors' remuneration

	For the year ended March 31, 2025	For the year ended March 31, 2024
As auditor:		
- Audit fee	0.70	0.70
In other capacity:		
- Other services	-	-
Reimbursement of expenses	-	0.50
	0.70	**1.20**

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22 Earnings per share

		For the year ended March 31, 2025	For the year ended March 31, 2024
Numerator for Basic and Diluted EPS			
Profit after tax	(A)	113.82	157.39
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	3,207,490	3,207,490
Denominator for Diluted EPS			
Number of equity shares	(C)	3,207,490	3,207,490
Basic earnings per share of face value of ₹ 10 each	(A/B)	**35.49**	**49.07**
Diluted earnings per share of face value of ₹ 10 each	(A/C)	**35.49**	**49.07**

	For the year ended March 31, 2025	For the year ended March 31, 2024
Number of shares considered as basic weighted average shares outstanding	3,207,490	3,207,490
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares	**3,207,490**	**3,207,490**

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23 Trade receivables ageing

As at March 31, 2025

	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	311.73	231.71	12.19	0.78	1.19	-	557.60
Undisputed Trade receivables – which have significant increase in credit risk	0.07	0.92	30.79	32.38	59.22	1.19	124.57
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	-	-	-	-	-	-	-
Less: Allowance for credit loss							(124.57)
Total	**311.80**	**232.63**	**42.98**	**33.16**	**60.41**	**1.19**	**557.60**

As at March 31, 2024

	Outstanding for following periods from due date of payment						
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	521.89	179.24	12.33	1.86	1.80	0.06	717.18
Undisputed Trade receivables – which have significant increase in credit risk	-	-	51.84	12.44	0.03	0.10	64.41
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	0.34	2.54	20.66	0.20	-	-	23.74
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Less: Allowance for credit loss							(88.16)
Total	**522.23**	**181.79**	**84.84**	**14.49**	**1.83**	**0.15**	**717.18**

24 Trade payables ageing

As at March 31, 2025

	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
-Total outstanding dues of micro enterprises and small enterprises	0.12	-	-	-	-	0.12
-Total outstanding dues of creditors other than micro enterprises and small enterprises	409.48	532.61	50.12	8.09	-	1,000.30
Disputed						
-Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	409.60	**532.61**	**50.12**	**8.09**	**-**	**1,000.42**

As at March 31, 2024

	Outstanding for following periods from due date of payment					
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed						
-Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	1,190.82	413.57	8.62	-	-	1,613.02
Disputed						
-Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
-Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
	1,190.82	**413.57**	**8.62**	**-**	**-**	**1,613.02**

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25 Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

Particulars	For the Year ended March 31, 2025	For the Year ended March 31, 2024
Profit before tax	153.91	222.94
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	38.74	56.11
Effect of timing differences	0.19	2.76
Effect of non-deductible expenses	1.16	(2.68)
Effect of different tax rates for different heads of income	-	-
Effect of short provision for tax in previous year		-
Others	-	9.37
Income tax expense	**40.09**	**65.55**

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26 Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets/ Financial liabilities	March 31, 2025		
	FVTPL	FVTOCI	Amortised Cost
Financial assets:			
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	31.81
Cash and cash equivalents (including unpaid dividend)	-	-	242.34
Trade receivables (net)	-	-	557.60
Other current financial assets	-	-	22.95
Total financial assets	**-**	**-**	**854.70**
Financial liabilities:			
Trade payables	-	-	1,000.42
Total financial liabilities	**-**	**-**	**1,000.42**

Financial assets/ Financial liabilities	March 31, 2024		
	FVTPL	FVTOCI	Amortised Cost
Financial assets:			
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	129.46
Cash and cash equivalents (including unpaid dividend)	-	-	846.96
Trade receivables (net)	-	-	717.18
Other current financial assets	-	-	326.71
Total financial assets	**-**	**-**	**2,020.30**
Financial liabilities:			
Trade payables	-	-	1,613.02
Total financial liabilities	**-**	**-**	**1,613.02**

***Fair value hierarchy:**

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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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 credit risk. The Company's exposure to credit risk is mainly for receivables that are overdue for more than 180 days.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Such changes in the values of financial instruments may result in interest rate risk and exchange rate risk. Financial instruments affected by market risk include receivables, payables and other financial instruments.

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

	USD in INR	GBP in INR	Other currencies in INR	Total
Trade receivables	10.19	2.09	-	12.28
Trade and other payables	120.37	-	2.70	123.07
Bank balances	15.36	-	-	15.36
	145.92	**2.09**	**2.70**	**150.71**

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

	USD in INR	GBP in INR	Other currencies in INR	Total
Trade receivables	85.57	1.02	-	86.59
Trade and other payables	290.09	-	-	290.09
Bank balances	10.44	-	-	10.44
	386.10	**1.02**	**-**	**387.12**

Foreign currency sensitivity analysis

The fluctuation in foreign currency exchange rate may have potential impact on the statement of profit or loss and other comprehensive income and equity, where any transaction references more than one currency or where assets and liabilities are denominated in a currency other than the functional currency of the Company. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

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. 682.17 million as at March 31, 2025 (Rs. 805.33 million as at March 31, 2024). Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the India. 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 management to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at March 31, 2025	As at March 31, 2024
Receivables overdue for more than 180 days	137.74	101.32
Total receivables (gross)	682.17	805.34
Overdue for more than 180 days as a % of total receivables	20.2%	12.6%

Ageing of trade receivables

	As at March 31, 2025	As at March 31, 2024
Within the credit period	305.00	523.49
1 to 30 days past due	144.39	73.97
31 to 60 days past due	30.76	60.08
61 to 90 days past due	31.55	11.75
91 to 120 days past due	17.03	2.83
121 and above past due	153.43	133.20
Less: Expected credit loss	(124.57)	(88.16)
Net trade receivables	**557.60**	**717.17**

Movement in expected credit loss allowance

	As at March 31, 2025	As at March 31, 2024
Opening balance	(88.16)	(14.08)
Movement in expected credit loss allowance for the year	(36.32)	(74.08)
Translation differences	(0.09)	-
Closing balance	**(124.57)**	**(88.16)**

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 no bank borrowings. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived. As at March 31, 2025, the Company had a working capital of Rs. 479.32 million (as at March 31, 2024 Rs. 374.61 million) including cash and cash equivalents of Rs 242.34 million (as at March 31, 2024 Rs. 846.96 million).

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

	As at March 31, 2025		As at March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade payables and deferred payment liabilities	942.21	58.21	1,604.40	8.62
Other financial liabilities (excluding borrowings)	-	-	-	-

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28 Un-hedged foreign currency exposures

(i) Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2025		
	Amount	Foreign currency (In million)	Conversion rate (₹)
Trade and other payables	2.70	AUD 0.05	53.43
	120.37	USD 1.41	85.47
Trade receivables	2.09	GBP 0.02	110.63
	10.19	USD 0.12	85.47
Bank balances	15.36	USD 0.18	85.47

	As at March 31, 2024		
	Amount	Foreign currency (In million)	Conversion rate (₹)
Trade and other payables	290.09	USD 3.48	83.35
Trade receivables	1.02	GBP 0.01	105.22
	85.57	USD 1.03	83.35
Bank balances	10.44	USD 0.12	83.35

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29 Contingent liability

	As at March 31, 2025	As at March 31, 2024
a) Claims against the Company not acknowledged as debt*		
Income tax demands disputed in appellate proceedings.		
(i) AY 2012-13, matter in CIT(A) (Section 27 (1)(c)	-	-
(ii) AY 2016-17, matter in CIT(A)	8.94	5.99
(iii) A Y 2013-14, matter in CIT(A) (Section 154 & 156)	0.29	0.21
(iv) AY 2016-17, matter in DCIT (TDS)	0.04	0.04
(v) AY 2017-18, matter in DCIT (TDS)	0.10	0.10
(vi) AY 2025-26, matter in DCIT (TDS)	0.01	-
Totals	**9.38**	**6.34**

*The Company, based on independent legal opinions and judgments in favour of the Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the financial statements.

The dispute relating to AY 2012-13 matter in CIT(A) (Section 271 (1)(c) has been paid off during the year.

30 Details of Corporate Social Responsibility expenditure

Particulars	As at March 31, 2025	As at March 31, 2024
a) Gross amount required to be spent by the Company during the year	**3.92**	**3.78**
b) Amount spent during the year on:		
(i) Construction/ acquisition of any asset	-	-
(ii) On purposes other than (i) above	3.92	3.78
c) Shortfall during the year	-	-
Total amount spent during the year	**3.92**	**3.78**
c) (Excess) / shortfall at the end of the year (b-a)*	-	-
d) Total of previous years' (excess) / shortfall	-	-
e) Reason for shortfall	**NA**	**NA**
e) Nature of CSR activities	Donation given to Persistent Foundation	Donation given to Persistent Foundation
f) Provision for CSR expenditure	-	-
g) Excess amount spent, to be carried forward for future years	-	-

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31 Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists		
Holding Company		Persistent Systems Limited- India
Fellow subsidiaries		MediaAgility Inc, USA MediaAgility Pte Limited, Singapore
Key management personnel	Director	Nirdesh Kumar Chahal (resigned w.e.f August 11, 2024)
	Director	Manish Khattar (resigned w.e.f July 17, 2024)
	Director	Kamal Puri (resigned w.e.f January 08, 2025)
	Director	Shekhar Vishwas Patankar
	Director	Dhanashree Ajit Bhat
		Sachin Dewasthalee (appointed w.e.f September 25, 2024)
	Director	(resigned w.e.f May 13, 2025)
	Additional Director	Sanjay Bapat (appointed w.e.f. May 13, 2025)

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(ii) Summary of transactions

Nature of transactions	For the year ended March 31, 2025	For the year ended March 31, 2024
Sale of services	11.32	9.83
Sales of Property, plant and equipment	-	23.09
Purchase - Google Maps	5.26	11.23
Legal and professional fees	97.50	219.92
Subscription charges	-	0.01
Total	**114.08**	**264.07**

(iii) Transactions during the period

Transaction entered into	Name of the related party and nature of relationship	As at March 31, 2025	As at March 31, 2024
Sale of services	**Fellow subsidiaries**		
	MediaAgility Inc.	11.32	9.83
		11.32	**9.83**
Sales of Property, plant and equipment	**Holding Company**		
	Persistent Systems Limited	-	23.09
		-	**23.09**
Purchase - Google Maps	**Fellow subsidiaries**		
	MediaAgility Pte Limited	5.26	11.23
		5.26	**11.23**
Legal and professional fees	**Holding Company**		
	Persistent Systems Limited	97.50	219.92
		97.50	**219.92**
Subscription charges	**Holding Company**		
	Persistent Systems Limited	-	0.01
		-	**0.01**

(iv) Balances outstanding at period end

Transaction entered into	Name of the related party and nature of relationship	As at 3/31/2025	As at 3/31/2024
Trade payables	**Fellow subsidiaries**		
	MediaAgility Pte Limited	4.56	1.82
	MediaAgility Inc.	3.85	3.72
	Holding Company		
	Persistent Systems Limited	44.91	0.01
		53.32	**5.55**
Trade receivables	**Fellow subsidiaries**		
	MediaAgility Inc.	-	0.51
	MediaAgility Pte Limited	1.20	1.17
	Holding Company		
	Persistent Systems Limited	-	23.27
		1.20	**24.95**
	Total	**168.59**	**294.57**

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32 Ratio Analysis

Particulars	Numerator/ Denominator	As at March 31, 2025	As at March 31, 2024	% change	Remarks , if change is more than 25%
Current Ratio (in times)	Current Assets/ Current Liabilities	1.46	1.22	19.45%	NA
Debt-Equity Ratio (in times)	Total debt/ shareholder's equity	NA	NA	NA	NA
Debt Service Coverage Ratio (in times)	[PAT + non-cash operating expenses+finance cost] / [finance cost + principal repayments]	NA	NA	NA	NA
Return on Equity Ratio (in %)	PAT / Average shareholder's equity	25.28%	35.80%	-29.39%	During the year the profit after tax has decreased due to decrease in business operations therefore the ratio has decreased
Inventory Turnover Ratio (in times)	Cost of goods sold / Average Inventory	NA	NA	NA	NA
Trade Receivables Turnover Ratio (in times)	Sales (net) / Average trade receivables	4.97	5.62	-11.56%	NA
Trade Payable Turnover Ratio (in times)	Purchases net / Average trade payables	2.09	3.20	-34.64%	During the year there is a decrease in purchases where as the average trade payable has increased during the year, hence the ratios has decreased
Net Capital Turnover Ratio (in times)	Sales (net) / [current assets - current liabilities]	6.12	11.54	-47.01%	During the year there is decrease in gross sales where as the net capital has decreased hence the ratio has increased
Net Profit Ratio (in %)	PAT / Sales (net)	3.88%	3.64%	6.66%	NA
Return on Capital Employed (in %)	EBIT / [Net worth+long term debt+deferred tax liability]	30.35%	56.69%	-46.46%	During the year the PBT has decreased & the Net worth has increased leading to decrease in ROCE
Return on Investment (in %)	Profit on Investment /Cost of Investment	NA	NA	NA	NA

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33 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

The information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act') has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and Interest outstanding during the year is given below:

Particulars	As at March 31, 2025	As at March 31, 2024
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.12	-
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

34 The Company does not have any Capital Commitments as at March 31, 2025 (as at March 31, 2024 - Nil).

35 The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

36 The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.

37 The Company has no transactions with struck off companies (as defined in Companies Act) during the financial year.

38 The Company has complied with the number of layers prescribed under the Companies Act, 2013.

39 The Company has not entered into any scheme of arrangement which has an accounting impact for the years ended March 31, 2025.

40 There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961, that has not been recorded in the books of account.

41 The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of The Company (Ultimate Beneficiaries) or
(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

42 The Company has not received any funds from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

43 The Company has not traded or invested in crypto currency or virtual currency during the years ended March 31, 2025.

(This space is intentionally left blank)

44 The employees are been transferred to Holding Company viz. Persistent Systems Ltd. as on January 01 , 2023. Accordingly, no expense is made for employee benefit expense in the books of account during the year.

45 The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from 1st April 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses a SaaS based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

In our view, the company's ERP being a SaaS based software, the audit trail at the database level is not applicable

Further, no instance, of audit trail feature being tampered with, was noted in respect of accounting software where the audit trail has been enabled. Additionally, the audit trail of previous year has been preserved by the company as per the statutory requirements for record retention to the extent it was enabled and recorded in the previous year.

46 New accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2025.

47 Previous year figures:
Previous year numbers have been regropued / rearranged to confirm current year presentation.

As per our report of even date attached

For Ahuja Valecha & Associates LLP
Chartered Accountants
Firm Registration. No.126791W/W100132

Ankit Shah
Partner
Membership No.: 118976

Place: India
Date: July 16, 2025

For and on behalf of the Board of Directors of
MediaAgility India Private Limited
CIN : U72200HR2010PTC041548

Dhanashree Bhat
Director
DIN: 10477919

Place: India
Date: July 16, 2025

Sanjay Bapat
Additional Director
DIN: 07862775

Place: India
Date: July 16, 2025

Persistent India Foundation

Regd. Off: 'Bhageerath', Vetal Chowk, 402E, Senapati Bapat Road
Gokhale Nagar, Pune, Haveli, Maharashtra, India, 4110166

BOARD'S REPORT FOR FY 2024-25

To,
The Members of
Persistent India Foundation

Your Directors have pleasure in presenting the 1st Annual Report on the operations of your Company together with the Audited Financial Statements for the Financial Year ended March 31, 2025.

1. FINANCIAL HIGHLIGHTS

The summary of the financial results of the Company for the year ended March 31, 2025, is as follows:

(Amount in INR '000)

PARTICULARS	FY 2024-25	FY 2023-24
Revenue from Donations	59,572.29	-
Other Income	96.82	-
Total Revenue	**59,669.10**	**-**
Total Expenses	**59,451.46**	**-**
Profit/ (Loss) Before Tax	**217.64**	**-**
Tax Expenses:	-	-
Current tax	-	-
Deferred Tax	-	-
Profit/ (Loss) After Tax	**217.64**	**-**
Earnings Per Share **Basic:** **Diluted:**	**Not Applicable since the Company is a Section 8 Company**	**Not Applicable since the Company is a Section 8 Company**

2. STATE OF COMPANY'S AFFAIRS:

The Financial Year 2024–25 marked the inaugural year of operations for Persistent India Foundation, a company incorporated under Section 8 of the Companies Act, 2013, with the objective of promoting social welfare through initiatives in Education, Healthcare, Community Development and conservation of Wildlife and Heritage.

Establishment and Operationalization:

During the year under report, the Company focused on laying a strong foundation for its long-term mission. Key activities included:

- Formulating strategic objectives and thematic focus areas for social impact.
- Engaging with stakeholders, including community partners, government bodies, and corporate contributors, to identify priority areas for intervention.

Initial Programmatic Activities:

Although the Company was in its formative phase, several pilot initiatives and groundwork activities were undertaken:

- Education & Digital Literacy: Preliminary engagement with schools and NGOs to assess needs and design future programs.
- Healthcare Access: Scoping studies conducted in rural areas to identify gaps in primary healthcare services.
- Environmental Awareness: Launch of a small-scale tree plantation drive and awareness campaigns in Pune.
- Community Engagement: Initiated dialogue with local communities to co-create sustainable development models.

The total income from donations was INR 59,572.29 thousand and the net profit of the Company was INR 217.64 thousand during FY 2024-25.

3. DIVIDEND:

Being the Company registered under Section 8 of Companies Act, 2013, the Company is prohibited from declaring dividends to its members.

4. CHANGE IN NAME OF THE COMPANY:

There has been no change in the Name of the Company during the reporting period.

5. CHANGE IN NATURE OF BUSINESS, IF ANY:

There has been no change in the Nature of Business of the Company during the reporting period.

6. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013:

During the year under review, no amount was transferred to the reserves. During the period under report, Dr. Anand Deshpande, Director of the Company donated INR 91,000,000/- to the Company as earmarked funds for future utilization.

7. INFORMATION ABOUT HOLDING/ SUBSIDIARY/ JV/ ASSOCIATE COMPANY:

The Details of the Holding company of Persistent India Foundation are as follows:

Sr. No.	Shareholder's Name	Address	Number of Shares of (INR 10 Each)	% of holding
1	Persistent Systems Limited	Bhageerath 402 Senapati Bapat Road Pune, Pune, Maharashtra, India, 411016	49,994	99.99%

8. TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND:

No amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

9. MATERIAL CHANGES AND COMMITMENTS:

There have been no material changes and commitments affecting the financial position of the Company occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report.

10. MEETINGS OF THE BOARD OF DIRECTORS:

The Board of Directors of the Company has duly met as per the details mentioned below. As good governance practice, the Board of Directors of the Company met at least once in every calendar quarter. The details of attendance of directors are as under:

Sr. No.	Date of Meeting	Board Strength	No. of Directors Present
1	May 24, 2024	3	3
2	July 24, 2024	3	3
3	October 14, 2024	3	3
4	January 27, 2025	3	3
5	March 13, 2025	3	3

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that:

a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.

b) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for that period;

c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company

and for preventing and detecting fraud and other irregularities;

d) The Directors had prepared the annual accounts on a going concern basis; and

e) The Company being unlisted sub clause (e) of section 134(5) is not applicable; and

f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

12. STATUTORY AUDITORS:

M/s. G.D. Apte & Co., Chartered Accountants,(FRN:100515W) were appointed as the First Statutory Auditor of the Company as per Section 139(6) of the Companies Act , 2013 in the Board Meeting of the Company held on May 24, 2024 for a term up to the conclusion of 1st Annual General Meeting (AGM) of the Company to be held on or before December 31, 2025 as per the provisions of the Companies Act, 2013.

Further, M/s. G.D. Apte & Co. has shown their willingness to continue to be the Statutory Auditors of the Company for a period of 5 years as per the mutually agreed terms and conditions.

Your Board recommends their appointment for a term of 5 years i.e., up to the AGM of the Company to be held in the FY 2030-31.

13. OBSERVATIONS IN AUDITORS' REPORT:

There is no adverse remarks/observations made by M/s. G.D. Apte & Co., Chartered Accountants, First Statutory Auditors, in their Audit Report on the Financial Statements of the Company for FY 2024-25.

14. REPORTING OF FRAUD BY STATUTORY AUDITORS:

There were no instances of fraud in the Company, hence no reporting was made by statutory auditors of the Company under sub-section (12) of section 143 of Companies Act, 2013.

15. COST AUDIT:

Your Company does not fall within the provisions of Section 148 of Company's Act, 2013 read with the Companies (Cost records & Audit) Rules, 2014, therefore the cost audit is not applicable for the FY 2024-25. Further, the maintenance of cost records under the provisions of Companies Act, 2013 is not applicable to Company.

16. SECRETARIAL AUDIT REPORT

Provisions of Section 204 of the Companies Act, 2013 regarding Secretarial Audit Report are not applicable to the Company.

17. LOANS, GUARANTEES AND INVESTMENTS:

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review and hence the said provision is not applicable.

18. LOAN TO DIRECTOR:

During the year under review, the Company has not given any loan to any Director or any of his/her relatives.

19. LOAN FROM DIRECTORS AND RELATIVES OF DIRECTOR:

During the Financial Year under review, the Company has not accepted any loans from Directors of the Company and from their relatives. However, the Company has received a donation from Dr. Anand Deshpande during FY 2024-25 as disclosed in Note No. 9B of the financial statements as earmarked funds for future utilization.

20. RELATED PARTY TRANSACTIONS:

There are no material related party transactions during the year under review, which falls under the purview of Section 188 of the Companies Act, 2013. The transactions with related parties carried out during the year under review were in the normal course of business and at arm's length. Further, the accounts of the Company are consolidated with the Holding Company – Persistent Systems Limited and the consolidated accounts are placed before the members of the Holding Company.

The particulars of transactions with related parties are provided in Note 9A and Note 9B of the Financial statements of the Company for FY 2024-25.

21. INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSOBPTION, FOREIGN EXCHANGE EARNING AND OUTGO

(A) Conservation of energy-

(i) the steps taken or impact on conservation of energy: Nil
(ii) the steps taken by the Company for utilising alternate sources of energy: Nil
(iii) the capital investment on energy conservation equipments: Nil

(B) Technology absorption-

(i) the efforts made towards technology absorption: Nil
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution: Nil
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year): Nil

(a) the details of technology imported;
(b) the year of import;
(c) whether the technology been fully absorbed;
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

(iv) the expenditure incurred on Research and Development: Nil

(C) Foreign exchange earnings and Outgo-

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows. - Nil

22. RISK MANAGEMENT:

The Board periodically reviews and assesses the Company's business risks as and when deemed necessary. As of now, the Company has not identified any risks that pose a threat to its continued existence. Accordingly, a formal Risk Management Policy has not been adopted. However, the Company remains committed to monitoring potential risks and will implement appropriate measures should the need arise.

23. DEPOSITS:

The Company has not accepted any deposits from the public during the year under review and as such, no amount of principal or interest on deposits from the public was outstanding as on the date of the balance sheet. However, the Company has received donation from Dr. Anand Deshpande during FY 2024-25 as earmarked funds for future utilization and the same is disclosed under note 9B of the financial statements. This amount does not classify as deposit under the provisions of the Companies Act, 2013 and rules made thereunder.

24. DIRECTORS AND KMP:

During the reporting period, there was no change in the constitution of the Board of Directors of the Company. Following were the Directors of the Company as on March 31, 2025:

Sr. No.	Name	Designation	Date of appointment	Date of cessation	Mode of Cessation
1	Mrs. Sonali Deshpande	Chairperson and Director	May 1, 2024	-	-
2	Dr. Anand Deshpande	Director	May 1, 2024	-	-
3	Mr. Pradeep Bhargava	Director	May 1, 2024	-	-

Ms. Dhanashree Bhat, Mr. Yogesh Patgaonkar and Ms. Nayana Bhandari were appointed as Additional Directors (Non-executive members) w.e.f., April 11, 2025 till the conclusion of 1st Annual General Meeting of the Company (AGM).

Further, consequent to the retirement of Mr. Patgaonkar from the position of Chief People Officer of Persistent Systems Limited, he resigned from the Directorship of the Company w.e.f. July 31, 2025. There was no material reason for his resignation.

Further, Ms. Bhat has informed that she will serve the current term of her appointment till the ensuing AGM of the Company and does not intend to propose her candidature for the appointment as Director thereafter. There is no material reason for her resignation.

The Board extends its sincere appreciation to Ms. Bhat and Mr. Patgaonkar for their dedicated service and valuable contributions during their tenure with the Company.

25. CHANGES IN SHARE CAPITAL, IF ANY:

The Authorized Share Capital and Paid-up Share Capital of the Company remained unchanged for the Financial Year ended March 31, 2025.

a. BUY BACK OF SECURITIES

The Company has not bought back any of its securities during the year under review.

b. SWEAT EQUITY

The Company has not issued any Sweat Equity Shares during the year under review.

c. BONUS SHARES

No Bonus Shares were issued during the year under review.

d. EMPLOYEES STOCK OPTION PLAN

The Company does not have any 'Employee Stock Option Plan'.

26. MANAGERIAL REMUNERATION:

No remuneration was paid to any of the Directors of the Company during the period under review.

27. CORPORATE SOCIAL RESPONSIBILITY:

The provisions relating to Corporate Social Responsibility are not applicable to the Company.

28. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

There are no employees in the Company and thus, the provisions pertaining to the formation of a Internal Complaints Committee (ICC) under the Sexual Harassment of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013, are not applicable. Further, the Company has not received any complaints under the said Act during FY 2024-25.

29. DISCLOSURE UNDER THE MATERNITY BENEFIT ACT, 1961:

There are no employees in the Company and thus, the provisions of the Maternity Benefit Act, 1961, are not applicable.

30. WEB LINK OF ANNUAL RETURN:

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, every Company shall place a copy of the annual return on the website of the Company, if any, and the web-link of such annual return shall be disclosed in the Board's report.

The Annual Return of the Company is available at https://www.persistentfoundation.org/wp-content/uploads/2025/08/persistent-foundation-annual-return-fy2024-25.pdf

31. AUDIT COMMITTEE:

The Provisions of Section 177 of the Companies Act, 2013, regarding the constitution of the audit committee are not applicable to the Company.

32. NOMINATION AND REMUNERATION COMMITTEE:

Being Section 8, the Company is not required to form a Nomination and Remuneration Committee and formulate a policy on Directors' Appointment and Remuneration under section 177(8) of the Act.

33. BOARD'S EVALUATION ON ITS OWN, COMMITTEE'S AND INDIVIDUAL DIRECTOR'S PERFORMANCE:

Since the paid-up capital of the Company does not exceed the threshold mentioned under Rule 8 (4) of the Companies (Accounts) Rules, 2014, the provisions regarding Boards' evaluation and evaluation of Individual Directors and committees are not applicable to the Company.

34. APPOINTMENT AND STATEMENT ON DECLARATION BY INDEPENDENT DIRECTOR:

The Company being a Section 8 Company is not required to appoint Independent Directors. Accordingly, statement on declaration by Independent Directors under Section 149(6) of the Act is not applicable.

35. VIGIL MECHANISM:

The provision relating to vigil mechanism is not applicable to the Company.

36. SIGNIFICANT AND MATERIAL ORDER:

During the year under report, there were no orders passed by the regulators or Courts or Tribunals against the Company.

37. SECRETARIAL STANDARDS:

The Company has complied with all the applicable provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) during the year under review.

38. DETAILS OF APPLICATION UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016):

There are no applications made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year. Further, the Company has not done any one-time settlement with any Bank or Financial Institution as at the end of the Financial Year.

39. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Company has maintained adequate internal controls commensurate with its size and nature of operations. They are suitably monitoring the procedures in place to provide reasonable assurance for the accuracy and timely reporting of the financial information and compliance with the statutory requirements. There are policies, guidelines and delegation of power issued for the compliance of the same across the Company.

40. DETAILS REGARDING VALUATION REPORT:

During the year under review, your Company has not entered into any One-Time Settlement with Bank's or Financial Institutions and therefore, details of Valuation in this regard is not available.

41. ACKNOWLEDGEMENT:

Your Directors like to express their heartfelt gratitude to all the Bankers, Government Authorities and partnering NGOs for their continued support and association.

The Directors would also like to express their appreciation to the employees of Persistent Systems Limited for their dedicated, individual and collective contribution in the CSR projects of the Company.

For and on behalf of the Board of Directors
Persistent India Foundation

Name	**: Mrs. Sonali Deshpande**	**Name**	**: Dr. Anand Deshpande**
Designation	**: Chairperson and Director**	**Designation**	**: Director**
DIN	**: 06629295**	**DIN**	**: 00005721**
Date	**: August 5, 2025**	**Date**	**: August 5, 2025**
Place	**: Pune**	**Place**	**: Pune**

INDEPENDENT AUDITOR'S REPORT

To
The Members of
Persistent India Foundation
Pune

Opinion

We have audited the accompanying standalone Financial Statements of Persistent India Foundation ("the Company") for the Year ended 31st March 2025, which comprise the Balance Sheet as at 31st March 2025, the Statement of Income & Expenditure, Statement of Cash Flows & Statement of Changes in Equity for the Year ended 31st March 2025, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Financial Statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards specified under sec 133 of the Companies Act 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, of the state of affairs of the Company as at 31st March 2025, the profit (including other comprehensive Income), cash flows and changes in Equity for the Year ended 31st March 2025.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Financial Statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Director's report including Annexures to Director's Report, Corporate Governance and Shareholder's Information but does not include the standalone financial statements and our auditor's report thereon. The Director's Report is expected to be made available to us after the date of this Auditors Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive Income, cash flows & changes in Equity of the Company in accordance with the Ind AS specified under section 133 of the Act & the accounting principles generally accepted in India.
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, is not applicable to the Company.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Standalone Financial Statements dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act

(e) On the basis of the written representations received from the directors as on 31st March 2025, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2025, from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the Internal Financial Controls with respect to the financial statements of the Company as on 31st March 2025 and the operating effectiveness of such controls, refer to our separate report in "Annexure A"

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. There are no pending litigations against the Company which need to be disclosed in the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or

on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

v. The management has represented that to the best of its knowledge or belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company to or in any other person(s) or entity(ies) including foreign entities (funding parties) with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

vi. Based on the audit procedures considered reasonable and appropriate in the circumstances carried out by us, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) of Rule 11(e) as provided under clause (iv) and (v) above contain any material misstatements.

vii. No Dividend has been declared and paid by the Company during the year since it is a Section 8 Company and does not have distributable profits.

viii. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination, the accounting software for maintaining its books of account used by the company does not have a feature of recording audit trail (edit log) facility.

For G. D. Apte & Co
Chartered Accountants
Firm's Registration Number: 100 515W

Ranjeet Kulkarni
Partner
Membership Number: 132708
Pune,
Date:
UDIN:

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 (f) under the heading 'Report on other legal and regulatory requirements' of our report on even date.)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Persistent India Foundation ("the Company") as of 31st March 2025 in conjunction with our audit of the standalone financial statements of the Company for the Year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that –
(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management of the company; and
(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G. D. Apte & Co.
Chartered Accountants
Firm registration number: 100515W

Ranjeet Kulkarni
Partner
Membership No.: 132708
Pune.
Date:
UDIN:

Persistent India Foundation
CIN:U88900PN2024NPL230585
Standalone Balance Sheet as at 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

	Particulars	Note No	As at 31-March-2025
	ASSETS		
1	**Non-Current Assets**		
	(a) Financial Assets		
	(i) Other Financial Assets	1	91,096.82
	Total Non-Current Assets		91,096.82
2	**Current Assets**		
	(a) Financial Assets		
	(i) Cash and Cash Equivalent	2	630.82
	Total Current Assets		630.82
	Total Assets		**91,727.64**
	EQUITY AND LIABILITIES		
1	**Equity**		
	(a) Equity Share Capital	3	500.00
	(b) Other Equity	4	91,217.64
	Total Equity		91,717.64
2	**Liabilities**		
	(I) Current Liabilities		
	(a) Provisions	5	10.00
	Total Current Liabilities		10.00
	Total Equity and Liabilities		**91,727.64**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni
Partner
Membership No. 132708

Date : April 11, 2025
Place: Pune

Dr. Anand Deshpande
Director
DIN:00005721

Date : April 11, 2025
Place: Pune

Mrs. Sonali Deshpande
Director
DIN:06629295

Date : April 11, 2025
Place: Pune

Persistent India Foundation
CIN:U88900PN2024NPL230585
Standalone Statement of Income and Expenditure for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

	Particulars	Note No.	For the year ended 31-March-2025
1	Revenue from operations	6	59,572.29
2	Other income	7	96.82
3	**Total Income (1+2)**		**59,669.10**
4	**Expenses**		
	(a) Other expenses	8	59,451.46
	Total expenses		**59,451.46**
5	**Profit/(Loss) before tax and exceptional items (3 - 4)**		**217.64**
6	**Exceptional items**		
	Differential Tariff Claim		
7	**Profit/(Loss) before tax (5+6)**		**217.64**
8	**Tax expense:**		
	(a) Current tax expense		
	(b) Deferred tax		
9	**Profit/(Loss) after tax for the year (7-8)**		**217.64**
10	**Other Comprehensive Income (OCI)**		
A	(i) Items that will not be reclassified to profit or (loss)		-
	(ii) Income tax relating to items that will not be reclassified to profit or (loss)		-
B	(i) Items that will be reclassified to profit or (loss)		-
	(ii) Income tax relating to items that will be reclassified to profit of (loss)		-
	Total Other Comprehensive Income / (Loss) (A+B)		**-**
11	**Total Comprehensive Income / (Loss) for the year (9+10)**		**217.64**

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni
Partner
Membership No. 132708

Date : April 11, 2025
Place: Pune

Dr. Anand Deshpande
Director
DIN:00005721

Date : April 11, 2025
Place: Pune

Mrs. Sonali Deshpande
Director
DIN:06629295

Date : April 11, 2025
Place: Pune

Persistent India Foundation
CIN:U88900PN2024NPL230585
Standalone Statement of Cash Flow for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

	Particulars	For the Year ended 31 March, 2025
A	**Cash flow from Operating Activities**	
	Profit/(Loss) before tax	**217.64**
	Adjustments for:	
	Provision for audit fees	10.00
	Depreciation & Ammortization Expenses	-
	Interest Income	(96.82)
	Addition to Earmarked Funds	91,000.00
	Operating Profit/(loss) before working capital/other changes	91,130.82
	Changes in Working Capital:	
	Changes in Current Assets	
	Investments	-
	Trade receivables	-
	Other Current Assets	-
	Changes in Current Liabilities	-
	Trade payables	-
	Provisions	-
	Other Current Liabilities	-
	Cash generated from/(utilised for) operations	91,130.82
	Net income tax (paid)	-
	Net cash generated from/(utilized for) operating activities (A)	91,130.82
B	**Cash flow from Investing Activities**	
	Acquisition of Property, Plant & Equipment	
	Fixed Deposit held for more than three months (not treated as Cash & Cash Equivalent)	
	- (Placed)	(91,000.00)
	- Matured	
	Interest received	
	- Bank deposits	0.00
	Net cash generated/ (utilized) from investing activities (B)	(91,000.00)
C	**Cash flow from Financing Activities**	
	Proceeds from issue of equity shares	500.00
	Interest Expense	
	Net cash flow generated/(utilized) from financing activities (C)	500.00
	Net increase/(decrease) in Cash and cash equivalents (A+B+C)	630.82
	Cash and cash equivalents at the beginning of the Year	-
	Cash and cash equivalents at the end of the Year	630.82
	Components of Cash & Cash Equivalents	
	(a) Cash on hand	
	(a) Balances with banks	
	- In saving accounts	630.82

See accompanying notes forming part of the Standalone Financial Statements

In terms of our report attached
For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni	**Dr. Anand Deshpande**	**Mrs. Sonali Deshpande**
Partner	**Director**	**Director**
Membership No. 132708	**DIN:00005721**	**DIN:06629295**
Date : April 11, 2025	**Date : April 11, 2025**	**Date : April 11, 2025**
Place: Pune	**Place: Pune**	**Place: Pune**

Persistent India Foundation
CIN:U88900PN2024NPL230585
Standalone statement of Changes in Equity for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

A. Equity Share Capital

Balance as at 01 April, 2024	Changes in Equity share capital due to prior period errors	Restated balance as at 01 April, 2024	Changes in equity share capital during the year	Balance as at 31 March, 2025
-	-	-	500.00	500.00

B. Other Equity

Particulars	Reserves and Surplus	
	Retained Earnings	Earmarked Funds
Balance as at 01 April, 2024	-	**-**
Changes in Equity share capital due to prior period errors	-	**-**
Restated balance as at 01 April, 2024	-	**-**
Profit/(Loss) for the year	217.64	**-**
Addition to Earmarked Funds	-	(91,000.00)
Total Comprehensive Profit/ (loss) for the year	217.64	(91,000.00)
Balance as at 31 March, 2025	**217.64**	**(91,000.00)**

See accompanying notes forming part of the standalone financial statements

In terms of our report attached
For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni
Partner
Membership No. 132708

Date : April 11, 2025
Place: Pune

Dr. Anand Deshpande
Director
DIN:00005721

Date : April 11, 2025
Place: Pune

Mrs. Sonali Deshpande
Director
DIN:06629295

Date : April 11, 2025
Place: Pune

Persistent India Foundation
CIN:U88900PN2024NPL230585
Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025

CORPORATE INFORMATION

Persistent India Foundation is a Company registered under the Companies Act, 2013 and rule 8 of Companies (Incorporation) Rules, 2014. It operates for the purpose of betterment of member and providing financial assistance for development/upgradation of common infrastructure and facilities to enhance the competitiveness of existing units. It is non-profit making organization. It promotes projects and programs, relating to social, charitable or Corporate Social Responsibility (CSR) activities

SIGNIFICANT ACCOUNTING POLICIES

A BASIS OF PREPARATION

The Financial Statements of the Group have been prepared on an accrual basis and under the historical cost convention in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013.
The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

B USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IndAS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Although these estimates are based on best knowledge of management of current events and actions, uncertainty about these could result in outcome requiring material adjustment to carrying amount of assets or liabilities in future periods.

C CURRENT vs NON-CURRENT CLASSIFICATION

Segregation of Current Assets & Non-Current Assets is done on the basis on the expectations to be converted to or realised in Cash within or beyond 12 months from reporting date

D REVENUE RECOGNITION

Revenue is in nature of Donation and same is recognized when donation is received

E COST RECOGNITION

Costs and expenses are recognised when incurred and are classified according to their nature.

F FINANCIAL INSTRUMENTS

Initial Recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition.
Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition

Subsequent Measurement of Financial Assets measured 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

G INTEREST INCOME

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

H PROVISIONS

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

I INCOME TAXES

The company is not liable to Income Tax, in view of the exemption provisions in the Income Tax Act,1961.

J CASH FLOW STATEMENTS

Cash flows are reported using the indirect method, whereby net surplus / (deficit) is adjusted for the effects of transactions of a non cash nature, any deferral or accruals of past or future cash receipts or payments and Income & Expenses directly transferred to Reserve and Surplus account. The cash flows from regular operating, investing and financing activities of the Company are segregated.

K CASH & CASH EQUIVALENTS

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni
Partner
Membership No. 132708

Dr. Anand Deshpande
Director
DIN:00005721

Mrs. Sonali Deshpande
Director
DIN:06629295

Date : April 11, 2025
Place: Pune

Date : April 11, 2025
Place: Pune

Date : April 11, 2025
Place: Pune

Persistent India Foundation

CIN:U88900PN2024NPL230585

Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025

(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

Note 1 : Other Non-Current Financial Assets

Particulars	As at 31 March, 2025
Investments carried at Amortized Cost	
Deposits with Banks	91,000.00
Interest Accrued but not due on Bank Deposits	96.82
Total	**91,096.82**

Note 2 : Cash and Cash equivalents

Particulars	As at 31 March, 2025
Balances with banks	
- In saving accounts	630.82
Total	**630.82**

Persistent India Foundation
CIN:U88900PN2024NPL230585
Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

Note 3 : Share Capital

Particulars	As at 31 March, 2025	
	Number of Shares	Amount Rs. in Thousands
(a) Authorised	500,000	5,000.00
(b) Issued	50,000	500.00
(c) Subscribed and fully paid up	50,000	500.00
Total	**50,000**	**500.00**

Notes:
(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Closing Balance
Equity shares with voting rights			
Year ended 31 March, 2025			
- Number of shares	50,000	-	50,000
- Amount (Rs Thousands)	500.00	-	500.00

(ii) Terms and Rights attached to equity shares
The Group has only one class of equity shares having a par value of ₹ 10 per share.
Each holder of equity shares is entitled to one vote per share.

(iii) Details of shares held by the holding company

Particulars	Equity shares with Voting Rights
As at 31 March, 2025	49,994

(iv) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2025	
	Number of shares held	% holding in that class of shares
Equity shares with voting rights		
Persistent Systems Ltd	49,994	99.99%

(vii) Disclosure of shareholding of promoters

Promoter Name	As at 31 March, 2025	
	No. of shares	% of total shares
Persistent Systems Ltd	49,994	99.99%
Total	**49,994**	**99.99%**

Persistent India Foundation

CIN:U88900PN2024NPL230585

Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025

(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

Note 4: Other Equity

Particulars	As at 31 March, 2025
Reserves and Surplus	
(a) Retained earnings	217.64
(b) Earmarked Funds	91,000.00
Total	**91,217.64**

4.1 Movement in the Reserves for the year has been presented under

Particulars	As at 31 March, 2025
(a) Retained earnings	
Opening balance	-
Add: Profit/(Loss) for the Year	217.64
Less: Transfer to Reserves	-
Closing balance	217.64
Total	**217.64**

Particulars	As at 31 March, 2025
(b) Earmarked Funds	
Opening balance	-
Add: Amount Received	91,000.00
Closing balance	91,000.00
Total	**91,000.00**

Note 5: Provisions (Current)

Particulars	As at 31 March, 2025
(b) Other Provisions	10.00
Total	**10.00**

Persistent India Foundation
CIN:U88900PN2024NPL230585
Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

Note 6: Revenue from operations

Particulars	For Year ended 31 March 2025
(a) Donations Received	59,572.29
Total	**59,572.29**

Note 7: Other Income

Particulars	For Year ended 31 March 2025
(a) Interest income	
- On Deposits carried at Amortised Cost	96.82
(b) Dividend income	-
(c) Other non-operating income	-
Total	**96.82**

Note 8: Other expenses

Particulars	For Year ended 31 March 2025
(a) CSR Expenses	57,375.75
(b) Establishment cost	2,048.02
(c) Audit Fees	27.70
Total	**59,451.46**

Note 8.1: Payments to the Auditors Comprises:

Particulars	For Year ended 31 March 2025
As Statutory Auditors	10.00
Total	**10.00**

Persistent India Foundation
CIN:U88900PN2024NPL230585
Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

Note 9.A : Related Party Transactions

Details of Related Parties:

Description of Relationship	Names of Related Parties Year ended 31st March 2025
Holding Company	Persisent Systems Limited
Key Management Personnel (KMP)	
Director	Dr Anand Deshpande
Director	Mrs Sonali Deshpande
Director	Mr Pradeep Bhargava
Entities under Common Control (KMP)	Persistent Foundation
Note: Related parties are as identified by the Management.	

Note 9.B : Related Party Transactions
Details of Related Party Transactions during the Year and Balances outstanding as at the Balance Sheet Date:

Nature of Transaction	Name of the party	Relationship	For the year ended 31 March, 2025
Donation Received	Persistent System Limited	Holding Company	64,337.56
Donation Received	Dr Anand Deshpande	Director	91,000.00
Donation Given	Persistent Foundation	Entities under Common Control	5,424.81

Persistent India Foundation
CIN:U88900PN2024NPL230585
Notes forming part of Standalone Financial Statements for the Year ended 31 March, 2025
(All amounts are in Indian Rupees (Thousands) unless otherwise stated)

10 **Earnings Per Share**

Earning per share is not calculated as the Company is a Sec 8 Company and hence has non-distributable profits

11 **Other Statutory information:**

(a) The company has not entered into transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 during the year under consideration.

(b) The company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(c) The company has neither received nor given any fund from or to any person(s) or entity(ies), including foreign entities (Funding Party)

with the understanding (whether recorded in writing or otherwise) that the company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party

(Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(d) The company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with

the Companies (Restriction on number of Layers) Rules, 2017 (as amended).

12 Since this is first Year of operation, previous Year's disclosure is not applicable.

13 Since this is first Year of operation, Ratios are not significant and hence not computed.

14 The Board of Directors of the Company has reviewed the realisable value of all the current assets and has confirmed that the value of such assets in the ordinary course of business will not be less than the value at which these are recognized in the financial statements.
In addition, the Board has also confirmed the carrying value of the non-current assets including long-term investments in the financial statements. The Board, duly taking into account all the relevant disclosures made, has approved these financial statements in its meeting held on date.

In terms of our report attached
For G.D. Apte & Co.
Chartered Accountants
Firm Registration Number 100 515W

For Persistent India Foundation

CA Ranjeet Kulkarni
Partner
Membership No. 132708

Date : April 11, 2025
Place: Pune

Dr. Anand Deshpande
Director
DIN:00005721

Date : April 11, 2025
Place: Pune

Mrs. Sonali Deshpande
Director
DIN:06629295

Date : April 11, 2025
Place: Pune

Arrka Infosec Private Limited

Registered Office: Bhageerath, Vetal Chowk, 402E, Senapati Bapat Road
Gokhalenagar, Pune, Haveli, Maharashtra, India, 411016

DIRECTORS' REPORT

Dear Members,

The Board of Directors take pleasure in presenting the Directors' Report of **Arrka Infosec Private Limited** (the "Company") along with the Audited Financial Statements for the financial year ended **March 31, 2025.**

FINACIAL RESULTS:

(Amount in Thousands)

PARTICULARS	FINANCIAL YEAR 2024-25	FINANCIAL YEAR 2023-24
Revenue from operations	29,420.13	28,311.10
Other Income	160.97	283.52
Total Income	**29,581.10**	**28,594.62**
Total Expenses	**1,00,234.21**	**27,035.50**
Profit before Tax	**(70,653.11)**	**1,559.12**
Total Tax Expenses	-	378.68
Net Profit for the year	**(70,653.11)**	**1,180.44**

OPERATIONS AND STATE OF AFFAIRS

During the FY 24-25 under review, the Company has achieved turnover of Rs 29,420.13/- (in thousands) as against Rs. 28,311.10/- (in thousands) in the previous year. Further, the Company has incurred a net loss of Rs. 70,653.11/- (in thousands) for current year as against net profit of Rs. 1,180.44/- (in thousands) in the previous year.

The Company was recently acquired by Persistent Systems Limited as its wholly owned subsidiary. Due to the period of transition, the Company incurred various expenses which owed to the loss of the Company in the year under review.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

The Company has not changed its nature of business during the financial year 2024-25.

TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013

During the year under review, the Board did not transfer any amount to any reserves of the Company.

DIVIDEND

The Board does not recommend any dividend for the financial year ended 31st March, 2025. There is no unpaid dividend; hence transferring unpaid dividend amount to Investor Education Protection Fund does not arise.

TRANSFER OF UNCLAIMED DIVIDEND TO THE INVESTOR EDUCATION AND PROTECTION FUND:

No amount is required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made there under.

DEPOSITS

The Company has not accepted any deposits from public and/or shareholders in accordance with the Chapter V of the Act and accordingly no amount was outstanding as on the date of the Balance Sheet.

UNSECURED LOAN FROM DIRECTOR

The unsecured loans which were outstanding have been repaid during the year and there are no such outstanding loans as on 31st March 2025.

DEBENTURES

During the financial year 2024-25 the Company has converted the 97,500 Unsecured Compulsory Convertible Debentures (CCDs) having a face value of Rs. 100/- (Hundred) each into 7,607 (Seven Thousand Six Hundred and Seven) fully paid up equity shares of Rs 10/- each.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The Company has not granted any loans/given guarantee/provided security or made any investments that attract the provisions of Section 186 of the Act, during the financial year under consideration.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the year the Company has entered into contracts/arrangements/transactions with the related parties, which were on ordinary course of business and also on arm's length basis. Since it was not material the details are not provided in Form AOC-2. You may refer the details of these transactions with related parties are provided in note no. 6 under the Head "Related Party Disclosures" to the Financial Statements.

SHARE CAPITAL

During the under review, the Board of Directors in their Meeting held on 14th March, 2025 has allotted 27,294 (Twenty Seven Thousand Two Hundred and Ninety-Four) Equity Shares on a Rights Issue basis. The said Rights Issue was approved by the Board of Directors of the Company in their Board Meeting held on 28th February, 2025.

As on 31st March, 2025, the issued, subscribed and paid-up share capital of the Company consists of:

a) 1,03,401 Equity Shares of Rs. 10 each aggregating to Rs. 10,34,010.

EMPLOYEE STOCK OPTION PLAN (ESOP)

No ESOPs have issued during the year under review.

DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES

No companies have become or ceased to be subsidiaries, joint ventures or associate companies during the year under consideration.

The Details of the Holding Company of Arrka Infosec Private Limited is as follows:

Sr. No.	Shareholder's Name	Address	Number of Shares of (INR 10 Each)	% of holding
1	Persistent Systems Limited	'Bhageerath', 402 Senapati Bapat Road Pune, Pune, Maharashtra, India, 411016	103,395	99.99%

PERFORMANCE AND FINANCIAL POSITION OF EACH OF THE SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENT

In view of situation mentioned under above clause, there is nothing to be reported under this para.

DIRECTORS

Appointment/ Re-appointment of Director/ KMP:

During the year under review, there was a change in the composition of the Board of Directors of the Company. This change was due to the acquisition of the Company by Persistent Systems

Limited. Due to the same, **Ms. Priya Gopalen** (DIN: 02630942) and **Mrs. Shilpa Anja** (DIN: 05150487) the previous Directors of the Company resigned from their office with effect from September 28, 2024. Thereafter, two new Directors **Mrs. Nayana Satish Bhandari** (DIN: 03044076) and **Mr. Sachin Dewasthalee** (DIN: 06887975) were appointed on the same date.

Retirement by Rotation:

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013 (the Act) and the Articles of Association of the Company, **Mrs. Shivangi Shashikant Nadkarni** (DIN: 02465885), Director of the Company will retire at the ensuing Annual General Meeting and being eligible, offers herself for re-appointment as the Director of the Company.

As on March 31, 2025 the Board consisted of three Directors viz. **Mrs. Shivangi Shashikant Nadkarni** (DIN: 02465885), **Mrs. Nayana Satish Bhandari** (DIN: 03044076) and **Mr. Sachin Dewasthalee** (DIN: 06887975).

NUMBER OF MEETINGS OF THE BOARD

During the financial year, **Twelve** Board Meetings were convened and held. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Board Meetings held during the Year

Sr. No	Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors present
1	06th May, 2024	2	2
2	30th August, 2024	2	2
3	16th September, 2024	3	2
4	23rd September, 2024	3	2
5	30th September, 2024	3	2
6	14th October, 2024	3	2
7	15th October, 2024	3	2
8	17th October,2024	3	2
9	28th October, 2024	5	4
10	20th January,2025	3	3

Sr. No	Dates on which Board Meetings were held	Total Strength of the Board	No. of Directors present
11	28th February,2025	3	2
12	14th March, 2025	3	3

Attendance of Directors at Board Meetings

Sr.No	Name of the Directors	No of Board Meetings held	No. of Board Meetings Attended
1	Mrs. Shivangi Shashikant Nadkarni	12	12
2	Ms. Priya Gopalen	09	02
3	Mrs. Shilpa Sameer Anja	07	07
4	Mrs. Nayana Satish Bhandari	04	04
5	Mr. Sachin Balkrishna Dewasthalee	04	03

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to Section 134(3) (C) and (5) of the Act, Directors state as under:

a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. the directors selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;

c. the directors took proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. the directors had prepared the annual accounts on a going concern basis; and

e. the company being unlisted sub clause (e) of Section 134(5) is not applicable. However, you may refer to clause captioned "Internal Financial Control Systems" as appearing elsewhere in the Report.

f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

THE WEB ADDRESS, IF ANY WHERE ANNUAL RETURN HAS BEEN PLACED

The Company does not have a website, hence the requirement of placing the Annual Return on the website of the Company pursuant to Section 134 (3)(a) of the Act, is currently not applicable to the Company.

AUDIT COMMITTEE

The provisions contained in Section 177 of the Companies Act, 2013 relating to Audit Committee are currently not applicable to the Company.

NOMINATION AND REMUNERATION COMMITTEE

The provisions contained in Section 178 of the Companies Act, 2013 relating to Nomination and Remuneration Committee are currently not applicable to the Company.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The provisions contained in Section 178(5) of the Companies Act, 2013 relating to Stakeholders Relationship Committee are currently not applicable to the Company.

CORPORATE SOCIAL RESPONSIBILITY

The provisions contained in Section 135 and Schedule VII the Act and the Rules made there under relating to Corporate Social Responsibility are currently not applicable to the Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Considering the nature of business of the Company, the Board has nothing to report under Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. The Company

has initiated various measures to conserve the energy and other power resources and adheres to the standards laid down in this regard.

Further during the year under review there was no foreign exchange earnings and outgo.

RISK MANAGEMENT

Every business is subject to risks, uncertainties that could cause actual results to differ materially from those contemplated. Risks are identified through formal risk management discussions with the active involvement of functional managers and senior management personnel at both operational and corporate level. The Company strives to identify opportunities that enhance organizational values while managing or mitigating risks that can adversely impact its future performance.

BOARD'S EVALUTION ON ITS OWN, COMMITTEE'S AND INDIVIDUAL DIRECTOR'S PERFORMANCE:

Since the paid-up capital of the Company does not exceed the threshold mentioned under Rule 8 (4) of the Companies (Accounts) Rules, 2014, the provisions regarding Boards' evaluation and evaluation of Individual Directors and committees are not applicable to the Company.

STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS

The provisions contained in Section 149(6) of the Companies Act, 2013 and Rule 5 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 relating to appointment of Independent Directors are currently not applicable to the Company.

INTERNAL FINANCIAL CONTROLS

The Company has an adequate Internal Control System, commensurate with the size, scale and complexity of its operations. The internal control system is in place with respect to its financial statement which provides reasonable assurance regarding reliability of financial reporting and the preparation of financial statements. Procedures and controls reviewed periodically.

STATUTORY AUDITORS

M/s. R. S. Mutha & Co., Chartered Accountants (FRN: 126939W), have been appointed as a Statutory Auditors of the Company at the Annual General Meeting held on 24th September, 2024 for the period of five years.

EXPLANATION TO AUDITOR'S REMARK

There are no qualifications or adverse remarks in either the report of the Statutory Auditors or their Annexure for the financial year 2024-25.

REPORTING OF FRAUDS BY THE AUDITORS

During the year under review, the Statutory Auditors have not reported to the Board, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officer or employees, the details of which is needed to be mentioned in the Board's report.

MATERIAL CHANGES AND COMMITMENTS IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes affecting the financial position of the Company subsequent to the close of the financial year 2024-25 and till the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

INTERNAL COMPLAINTS COMMITTEE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to provide a work environment that ensures that every woman employee is treated with dignity and respect and afforded equitable treatment, creating a healthy secure working environment that enable employees to work without fear of discrimination or harassment based on gender.

The Board of Directors shall perform the roles of Internal Complaint Committee as the Company has not formed an Internal Complaint Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Directors further state that during the year under review there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 along with the following details:-

(a) number of complaints of sexual harassment received in the year: Nil
(b) number of complaints disposed off during the year: Not Applicable
(c) number of cases pending for more than ninety days: Not Applicable

COMPLIANCE WITH THE PROVISIONS OF THE MATERNITY BENEFIT ACT, 1961

The Company is committed to provide a work environment that ensure every woman employee is treated with dignity and respect and afforded equitable treatment, creating a healthy secure working environment that enable employees to work without fear of discrimination or harassment based on gender.

In line with the same, the Company has taken active efforts for the safety and security of the females in the Company and is also in compliance with the provisions relating to the Maternity Benefit Act, 1961.

SECRETARIAL AUDIT REPORT

Provisions of Section 204 of the Companies Act, 2013 regarding Secretarial Audit Report are not applicable to the Company.

MAINTENANCE OF COST RECORDS

The maintenance of cost records as specified by the Central Government under sub-section (1) of Section 148 of the Act, and appointment of Cost Auditor is currently not applicable to the Company.

VIGIL MECHANISM

The Company does not accept public deposits and do not have borrowed money from banks and public financial institutions to that extent which mandates the company to establish vigil mechanism.

COMPLIANCE WITH SECRETARIAL STANDARDS

As mandated by the Section 118(10) of the Act, your Company complies with the Secretarial Standards with respect to General and Board Meetings (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

WEB-LINK OF ANNUAL RETURN

Pursuant to Section 92(3) and 134(3)(a) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, every Company shall place a copy of the annual return on the website. Since there is no website of this Company in particular, of its Parent Company, and the web-link of such annual return shall be disclosed in the Board's report.

The Annual Return of the Company is available on website of the Holding Company at Investor Relations | Persistent Systems

THE DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 DURING THE YEAR ALONG WITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There are no applications made or proceeding pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the Financial Year. Further, the Company has not done any one-time settlement with any Bank or Financial Institution as at the end of the Financial Year.

THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF

Your Company has not obtained any one time settlement of loan from the Banks or Financial Institutions.

ACKNOWLEDGEMENT

Directors would like to express their sincere appreciation for the assistance and co-operation received from the Consultants and Advisors, Bankers, Government Authorities, Customers and Vendors during the year under review. Your directors also wish to place on record their deep sense of appreciation for the committed services by the Company's executives, staff and workers.

For and on behalf of the Board of Directors
of **ARRKA INFOSEC PRIVATE LIMITED**

NAYANA BHANDARI
Director | DIN: 03044076

SHIVANGI NADKARNI
Director | DIN: 02465885

Place: Pune
Date: 10/06/2025

R.S.MUTHA & CO.
CHARTERED ACCOUNTANTS

Office no.: 3&4,Puneet Apartments,1118/A, Lakaki Road, Model Colony, Shivajinagar, Pune. E-mail : rohit@rsmco.in

INDEPENDENT AUDITORS' REPORT

To,
The Members of
ARRKA INFOSEC PRIVATE LIMITED
Pune.

Opinion:

We have audited the accompanying financial statements of **M/s Arrka Infosec Private Limited** ("the Company"), which is a private limited company and a subsidiary of a limited company as defined under Section 2(87) of the Companies Act, 2013 ("the Act"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss for the year then ended, Statement of Cash Flow for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-

(a) In the case of the Balance Sheet, of the State of affairs of the Company as at 31st March, 2025;

(b) In the case of the Statement of Profit & Loss, of the Loss for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon:

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements:

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, as applicable. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditors' Responsibility:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also

a. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls**.**

c. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

d. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in

evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal & Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143 (3) of the Act, we report that:

(a) We have sought & obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books. As per Rule 3(5) of the Companies (Accounts) Rules, 2014 company has maintain the backup of the books of accounts and other relevant books and papers in an electronic mode on servers physically located in India on a daily basis.

(c) The Balance Sheet and the Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the Balance Sheet and the Statement of Profit and Loss comply with Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on March 31st, 2025, taken on record by the Board of Directors, none of the directors is disqualified as on March 31st, 2025, from being appointed as a director in Terms of Section 164(2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, as per MCA Notification No. G.S.R. 583(E) dated 13th June 2017, the requirements of reporting under Section 143(3)(i) of the Companies Act, 2013 shall not apply to certain private limited companies. The Company is covered under the category of prescribed companies mentioned in that notification.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, this section is not applicable to private limited companies.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company did not have any pending litigations as on date which impacts its financial position, hence no disclosure in its standalone financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. The company is not required to transfer any amount to the Investor Education and Protection Fund by the Company.

iv.

(a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented that, to the best of its knowledge and belief, as disclosed in notes to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The company has not paid any dividend during the year. Hence no comment can be provided on compliance of section 123 of the Companies Act,2013.

vi. Based on our examination, which included test checks, the Company has used accounting softwares for maintaining its books of account for the financial year ended March 31, 2025 which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the softwares. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered.

FOR R. S. MUTHA & CO.
F. R. NO. 126939W
CHARTERED ACCOUNTANTS

(R. S. MUTHA)
PARTNER
M. NO. 121503
UDIN: 25121503BMJKLY1944

PLACE : PUNE
DATE : 10.06.2025

"Annexure A" to the Independent Auditors' Report

(All figures are in Rs.'000, unless otherwise stated)

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report to the member of **M/s Arrka Infosec Private Limited** of even date to the financial statements of the Company for the year ended March 31,2025:-

i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(B) The Company has maintained proper records showing full particulars of Intangible Assets.

(b) The Property, Plant & Equipment of the Company were physically verified in full by the management during the year. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.

(c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanation given to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder during the year.

ii. The company's business does not involve in maintenance of inventories and providing services, and accordingly, the requirements of para 3(ii) of the order are not applicable to the company.

iii. According to information and explanation given to us, Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provision of section 185 and 186 of the companies act 2013 are applicable and hence not commented upon.

v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

vi. To the best of our knowledge and as explained, the central Government has specified the maintenance of Cost Records under sub-section (1) of Section 148 of the Act, for the product of the Company. However there is no such transaction of revenue incurred during the year. Hence we have not provided any comment on this clause.

vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods & Service tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2025 for a period of more than six months from the date on when they become payable.

(c) According to the information and explanation given to us, there are no dues of income tax, GST, duty of customs, value added tax outstanding on account of any dispute which have not been deposited on account of any dispute.

viii. According to the information and explanation given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, this clause is not applicable.

(d) On an overall examination of the financial statements of the company, no funds that were raised for short term purposes have been utilized for long term purposes.

(e) On an overall examination of the financial statements of the Company, the company does not hold any investment in any subsidiary, associates or joint ventures during the year ended March 31, 2025. Hence, clause 3(ix)(e) of the order is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiary, associates or joint venture (as defined under the Companies Act 2013) Hence clause 3(ix) (f) of the Order is not applicable.

x. (a) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans.
(b) According to the information and explanation given to us, the Company has not made any preferential allotment or private placement of shares. However, pursuant to the provisions of Section 71, 62 and 179 and other applicable provisions, if any, of the Companies Act, 2013, rule 13 of the Companies (Share Capital and Debentures) rules, the terms and conditions for issuance of 97,500 Unsecured, Compulsory Convertible Debentures (CCDs) and, the Valuation Report dated 19th September,

2024 and the Share Purchase Agreement dated 30th September, 2024, the Company on 15th October, 2024 has converted 97,500 CCDs into 7,607 fully paid up equity shares of Rs.10/- (absolute figure) each at a premium of Rs.1,337.28/- (absolute figure) per Equity Share.
Further, 27,294 Equity Shares of Rs.10/- (absolute figure) each of the Company were issued to M/s. Persistent Systems Limited (Holding Company) on rights basis on March 14, 2025, at a premium of Rs.1,383.41/- (absolute figure) per Equity Share.

xi. (a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;

(b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government;

(c) According to the information and explanation given to us, no whistle-blower complaints, received during the year by the company.

xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company and hence not commented upon.

xiii. Based upon the audit procedure and the information and explanation given by management, in our opinion, where applicable, the details of transactions with related parties have been disclosed in the financial statements as required by the applicable accounting standards and section 188 of the act. The provisions of section 177 are not applicable to the company and accordingly reporting under clause 3(xiii) insofar as it relates to section 177, is not commented upon.

xiv. In our opinion and based on our examination, the company does not have an internal audit system commensurate with the size and nature of its business. However, based on the criteria laid down under Section 138 of the Companies Act, 2013 read with Rule 13 of the Companies (Accounts) Rules, 2014, the said provisions are not applicable to the Company during the year ending on 31.03.2025.

xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

xvii. Based on our examination and according to the information and explanation given to us, the Company has incurred cash losses of Rs.29,118/- during the current financial year. The Company has not incurred any cash losses in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable

xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management's plans and based on our examination of the evidence supporting the assumptions,

nothing has come to our attention, which causes us to believe that a material uncertainty exists as on the date of the audit report indicating that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.

xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

FOR R. S. MUTHA & CO.
F. R. NO. 126939W
CHARTERED ACCOUNTANTS

(R. S. MUTHA)
PARTNER
M. NO. 121503
UDIN: 25121503BMJKLY1944

PLACE : PUNE
DATE : 10.06.2025

Arrka Infosec Private Limited
Balance Sheet as at 31st March 2025
(All amounts in Indian rupees in thousands, unless otherwise stated)

	Notes	As at 31 March 2025	As at 31 March 2024
ASSETS			
Non-current assets			
Property, plant and equipment	*3*	104.84	374.52
Other intangible assets	*4*	-	21,065.64
Intangible assets under development	*5*	-	20,292.08
Deferred tax assets (net)	*21 (d)*	1,629.52	1,629.52
Total non-current assets		**1,734.36**	**43,361.76**
Current assets			
Financial assets			
(i) Trade receivables	*6*	3,032.60	4,303.18
(ii) Cash and cash equivalents	*7*	7,721.90	4,940.31
Current tax assets (net)	*21 (c)*	2,599.36	2,377.43
Other current assets	*8*	2,726.54	474.86
Total current assets		**16,080.40**	**12,095.78**
Total assets		**17,814.76**	**55,457.54**
EQUITY & LIABILITIES			
Equity			
Equity share capital	*9*	1,034.01	685.00
Other equity	*10*	(2,648.31)	20,572.10
Total equity		**(1,614.30)**	**21,257.10**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	*11*	-	11,500.00
Total non-current liabilities		**-**	**11,500.00**
Current liabilities			
Financial liabilities			
(i) Borrowings	*12*	-	2,760.86
(i) Trade payables	*13*	16,929.81	1,559.28
Other current liabilities	*14*	2,499.25	18,380.30
Total current liabilities		**19,429.06**	**22,700.44**
Total liabilities		**19,429.06**	**34,200.44**
Total equity and liabilities		**17,814.76**	**55,457.54**

Summary of material accounting policies	*1-2*	
Notes to the financial statements	*3 to 28*	

The notes referred to above form an integral part of the financial statements.
As per our report of even date attached

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 10-06-2025

Shivangi Nadkarni
Director
DIN: 02465885
Place : India
Date: 10-06-2025

Nayana Bhandari
Director
DIN: 03044076
Place : India
Date: 10-06-2025

Arrka Infosec Private Limited
Statement of Profit and Loss for period ended 31st March 2025
(All amounts in Indian rupees in thousands, unless otherwise stated)

	Notes	For the year ended 31 March 2025	For the year ended 31 March 2024
Income			
Revenue from operations	*15*	29,420.13	28,311.10
Other Income	*16*	160.97	283.52
Total income		**29,581.10**	**28,594.62**
Expenses			
Employee benefits expense	*17*	34,036.02	13,822.19
Finance costs	*18*	1,498.17	341.99
Depreciation and amortisation expense	*19*	41,534.64	9,327.25
Other expenses	*20*	23,165.38	3,544.07
Total expenses		**1,00,234.21**	**27,035.50**
Profit/(Loss) before exceptional items and tax		**(70,653.11)**	**1,559.12**
Profit/(Loss) before tax		**(70,653.11)**	**1,559.12**
Tax expense:	*21*		
Current tax		-	-
Deferred tax			
Tax provision in respect of earlier years		-	378.68
Total tax expenses		-	378.68
Profit/(Loss) for the period		**(70,653.11)**	**1,180.44**
Other comprehensive (loss)/ income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements loss/(gain) of post-employment benefit obligations			
Income tax relating to remeasurements (gain)/loss of post-employment benefit obligations			
Total Other comprehensive income		**-**	**-**
Total Comprehensive Income / (loss) for the period		**(70,653.11)**	**1,180.44**
Earnings per equity share			
[Face value of Rs. 10]			
Basic	*22*	(0.68)	0.02
Diluted		(0.79)	0.02
Summary of Material Accounting policies	***1-2***		
Notes to the financial statements	***3 to 28***		

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

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Membership Number: 121503
Place: India
Date: 10-06-2025

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Director
DIN: 02465885
Place : India
Date: 10-06-2025

Nayana Bhandari
Director
DIN: 03044076
Place : India
Date: 10-06-2025

Arrka Infosec Private Limited
Statement of Cash Flows for the year ended 31st March 2025
(All amounts in Indian rupees in thousands, unless otherwise stated)

	For the year ended 31 March 2025	For the year ended 31 March 2024
A. Cash flow from operating activities		
Profit/(loss) before tax	(70,653.11)	1,559.12
Adjustments to reconcile profit before tax to net cash flows:		
Finance costs	1,498.17	341.99
Depreciation and amortisation expenses	41,534.64	9,327.25
Operating profit before working capital changes	**(27,620.30)**	**11,228.36**
Movement in working capital:		
(Increase)/Decrease in trade receivables	1,270.58	(40.12)
(Increase)/Decrease in other current assets	(2,251.68)	(331.07)
Increase /(Decrease) in trade payables and current liabilities (including short term borrowings)	15,370.53	444.02
Increase/(Decrease) in Borrowings	(14,260.81)	9,750.00
Increase/(Decrease) in other liabilities	(15,881.05)	3,313.48
Cash generated from operations	**(43,372.73)**	**24,364.67**
Net income tax paid (net of refund)	2,599.36	1,076.25
Net cash from operating activities (A)	**(40,773.37)**	**25,440.92**
B. Cash flows from investing activities		
Purchase of property, plant and equipment and intangible assets	(128.71)	-
Capital work in progress	-	(20,292.08)
Purchase of Equity Shares	-	-
Investment in fixed deposits	-	-
Interest income	160.97	231.73
Net cash used in investing activities (B)	**32.26**	**(20,060.35)**
C. Cash flows from financing activities		
Proceeds from ICD	47,781.73	-
Interest paid	(1,498.17)	(341.98)
Net cash used in financing activities (C)	**46,283.56**	**(341.98)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**5,542.45**	**5,038.59**
Effect of exchange differences on restatement of foreign currency Cash and cash equivalents		
Cash and cash equivalents at the beginning of the year		
Balances with bank		
- Current accounts	4,940.31	604.56
-Bank overdrafts	(2,760.86)	(3,463.70)
Cash and cash equivalents at the end of the year	**7,721.90**	**2,179.45**
Notes:-		
1. Cash and cash equivalents include		
Balances with bank		
- Current accounts	7,721.90	4,940.31
-Bank overdrafts	-	(2,760.86)
	7,721.90	**2,179.45**

The above cash flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 - on Statement of Cash Flows as notified under Companies (Accounts) Rules, 2015.

The notes referred to above form an integral part of the financial statements.
As per our report attached of even date

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 10-06-2025

Shivangi Nadkarni
Director
DIN: 02465885
Place : India
Date: 10-06-2025

Nayana Bhandari
Director
DIN: 03044076
Place : India
Date: 10-06-2025

Arrka Infosec Private Limited
Statement of Changes in Equity for period ended 31st March 2025
(All amounts in Indian rupees in thousands, unless otherwise stated)

(a) Equity share capital :

Equity Share Capital

Particulars	No. of shares	Amount in '000
Balance as at 31 March 2024	**68,500**	**685.00**
Issued during the period	34,901	349.01
Balance as at 31 Mar 2025	**1,03,401**	**1,034.01**

(b) Other equity

Particulars	Reserves and surplus		Total equity
	Retained earnings	Securities premium	
Balance as at 31 March 2024	**(21,842.92)**	**42,415.00**	**20,572.08**
Total comprehensive income for the Period ended 01 Apr 2024			
Net profit/ (net loss) for the year	(70,653.11)	-	**(70,653.11)**
Other comprehensive income (net of tax)			-
- Remeasurements of post-employment benefit obligation	-	-	-
Total comprehensive income	**(70,653.11)**	**-**	**(70,653.11)**
Addition in the securities premium	-	47,432.72	**47,432.72**
Conversion in the equity shares	-	-	-
Transfer from/(to) other reserves	-	-	-
Balance as at 31 Mar 2025	**(92,496.03)**	**89,847.72**	**(2,648.31)**

Nature and purpose of reserves

i) Retained earnings
Retained earnings comprises of undistributed earnings after taxes.

ii) Securities premium
Securities premium is used to record the premium on issue of shares for the purpose of It's utilisation in accordance with the provisions of Section 52 of the Companies Act 2013.

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached.

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

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Director
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Place : India
Date: 10-06-2025

-

Arrka Infosec Private Limited
Notes to the standalone financial statements for the period ended 31 March 2025

Summary of material accounting policies and notes forming part of the financial statements.

1. CORPORATE OVERVIEW

Arrka Infosec Private Limited is a company incorporated under the Companies Act, 1956. The company has a registered office is in Pune. It aims at providing IT enabled and computer software services.

M/s. Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024.

The Company's registered address is at Bhageerath, Vetal Chowk, 402E Senapati Bapat Road, Gokhalenagar, Pune- 411 016 which has changed w.e.f.25th April 2025. The previous registered address was at First Floor, Bungalow No.8, Panchsheel Park, Behind Anand Park, Aundh, Pune-411007

2. PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

2.1. Basis of preparation of financial statements:

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, (the 'Act') read with rule 3 of the Companies (Indian Accounting Standards), Rules, 2015 and relevant amendment rules issued thereafter.

- **Functional and presentation currency.**

These financial statements are presented in Indian Rupees, which is the Company's functional currency. All amounts have been rounded-off to the nearest thousands, as per the requirements of Schedule III of the Act, unless otherwise stated.

a) Basis of measurement.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, unless otherwise stated. All assets and liabilities are classified into current and non-current generally based on the criteria of realisation/settlement within a twelve-month period from the balance sheet date, except for the following:

- Certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- Net defined benefit (asset)/liability that are measured at fair value of plan assets net of the present value of defined benefit obligations.

b) Use of judgements estimates and assumptions.

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, current assets, non-current assets, current liabilities, non-current liabilities, and disclosure of the contingent liabilities at the end of each reporting period. Such estimates are on a reasonable and prudent basis considering all available information, however, due to uncertainties about these judgments, estimates and assumptions, actual results could differ from estimates. Information about each of these estimates and judgements is included in relevant notes.

Assumptions and estimation uncertainties.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment is included in the following notes:

- Note 3,4 & 5 - Useful life of depreciable assets – Property, Plant and Equipment, Capital Work in progress and Intangible asset with Intangible assets under development.
- Note 23 - Recognition of contingencies, key assumptions about the likelihood and magnitude of outflow of resources.
- Note 21 - Recognition of tax expense including deferred tax.

c) Current and non-current classification of assets and liabilities

The company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when it is:

- Expected to be settled in normal operating cycle.
- Held primarily for the purpose of trading.
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the company has identified twelve months as its operating cycle for the purpose of current / non - current classification of assets and liability.

2.2. Material accounting policies

The material accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.2.1. Property, plant and equipment:

• Recognition and measurement

Property plant and equipment including bearer assets are carried at historical cost of acquisition less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure directly attributable to the acquisition of the item. Subsequent expenditure related to an asset is added to its book value only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amounts of replacements are derecognised. All repairs and maintenance are charged to the statement of profit and loss during the financial year/period in which they are incurred.

• Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

• Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future benefits are expected from its use or disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income/ expenses in the statement of profit and loss.

• Depreciation

Depreciation is provided on a pro-rata basis on the straight-line method over the estimated useful lives of the assets, based on technical evaluation done by management, in order to reflect the actual usage of the assets. The depreciation charge for each period is recognised in the Statement of Profit and Loss, unless it is included in the carrying amount of any other asset. The useful life, residual value and the depreciation method are reviewed at least at each financial year/period end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

The residual values and useful lives for depreciation of property, plant and equipment are reviewed at each financial year/period end and adjusted prospectively, if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Recoverable amount is higher of the value in use or exchange.

Gains and losses on disposals are determined by comparing the sale proceeds with the carrying amount and are recognised in the statement of profit and loss.

The estimates of useful lives of the tangible assets are as follows:

Sr no.	Nature of Assets	Useful Life
1	Plant and Machinery	15 Years
2	Office Equipment	5 Years
3	Computer & Softwares	3 Years
4	Furniture & Fixtures	10 Years

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

2.2.2. Borrowing costs:

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period to get ready for its intended use or sale are capitalised during the period that is required to complete and prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

2.2.3. Impairments of non-financial assets:

The Company assesses at each balance sheet date whether there is any indication that an asset or cash generating unit (CGU) may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the higher of an assets or CGU's fair value less costs of disposal or its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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 the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.2.4. Revenue from contracts with customer:

The Company uses the percentage of completion method using the input to measure progress towards completion in respect of fixed price contracts. Percentage of completion method accounting relies on estimates of total expected contract revenue and costs. This method is followed when reasonably dependable estimates of the revenues and costs applicable to various elements of the contract can be made. Key factors that are reviewed in estimating the future costs to complete include estimates of future labour costs and productivity efficiencies. Because the financial reporting of these contracts depends on estimates that are assessed continually during the term of these contracts, recognized revenue and profit are subject to revisions as the contract progresses to completion. When estimates indicate that a loss will be incurred, the loss is provided for in the period in which the loss becomes probable.

2.2.5. Software Expenses

The various software that are purchased for the purpose of completing specific project or job are charged to revenue in the year/period of acquisition. The software which are not project specific and can be utilized for other projects and has a useful life are capitalized.

Recognition of dividend income, interest income:

Interest income or expense is recognised using the effective interest rate method. The 'effective interest rate' is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or

- the amortised cost of the financial liability.

2.2.6. Foreign currency transactions:

Initial Recognition

Transactions in foreign currency are recorded at exchange rates prevailing at the date of transactions. Exchange differences arising on foreign exchange transactions settled during the year/period are recognised in the statement of profit and loss of the year/period.

Subsequent Recognition

Monetary assets and liabilities denominated in foreign currencies which are outstanding, as at the reporting period are translated at the closing exchange rates and the resultant exchange differences are recognised in the statement of profit and loss.

Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction.

Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

2.2.7. Employee benefits:

• Short-term employee benefits

Employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognized during the year/period.

• Post-employment benefits

The Company operates various post-employment schemes, including both defined benefit and defined contribution plans and post-employment medical plans. Short term employee benefits are recognised on an undiscounted basis whereas long term employee benefits are recognised on a discounted basis.

Defined contribution plans

Contributions to the provident fund and superannuation fund, which is defined contribution scheme, are recognised as an employee benefit expense in the statement of profit and loss in the period in which the contribution is due. Contributions are made in accordance with the rules of the statute and are recognised as expenses when employees render service entitling them to the contributions.

If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plans

The employees' gratuity and leave encashment/compensated absences scheme are defined benefit plan. The present value of the obligation under such defined benefit plans is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities as at the reporting date, having maturity periods approximating to the terms of related obligations.

Remeasurement, of gratuity scheme comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income (OCI) in the period in which they occur. Remeasurement are not reclassified to the statement of profit and loss in subsequent periods.

Remeasurement, of leave encashment/compensated absences scheme comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit in the statement of profit and loss (P&L) in the period in which they occur.

In case of funded plans, the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans, to recognise the obligation on net basis.

When the benefits of the plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises gains/ losses on settlement of a defined plan when the settlement occurs.

- **Other long-term employee benefits**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method as determined by actuarial valuation. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating the terms of the related obligation. Remeasurements as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss. The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

2.2.8. Income taxes:

Income tax expense comprises current and deferred tax. It is recognised in the statement of profit and loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

- **Current Income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Current tax assets and liabilities are offset only if there is a legally enforceable right to set it off the recognised amounts and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with Income Tax Act, 1961.

- **Deferred tax**

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The tax rates and tax laws used to compute the tax are those that are enacted or substantively enacted at the reporting date. Current income tax and deferred tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit and loss.
Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

2.2.9. Earnings per share (EPS):

The Company presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year/period. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held and considering the effect of all dilutive potential ordinary shares.

2.2.10.Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted. The discount rate used to determine the present value is a pretax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities exist when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required, or the amount cannot be reliably estimated. Contingent liabilities are appropriately disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised till the realisation of the income is virtually certain. However, the same are disclosed in the financial statements where an inflow of economic benefit is possible.

2.2.11.Cash and cash equivalents:

Cash and cash equivalents for the purpose of presentation in the statement of cash flows comprises of cash at bank and in hand, bank overdraft and short term highly liquid investments/ bank deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.2.12.Cash flow statement:

Cash Flows are reported using the indirect method, whereby net Profit before tax is adjusted for the effects of transactions of a non-cash nature, such as deferrals or accruals of past or future operating cash receipts or payments and items of income or expenses associated with investing or financing cash flows. For the purpose of presentation in the statement of cash flows, bank overdrafts are considered to be part of cash and cash equivalents.

2.2.13.Leases

As a lessee

At inception of a contract, the company assesses 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 – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- the Company has the right to obtain substantially all the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

  - the Company has the right to operate the asset; or
  - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Company as a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments.
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the lease term, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

Lease liability is measured by discounting the lease payments using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of the leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Impairment of ROU assets is in accordance with the Company's accounting policy for impairment of tangible and intangible assets.

Company as a lessor

Leases in which the company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless the payments to the lessor are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases or another systematic basis is available. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

For Finance leases, initially asset held under finance lease is recognised in balance sheet and presented as a receivable at an amount equal to the net investment in the lease. Finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on Company's net investment in the lease.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.2.14.Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

2.2.15.Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, interest rate swaps and currency options, and embedded derivatives in the host contract.

I. Financial assets

Initial recognition and measurement

At initial recognition, the Company measures a financial asset at its fair value and in the case of financial assets not recorded at fair value through profit or loss at transaction costs that are attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss is expensed in the Statement of Profit or Loss.

However, trade receivables that do not contain a significant financing component are measured at transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in one of the three categories:

a) At amortised cost
b) At fair value through Other Comprehensive Income ('FVTOCI')
c) At fair value through profit or loss ('FVTPL')

(a) Financial assets classified as measured at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Assets that are held for collection of contractual cash flows on specified dates where those cash flows represent solely payments of principal and interest are measured at amortised cost. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to Trade Receivable and Loans.

(b) Financial assets classified as measured at FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payments of principal and interest, on specified dates are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the other comprehensive income (OCI). Interest income from these financial assets is included in finance income using the effective interest rate method and impairment losses, if any are recognised in the Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from the equity to the Statement of Profit and Loss.

(c) Financial assets classified as measured at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

De-recognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Impairment of financial assets

The Company assesses expected credit losses associated with its assets carried at amortised cost and FVTOCI debt instrument based on Company's past history of recovery, creditworthiness of the counter party and existing market conditions. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach for recognition of impairment allowance as provided in Ind AS 109 – Financial Instruments, which requires expected lifetime losses to be recognised on initial recognition of the receivables.

II. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(a) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated as such upon initial recognition. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated as such upon initial recognition at the initial date of recognition if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risks are recognised in OCI. These gains/ losses are not subsequently transferred to the statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss.

(b) Financial liabilities at amortised cost

This is the most relevant category to the Company. The Company generally classifies interest bearing borrowings as financial liabilities carried at amortised cost. After initial recognition, these instruments are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability (or a part of a financial liability) is derecognised from the balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Offsetting of financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

Compound financial instruments

Compound financial instruments issued by the Company are accounted by recognising the liability and the equity components separately. The liability component is initially recognised at the fair value. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. The directly attributable transaction costs are allocated to the liability and the equity components in proportion to their initial carrying amounts. Subsequent to initial recognition, the liability component of the compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequently.

2.2.16.Recent accounting pronouncements:

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Arrka Infosec Private Limited
Notes to the financial statements
(All amounts in Indian rupees in thousands, unless otherwise stated)

3 Property, Plant and Equipment

Particulars	Computer and Software	Office Equipment	Furniture & Fixture	Total
Gross Block:				
As at31 March 2024	**2,774.70**	**5.99**	**1,203.96**	**3,984.66**
Additions	146.92	-	-	146.92
Deletions	**18.21**	5.99	**1,203.96**	1,228.17
As at 31 March 2025	**2,903.41**	-	-	**2,903.41**
Impairment of Assets	**10.22**	**0.30**	**210.95**	**221.47**
Depreciation:				
As at 01 April 2024	**2,611.44**	**5.69**	**993.01**	**3,610.14**
Additions	176.91	-		**176.91**
Deletions	-	**5.69**	**993.01**	**998.70**
As at 31 March 2025	**2,788.35**	-	-	**2,788.35**
Net Block:				
As at31 March 2024	**163.27**	**0.30**	**210.95**	**374.52**
As at 31 March 2025	**104.84**	-	-	**104.84**

i. There are no immovable properties the title deeds of which are not in the name of the company.

4 Intangible Assets

Particulars	Capital Ninja	APMP	APS	Total
Gross Block:				
As at 01 Apr 2024	**4,688.31**	**31,546.05**	**9,623.01**	**45,857.37**
Additions	**-**	**7,766.18**	**12,525.90**	**20,292.08**
Deletions				**-**
As at 31 March 2025	**4,688.31**	**39,312.23**	**22,148.91**	**66,149.45**
Amortisation:				
As at 01 April 2024	**3,750.65**	**15,747.09**	**5,293.99**	**24,791.73**
Additions	937.66	23,565.14	16,854.92	41,357.72
Deletions				**-**
As at 31 March 2025	**4,688.31**	**39,312.23**	**22,148.91**	**66,149.45**
Net Block:				
As at31 March 2024	**937.66**	**15,798.95**	**4,329.03**	**21,065.64**
As at 31 March 2025	**-**	**-**	**-**	**-**

5 Capital work in progress

Particulars	Capital Ninja	APMP	APS	Total
As at31 March 2024	**-**	**7,766.18**	**12,525.90**	**20,292.08**
Capitalised during the year	-	7,766.18	12,525.90	20,292.08
As at 31 March 2025	**-**	**-**	**-**	**-**

6 Trade receivables

	As at 31 March 2025	As at 31 March 2024
Unsecured		
Considered good	3,032.60	4,303.18
Considered doubtful	-	-
Less : Allowances for expected credit loss	-	-
Unearned Revenue	-	
	3,032.60	**4,303.18**

Ageing of trade receivables

	As at 31 March 2025	As at 31 March 2024
(i) Undisputed Trade Receivables – considered good		
Less than 6 months	3,032.60	4,070.25
6 months - 1 year	-	123.90
1-2 years	-	109.03
2-3 years	-	-
More than 3 years		-
	3,032.60	**4,303.18**

7 Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with Bank		
- ICICI Bank A/c No. 042405002844	4.88	4,849.88
- Saraswat Bank A/c No. 087100100101408	4,268.79	84.41
- ICICI Bank A/c No. 042405002953	3,448.05	-
- Overdraft A/c No. ODPUB/1732 with Saraswat Bank	0.18	-
Cash on Hand	-	6.02
	7,721.90	**4,940.31**

8 Other current assets

(Unsecured, considered good)	As at 31 March 2025	As at 31 March 2024
Prepaid employee insurance	-	181.81
Deposits	25.00	66.25
Prepaid Expenses	-	226.80
Balances with government authorities	2,701.54	-
	2,726.54	**474.86**

9 Share capital

Particulars	As at 31 March 2025	As at 31 March 2024
Authorised :		
1,50,000 Equity Shares of Rs.10 each	1,500.00	1,000.00
TOTAL	**1,500.00**	**1,000.00**
Issued, Subscribed & Paid up		
103401 Equity Shares of Rs.10/- each Fully issued, Subscribed & Paid up	1,034.01	685.00
TOTAL	**1,034.01**	**685.00**

Reconciliation of number of shares outstanding at the beginning and end of the year:

Equity shares	As at 31 March 2025	As at 31 March 2024
Outstanding at the beginning of the year	68,500	68,500
Equity Shares issued during the year in consideration for cash*	34,901	-
Outstanding at the end of the year	**1,03,401**	**68,500**

*Pursuant to the provisions of Section 71, 62 and 179 and other applicable provisions, if any, of the Companies Act, 2013, rule 13 of the Companies (Share Capital and Debentures) rules, the terms and conditions for issuance of 97,500 Unsecured, Compulsory Convertible Debentures (CCDs) and, the Valuation Report dated 19th September, 2024 and the Share Purchase Agreement dated 30th September, 2024, the Company on 15th October, 2024 has converted 97,500 CCDs into 7,607 fully paid up equity shares of Rs. 10/- each and at a premium of INR 1337.278822/- per Equity Share.

*27,294 Equity Shares of INR 10/- each of the Company were issued to M/s. Persistent Systems Limited (Holding Company) on rights basis on March 14, 2025, at a premium of INR 1,383.41/- per Equity Share.

Shareholders holding more than 5% shares in the Company is set out below:

Equity shares of Rs 10 each fully paid	As at 31 March 2025		As at 31 March 2024	
Persistent Systems Limited	1,03,395	99.99%	-	0.00%
Shilpa Anja (Date of cessation w.e.f.28/10/2024)	-	0.00%	30,000	43.80%
Shivangi Nadkarni	-	0.00%	30,000	43.80%

Promotors shareholding in the Company is set out below:

Equity shares of Rs. 10 each fully paid	As at 31 March 2025		As at 31 March 2024	
	No. of shares	%	No. of shares	%
1. Persistent Systems Limited	1,03,395	99.99%	-	0.00%
2. Shilpa Anja (Date of cessation w.e.f.28/10/2024)	-	0.00%	30,000	43.80%
3. Shivangi Nadkarni	-	0.00%	30,000	43.80%
2. Mr. Yogesh Patgaonkar (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
3. Ms. Dhanashree Bhat (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
4. Mr. Nitinchandra Shende (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
5. Mr. Jayant Konde (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
6. Mr. Sachin Dewasthalee (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
7. Ms. Nayana Bhandari (Nominee shareholder on behalf of Persistent Systems Limited)	1	0.00%	-	0.00%
Total	**1,03,401**	**100.00%**	**60,000**	**87.59%**

M/s. Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956), has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024.

10 Other equity

Particulars	As at 31 March 2025	As at 31 March 2024
Reserves and surplus		
a. Securities premium	89,847.72	42,415.00
b. Retained earnings	(92,496.03)	(21,842.92)
	(2,648.31)	**20,572.08**

Other equity	As at 31 March 2025	As at 31 March 2024
Reserves and surplus		
a. Securities premium		
Opening Balance	42,415.00	42,415.00
(+) Securities premium credited on Share issue	47,432.72	-
Closing balance	**89,847.72**	**42,415.00**
b. Retained earnings		
Opening balance	(21,842.92)	(23,023.36)
(+) Net Profit/(Net Loss) for the current Period	(70,653.11)	1,180.44
Other comprehensive (loss)/ income		
Closing balance	**(92,496.03)**	**(21,842.92)**
	(2,648.31)	**20,572.08**

11 Non-current borrowings	As at 31 March 2025	As at 31 March 2024
Unsecured Loan		
Compulsory Convertible Debentures	-	9,750.00
Loan from Directors		
-Shivangi Nadkarni	-	750.00
-Sameer Anja (Date of cessation w.e.f.13/04/2023)	-	1,000.00
	-	**11,500.00**

During the Financail year 2023-24 the company has issued an 97,500 unsecured Compulsory Convertible Debentures (CCDs) having a face value of Rs. 100/- (Hundred) each, carrying a Coupon Rate of 0% per annum and having a term of 24 Months from the date of allotment, each fully paid up.

12 Current borrowings	As at 31 March 2025	As at 31 March 2024
Secured		
From Bank		
- Overdraft A/c No. ODPUB/1732 with Saraswat Bank	-	1,734.06
- Overdraft A/c No. 042405002953	-	1,026.80
	-	**2,760.86**

13 Trade payables

	As at 31 March 2025	As at 31 March 2024
Trade payables		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises (Refer Note No.24)	16,929.81	1,559.28
	16,929.81	**1,559.28**

Notes :

Based on the information available with the company, the balance due to Micro, Small and Medium Enterprises as defined under the MSMED Act 2006 is Rs. Nil and no interest has been paid or is payable under the terms of the MSMED Act 2006.

Ageing of trade payables	As at 31 March 2025	As at 31 March 2024
(i) MSME		
Less than 1 year	-	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
(ii) Others		
Less than 1 year	16,929.81	623.76
1-2 years	-	658.02
2-3 years	-	277.50
More than 3 years	-	-
	16,929.81	**1,559.28**
	16,929.81	**1,559.28**

14 Other current liabilities

	As at 31 March 2025	As at 31 March 2024
Statutory Liabilities		
- Profession Tax	-	4.40
- Tax Deducted At Source	-	618.61
- Goods and Service Tax	1.80	505.94
- Providend Fund	-	195.70
Employee Reimbursement	-	1,730.50
Employees Payable		
- Directors Salary	-	9,752.77
- Salary Payable	-	4,133.18
Other Payable		
- Expenses Payable (Refer Note No.24)	2,399.09	760.70
- Professional Fee Payable	98.36	678.50
	2,499.25	**18,380.30**

15 Revenue from operations

	For the year ended 31 March 2025	For the year ended 31 March 2024
Sale of Services	29,420.13	25,499.27
Sale of Services - Export	-	2,811.83
	29,420.13	28,311.10
Less: duties & taxes	-	-
Total revenue from operations	**29,420.13**	**28,311.10**

16 Other income

	For the year ended 31 March 2025	For the year ended 31 March 2024
Interest on Income Tax	160.97	231.74
Other Income	-	51.78
	160.97	**283.52**

17 Employee benefits expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Salaries, Wages & Incentives (Refer Note No.24)	30,608.34	12,966.98
Gratuity Expenses	2,595.01	-
Employer Contribution to Providend Fund	695.52	720.63
Employer Contribution to Mediclaim Insurance	95.80	83.21
PF Administration Charges	41.35	51.37
	34,036.02	**13,822.19**

18 Finance costs

	For the year ended 31 March 2025	For the year ended 31 March 2024
Bank Charges	56.25	54.05
Interest on Overdraft with Saraswat Bank	157.18	287.94
Interest on Unsecured Loan (Refer Note No. 24)	1,284.74	-
	1,498.17	**341.99**

19 Depreciation and amortisation expense

	For the year ended 31 March 2025	For the year ended 31 March 2024
Depreciation of property, plant and equipment	41,534.64	155.77
Amortisation of intangible assets	-	9,171.48
	41,534.64	**9,327.25**

20 Other expenses

	For the year ended 31 March 2025	For the year ended 31 March 2024
Professional & Technical Fees (Refer Note No.24)	20,805.11	1,864.37
Website Subscription and Development	766.07	333.77
Office Expenses	243.90	377.20
Audit Fees	230.00	230.00
Rates and Taxes	241.15	-
Foreign Exchange Loss/(Gain)	29.98	0.39
Late Fees & Interest	-	181.15
Membership Fees	-	31.50
Impairment of Assets	221.47	-
Travelling & Lodging Expenses (Refer Note No.24)	218.41	-
Rent	409.29	419.03
Repairs and Maintenance	-	106.66
	23,165.38	**3,544.07**

(a) Payment to auditors

	For the year ended 31 March 2025	For the year ended 31 March 2024
Statutory audit fee	230.00	185.00
Other Services	-	45.00
	230.00	**230.00**

21 Taxes

(a) Statement of profit or loss

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Tax expense:		
Current tax	-	-
Deferred tax	-	-
Tax in respect of earlier years	-	378.68
Income tax expense reported in the statement of profit or loss	**-**	**378.68**

(b) Other comprehensive income (OCI)

Taxes related to items recognised in OCI during in the period

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Deferred tax		
Remeasurements gains and losses on post employment benefits	-	-
Income tax recognised in OCI	**-**	**-**

(c) Balance sheet

Tax assets

Particulars	As at 31 March 2025	As at 31 March 2024
Non- current tax assets		
Current tax assets		2,377.43
Tax Deducted At Source	2,599.36	
Advance tax (net of provisions)	-	-
Total tax assets	**2,599.36**	**2,377.43**

Tax liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
Income tax (net of advance tax)	-	-
Total current tax liabilities	**-**	**-**

(d) Deferred tax liabilities / (assets)

Particulars	As at 31 March 2025	As at 31 March 2024
Deferred tax liabilities		
Total deferred tax liabilities	**-**	**-**
Deferred tax assets		
Differences in Books value and tax base values of property, plant and equipment, ROU assets and other intangible assets.	(1,629.52)	-
Total deferred tax assets	**(1,629.52)**	**(1,629.52)**
Net deferred tax liability/(asset)	**(1,629.52)**	**(1,629.52)**

22 Earnings Per Share

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Profits attributable to equity shareholders		
Profit for basic earning per share of Rs. 10 each		
Profit for the Period (Rs. in thousands)	(70,653.11)	1,180.44
Number of equity shares outstanding during the Period	1,03,401	68,500
Basic EPS (Rs.)	**(0.68)**	**0.02**
Diluted Earnings Per Share		
Profit for diluted earning per share of Rs. 10 each		
Profit for the Period (Rs. in thousands)	(70,653.11)	1,180.44
Interest on ICD	1,284.74	-
Profit for the Period (Rs. in thousands)	(69,368.36)	1,180.44
Weighted average number of equity shares outstanding during the Period	87,698	76,107
Diluted EPS (Rs.)	**(0.79)**	**0.02**

Number of equity shares for basic earnings per share	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning and at the end of the Period	68,500	68,500
Issued during the Period	34,901	-
Number of equity shares outstanding during the Period	**1,03,401**	**68,500**

Weighted Average Number of Equity Shares	For the year ended 31 March 2025	For the year ended 31 March 2024
Balance at the beginning and at the end of the Period	68,500	68,500
Unsecured Intercompany Deposit (ICD)	4,356	7,607
Issues during the Period		
-Issued on 27-Oct-2024	3,251	-
Intercompany deposit issued on 28-Oct-2024	10,245	-
-Issued on 14-Mar-2025	1,346	-
Weighted average number of equity shares outstanding during the Period	**87,698**	**76,107**

23 Contingent liabilities, contingent assets and commitments :

(a) Contingent liabilities

Particulars	As at 31 March 2025	As at 31 March 2024
NIL	-	-
Total	-	-

(b) Commitments - Nil

Particulars	As at 31 March 2025	As at 31 March 2024
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Total	-	-

24 Related Party Transactions

1. Name of Related Parties

Holding Company

Persistent Systems Limited

Key Management Personnel

Shivangi Nadkarni
Priya Gopalen (Date of cessation w.e.f.28/10/2024)
Sameer Anja (Date of cessation w.e.f.13/04/2023)
Shilpa Anja (Date of cessation w.e.f.28/10/2024)
Nayana Bhandari
Sachin Dewasthalee

2. Related Party Transactions

Particulars	Name of Related Party	Relationship with the related Party	For the year ended 31 March 2025	For the year ended 31 March 2024
Expenses				
Intercompany Interest Expenses	Persistent Systems Limited	Holding Company	1,284.74	-
Professional & Technical Fees	Persistent Systems Limited	Holding Company	13,873.14	-
Management Salary	Shivangi Nadkarni	Key Management Personnel	1,985.60	2,978.40
Management Salary	Sameer Anja (Date of cessation w.e.f.13/04/2023)	Key Management Personnel	-	115.88
Gratuity Payment	Shilpa Anja (Date of cessation w.e.f.28/10/2024)	Key Management Personnel	488.08	-
Interest on Gratuity	Shilpa Anja (Date of cessation w.e.f.28/10/2024)	Key Management Personnel	65.89	-
Management Salary	Shilpa Anja (Date of cessation w.e.f.28/10/2024)	Key Management Personnel	305.60	321.62
Reimbursement of Expenses	Shivangi Nadkarni	Key Management Personnel	276.08	277.00

3. Related Party Balance

Particulars	Name of Related Party	Relationship with the related Party	For the year ended 31 March 2025	For the year ended 31 March 2024
Share Capital	Persistent Systems Limited	Holding Company	1,034.01	-
Trade Payable	Persistent Systems Limited	Holding Company	16,914.69	-
Interest on ICD Payable	Persistent Systems Limited	Holding Company	109.72	-
Management Salary	Shivangi Nadkarni	Key Management Personnel	-	3,914.84
Management Salary	Sameer Anja (Date of cessation w.e.f.13/04/2023)	Key Management Personnel	-	5,837.93
Reimbursement of Expenses	Shivangi Nadkarni	Key Management Personnel	-	1,236.39
Reimbursement of Expenses	Sameer Anja (Date of cessation w.e.f.13/04/2023)	Key Management Personnel	-	434.30
Unsecured Loan	Shivangi Nadkarni	Key Management Personnel	-	750.00
Unsecured Loan	Sameer Anja (Date of cessation w.e.f.13/04/2023)	Key Management Personnel	-	1,000.00

Arrka Infosec Private Limited
Notes to the financial statements
(All amounts in Indian rupees in thousands, unless otherwise stated)

25 Ratio Analysis and its Elements

S No.	Ratio	Formula	Particulars		Ratios	Ratios	Variance	Reasons for variance in excess of 25%
			Numerator	Denominator	31-03-2025	31-03-2024	%	
(a)	Current Ratio	Current Assets / Current Liabilities	Current Assets = Inventories + Current Investment + Trade Receivable + Cash & Cash Equivalents + Other Current Assets	Current Liability = Short Term Borrowings + Trade Payables + Provisions + Other Current Liabilities	0.83	0.53	55.3%	A substantial reduction in trade payables led to a notable decline in total current liabilities.Current assets saw only a marginal decrease, with an increase observed in cash balances and receivables.
(b)	Debt-Equity Ratio	Debt / Equity	Debt= Long Term Borrowings + Short Term Borrowings	Equity= Share capital + Reserve and Surplus	-	0.67	(100.00%)	Repayment of unsecured loan and conversion of compulsorily convertible debentures resulted in no debt.
(c)	Debt Service Coverage Ratio	Net Operating Income / Debt Service	Net Operating Income= Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	(47.16)	3.45	(1,466.26%)	The increase in losses is primarily due to the write-off of intangible assets, including work-in-progress (WIP) intangible assets.
(d)	Return on Equity Ratio	Profit after tax less pref. Dividend x 100 / Shareholder's Equity	Net Profit	Average Shareholder's Equity	(7.19)	0.06	(12,694.84%)	The increase in losses is primarily due to the write-off of intangible assets, including work-in-progress (WIP) intangible assets.
(e)	Inventory Turnover Ratio	Cost of Goods Sold / Average Inventory	Cost of Goods Sold	Average Inventory = (Opening Inventory + Closing Inventory) /2	NA	NA	NA	Not applicable
(f)	Trade Receivables Turnover Ratio	Net Credit Sales / Average Trade Receivables	Net Credit Sales	Average Trade Receivable = (Opening Trade Receivables + Closing Trade Receivables) /2	5.67	6.61	(14.16%)	Not applicable
(g)	Trade Payables Turnover Ratio	Net Credit Purchases / Average Trade Payables	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables) /2	2.51	2.69	(6.87%)	Not applicable
(h)	Net Capital Turnover Ratio	Revenue / Working Capital	Revenue	Working Capital= Current Assets – Current Liabilities	(8.79)	(2.67)	229.1%	Decrease is due to an increase in working capital
(i)	Net Profit Ratio	Net Profit / Net Sales	Net Profit	Revenue	(2.40)	0.04	(5,859.75%)	The increase in losses is primarily due to the write-off of intangible assets, including work-in-progress (WIP) intangible assets.
(j)	Return on Capital Employed	EBIT / Capital Employed	EBIT= Earnings before interest and taxes	Capital Employed= Total Assets - Current Liabilities	(42.84)	0.06	(73,913.70%)	The increase in losses is primarily due to the write-off of intangible assets, including work-in-progress (WIP) intangible assets.
(k)	Return on Investment	Net Profit / Net Investment	Net Profit	Net Investment= Average Total Assets	(1.93)	0.02	(8,017.89%)	The increase in losses is primarily due to the write-off of intangible assets, including work-in-progress (WIP) intangible assets.

26 Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: 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 Company does not foresee any major foreign exchange risk as majority of the revenue is generated and expenses are incurred in the Company's functional currency. 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.

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 thousand ₹ 3,032.6 as at March 31, 2025. 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:

(In ₹'000)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Receivables overdue for more than 90 days	-	330.18
Total receivables	3,032.60	4,303.18
Overdue for more than 90 days as a % of total receivables	0%	8%

Ageing of trade receivables

(In ₹'000)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Within the credit period	-	-
1 to 30 days past due	3,032.60	3,970.84
31 to 60 days past due	-	-
61 to 90 days past due	-	2.16
91 to 120 days past due	-	64.80
121 and above past due	-	265.38
Less: Expected credit loss	-	-
Net trade receivables	**3,032.60**	**4,303.18**

Movement in expected credit loss allowance

(In ₹'000)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 2024
Opening balance	-	-
Movement in expected credit loss allowance		
Movement in expected credit loss allowance	-	-
Closing balance	**-**	**-**

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 -₹ 3,348.66 thousand including cash and cash equivalent of ₹ 7,721.90 thousand.

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

(In ₹'000)

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Interest Payable	109.72	-	-	-
Trade payables	16,929.81	-	623.76	935.52

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

28 Previous year's figures have been regrouped and reclassified, wherever necessary, to conform to the current year's presentation.

FOR R. S. MUTHA & CO.,
Chartered Accountants
FIRM REG. NO. 126939W

R. S. MUTHA
Partner
Membership Number: 121503
Place: India
Date: 10-06-2025

For and on behalf of the Board of Directors of
Arrka Infosec Private Limited
CIN:U72200PN2012PTC141873

Shivangi Nadkarni
Director
DIN: 02465885
Place : India
Date: 10-06-2025

Nayana Bhandari
Director
DIN: 03044076
Place : India
Date: 10-06-2025

Persistent

Starfish Associates, LLC

1200 US Highway 22, Bridgewater NJ 08807, USA

Starfish Associates, LLC

1200 US Highway 22, Bridgewater NJ 08807, USA

Annual Report 2024-25

The management is pleased to present the Annual Report of your Company together with the audited statement of accounts for the year ended March 31, 2025.

Background

Your Company is a wholly owned subsidiary of Persistent Systems Inc., USA, having its office in the USA.

Financial Results

The financial results of the Company for the Financial Year ended March 31, 2025, were as follows:

(Amounts In INR '000)

Particulars	FY 2024-25
Total Income	472,180.41
Total Expenditure	434,011.44
Profit / (Loss) before tax	38,168.97
Total Tax Expense	-
Net profit/ (loss) after tax	38,168.97

Business Operations

Your Company generated a net profit as mentioned above during the period of the report

Directors

The Directors/Office Bearer of the Company as of March 31, 2025, were as follows:

a. Mr. Sandeep Kalra
b. Mr. Thomas Klein
c. Mr. Sandeep Walimbe
d. Mr. Robert Hankin

Acknowledgments

The management would like to thank all the stakeholders for the excellent support rendered in their respective areas.

JOSHI APTE & CO.
Chartered Accountants

"Dwarka", 1st Floor, 2 Phatak Baug Soc.,
999, Navi Peth, Pune 411030, India
Tel. : +91-20-2453 2991
E-mail : joshiapte@joshiapte.com
Website : www.joshiapte.com

Independent Auditors' Report

To,
The Board of Directors of
Starfish Associates, LLC

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Starfish Associates, LLC ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, the Profit and total comprehensive income, changes in equity and its cash flows for the period ended on that date.

Basis of Preparation and Restriction on Use and distribution

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which describes basis of preparation. These financial Statements have been prepared solely for its Parent Company to assist them in preparation of its Consolidated Ind AS Financial Statements. Our report is intended solely for the use of management and Board of `Directors for the above purpose and should not be distributed to or used by any other parties.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Other Matters:

1) Starfish Associates, LLC has been acquired by Persistent System Inc. on 1st August 2024 by virtue of equity purchase agreement dated 2nd July 2024.

2) The books of account of Starfish Associates, LLC, were not audited till 31st July, 2024 and that balances on the date of acquisition are carried forward on the basis of the procedures performed by Management at the time of acquisition, confirming that no material misstatements were observed in the same.

Management's responsibility for the Financial Statements

The Company's Board of Directors is responsible for the preparation and presentation of these Financial Statements that give a true and fair view of the financial Position, financial performance, including total comprehensive income, changes in equity and cash flows of the Company in Accordance with the Ind AS 34 and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is

sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act, read with rules thereunder.

e) On the basis of the written representations received from the directors as on March 31, 2025 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the other matters to be included in the Auditor' Report in accordance with the requirements of section 197(16) of the Act, as amended:

Entity is not governed under Companies Act, 2013, therefore this clause is not applicable.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of Companies (Audit and Auditors) Rules

2014 as amended in our opinion and to the best of our information and according to the explanation given to us:

i. The company has no pending litigations in its financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

iii. Requirement for transferring of amounts to Investor and Education Protection Fund is not applicable.

iv.

(a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The requirements of the audit trail under rule 11(g) are not applicable since the company is a foreign entity incorporated outside India.

For Joshi Apte & Co.
Chartered Accountants
ICAI Firm Registration No: 104370W

per Tejashree Joshi
Partner
Membership No.: 139807
Place: Pune
Date: 21st April, 2025.
UDIN: 25139807BMLLAN3942

Starfish Associates, LLC

BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 (In ₹'000)
ASSETS		
Non-current assets		
Property, Plant and Equipment	5.1	-
		-
Financial assets		
Other non current financial assets	6	-
Deferred tax assets (net)	7	-
		-
Current assets		
Financial Assets		
- Trade receivables	8	138,568.25
- Cash and cash equivalents	9	183,267.76
- Other current financial assets	10	10,085.31
Other current assets	11	-
		331,921.32
TOTAL		**331,921.32**
EQUITY AND LIABILITIES		
EQUITY		
Equity share capital	4	2,230.86
Other equity		(17,339.09)
		(15,108.23)
LIABILITIES		
Current liabilities		
Financial liabilities		
- Trade payables	12	204,308.57
Other current liabilities	13	142,720.98
Provisions	14	-
Current tax liabilities (net)		-
		347,029.55
TOTAL		**331,921.32**
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
Starfish Associates, LLC

per Tejashree Joshi	**Sandeep Kalra**	**Thomas Klein**
Partner	Manager-CEO	Manager
Membership No. 139807		
Place: India	Place: USA	Place: USA
Date: April 21, 2025	Date: April 21, 2025	Date: April 21, 2025

Starfish Associates, LLC

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH 31, 2025

	Notes	For the period ended March 31, 2025 (In ₹'000)
Income		
Revenue from operations	15	470,503.24
Other income	16	1,677.17
Total income (A)		**472,180.41**
Expenses		
Employee benefits expense	17.1	155,544.30
Cost of technical professionals	17.2	260,326.45
Depreciation and amortization expense	5.2	-
Other expenses	18	18,140.69
Total expenses (B)		**434,011.44**
Profit/(loss) before tax (A - B)		**38,168.97**
Tax expense		
Current tax		-
Tax credit in respect of earlier years		-
Deferred tax charge / (credit)		-
Total tax expense		**-**
Net profit/(loss) for the Period (C)		**38,168.97**
Other comprehensive income		
Items that may be reclassified to profit or loss (D)		
- Exchange differences in translating the financial statements of foreign operations		(829.61)
		(829.61)
Total comprehensive income for the Period (C) + (D)		**37,339.36**
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
Starfish Associates, LLC

per Tejashree Joshi
Partner
Membership No. 139807

Place: India
Date: April 21, 2025

Sandeep Kalra
Manager-CEO

Place: USA
Date: April 21, 2025

Thomas Klein
Manager

Place: USA
Date: April 21, 2025

Starfish Associates, LLC

CASH FLOW STATEMENT FOR THE PERIOD ENDED MARCH 31, 2025

		For the period ended March 31, 2025 (In ₹'000)
Cash flow from operating activities		
Profit / (loss) before tax		**38,168.97**
Adjustments for:		
Interest income		(1,677.17)
Unrealised exchange (gain)/ loss (net)		44.40
Foreign Currency Translation Reserve		(829.61)
Operating profit before working capital changes		**35,706.59**
Movements in working capital :		
(Increase)/Decrease in trade receivables		(50,228.16)
(Increase)/ Decrease in other current assets (including financial assets)		13,300.77
(Increase) / Decrease in other non current assets		1,212.79
Increase/(Decrease) in trade payables and current liabilities		126,475.02
Increase/(Decrease) in provisions		-
Operating profit after working capital changes		**126,467.01**
Direct taxes paid (net of refunds)		-
Net cash generated from operating activities	**(A)**	**126,467.01**
Cash flows from investing activities		
Interest received		1,677.17
Net cash (used in) investing activities	**(B)**	**1,677.17**
Cash flows from financing activities		
Proceeds from issuance of share capital		-
Net cash (used in) financing activities	**(C)**	**-**
Net (Decrease)/ increase in cash and cash equivalents (A + B + C)		128,144.18
Cash and cash equivalents at the beginning of the period		55,123.58
Cash and cash equivalents at the end of the Period		**183,267.76**
Components of cash and cash equivalents		
Balances with banks		
On current accounts		183,267.76
Cash and cash equivalents as per note 9		**183,267.76**

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.
ICAI 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
Starfish Associates, LLC

Sandeep Kalra
Manager-CEO

Place: USA
Date: April 21, 2025

Thomas Klein
Manager

Place: USA
Date: April 21, 2025

Starfish Associates, LLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2025

A. Equity share capital (refer Note 4)

(In ₹'000)

Balance as at August 1, 2024	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the period	Balance as at March 31, 2025
2,230.86	-	-	2,230.86

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Starfish Associates, LLC

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2025

B. Other equity

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at August 1, 2024	(54,678.46)	-	(54,678.46)
Net Profit/(Loss) for the period	38,168.97	-	38,168.97
Other Comprehensive income for the period	-	(829.61)	(829.61)
Balance as at March 31, 2025	**(16,509.49)**	**(829.61)**	**(17,339.09)**

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.
ICAI 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
Starfish Associates, LLC

Sandeep Kalra
Manager-CEO

Place: USA
Date: April 21, 2025

Tom Klein (Apr 21, 2025 08:57 PDT)
Thomas Klein
Manager

Place: USA
Date: April 21, 2025

Starfish Associates, LLC

Notes forming part of financial statements

1. Nature of operations

Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc. effective from August 1, 2024, upon completion of the necessary customary closing condition.

Starfish Associates, LLC provides communication management automation solution for multi-vendor unified communications(UC) and contact centers(CC) systems.Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.

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 applied by the company during the period 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 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 period ended March 31, 2025.

3. Material accounting policy information

3.1 Accounting year

The accounting year of the company is from April 1 to March 31. These financial statements have been prepared only for the purpose of consolidation.

3.2 Functional currency

a) The Company's functional currency is USD.

b) 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".

3.3 Use of estimates and judgements

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 crtitical accounting estimates involiving 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.

3.4 Critical accounting estimates

a) 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.

b) Income taxes

The Company's major tax jurisdictions is US. 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 lossed 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.

c) 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.

d) 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. The company uses significant judgements to assess contingent liabilities.

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

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

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

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. 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.

ii) 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 and use or sell it;
- 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.

e) 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 equipments	5 years

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

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

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

f) Impairment of Property, Plant and Equipment and Other intangible assets

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors.

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial year end even if there is no indication that the asset is impaired.

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

g) Financial instruments

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

Financial assets at amortized cost

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

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

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

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

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts 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 amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximately.

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 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 FVTPL.

iii) Impairment

a. 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.

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

h) Borrowing Costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangements of borrowings. Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as a part of the cost of the respective asset. All other borrowing costs are expensed in the year in which they occur.

i) 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:
i. The contract involves the use of an identified asset;
ii. The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
iii. 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.

Where the Company is 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 recognized:

i. Income from sale of 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.
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.

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.

In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

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 payment is established by the balance sheet date. Dividend income is included under the head ‘Other Income’ in the statement of profit and loss.

k) Foreign currency translation

i) Foreign currency transactions and balances

a. Initial recognition

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

b. 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.

c. Exchange differences

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

d. 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.

ii) Translation of foreign operations

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

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the US tax laws. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognized outside the statement of profit and loss is recognized in co-relation to the underlying transaction either in other comprehensive income or directly in equity.

m) Cash and cash equivalents

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

n) Earnings per share (EPS)

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

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

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

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

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5.1 Property, Plant and Equipment

(In ₹'000)

	Computers	Furniture & Fixtures	Plant and equipment	Total
Gross block				
As at August 1, 2024				
Opening Balance	-	-	-	-
Additions	-	-	-	-
Additions on account of acquisition	17,480.06	3,161.25	4,216.14	24,857.45
- Exchange differences	349.95	63.29	84.40	497.64
As at March 31, 2025	**17,830.01**	**3,224.54**	**4,300.54**	**25,355.09**
Depreciation and amortization				
As at August 1, 2024				
Opening Balance	-	-	-	-
Charge for the period	-	-	-	-
Additions on account of acquisition	17,480.06	3,161.25	4,216.14	24,857.45
- Exchange differences	349.95	63.29	84.40	497.64
As at March 31, 2025	**17,830.01**	**3,224.54**	**4,300.54**	**25,355.09**
Net block				
As at March 31, 2025	**-**	**-**	**-**	**-**

5.2 Depreciation and amortization

(In ₹'000)

	For the period ended March 31, 2025
Property, Plant and Equipment	-
	-

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Starfish Associates, LLC

Notes forming part of financial statements

6. Other Non-current financial assets

	As at March 31, 2025 (In ₹'000)
Security Deposits	-
	-

7. Deferred Tax Assets (Net)

	As at March 31, 2025 (In ₹'000)
Deferred Tax Assets	
On carried forward losses	-
On provision for long service awards	-
	-

8. Trade receivables

	As at March 31, 2025 (In ₹'000)
Unsecured, considered good (Refer note no. 23)	138,568.25
Unsecured, considered doubtful	-
	138,568.25
Less : Provision for doubtful receivables	-
	138,568.25

Trade receivables Ageing Schedule

	Curent 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	123,824.33	14,743.92	-	-	-	-	138,568.25
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	**123,824.33**	**14,743.92**	**-**	**-**	**-**	**-**	**138,568.25**

9. Cash and cash equivalents

	As at March 31, 2025 (In ₹'000)
Cash and cash equivalents as presented in cash flow statement	
Balances with banks	183,267.76
	183,267.76

10. Other current financial assets

	As at March 31, 2025 (In ₹'000)
Unbilled revenue	8,846.62
Security Deposits	1,238.69
	10,085.31

11. Other current assets

	As at March 31, 2025 (In ₹'000)
Advances recoverable in cash or kind	-
	-

12. Trade payables

	As at March 31, 2025 (In ₹'000)
Trade payables for goods and services (Refer note no. 23)	204,308.57
	204,308.57

Trade payables Ageing Schedule

	Outstanding for following periods from due date of payment					Total
	Current but not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	204,308.57	-	-	-	-	204,308.57
Disputed dues of micro enterprises and small	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As at March 31, 2025	**204,308.57**	**-**	**-**	**-**	**-**	**204,308.57**

13. Other current liabilities

	As at March 31, 2025 (In ₹'000)
Unearned revenue	142,720.98
	142,720.98

14. Current Liabilities: Provisions

	As at March 31, 2025 (In ₹'000)
Provision for employee benefits	-
	-

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15. Revenue from operations

	For the period ended March 31, 2025 (In ₹'000)
Sale of Services (Refer note no. 23)	343,166.04
Sale of products	127,337.20
	470,503.24

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 period ended March 31, 2025

Particulars	For the period ended March 31, 2025 (In ₹'000)
Segment wise disclosure	
Industrial Segments	420,932.38
BFSI	49,570.86
LSHC	-
Total	**470,503.24**
Geographical disclosure	
India	13,066.13
Canada	49,570.86
North America	407,866.25
Rest of the World	-
Total	**470,503.24**
Onsite / offshore	
IP Led	295,564.02
Offshore	54,869.56
Onsite	120,069.66
Total	**470,503.24**

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.

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

Particulars	For the period ended March 31, 2025
Balance at the beginning of the year	-
Revenue recognised during the year	8,846.62
Invoices raised during the year	-
Translation exchange difference	1,238.69
Balance at the end of the year	**10,085.31**

Changes in Unearned revenue are as follows:

Particulars	For the period ended March 31, 2025
Balance at the beginning of the year	-
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	-
Increase due to invoicing during the year, not recognised as revenue during the year	142,720.98
Translation exchange difference	-
Balance at the end of the year	**142,720.98**

16. Other income

	For the period ended March 31, 2025 (In ₹'000)
Interest income	1,677.17
	1,677.17

17. Personnel expenses

	For the period ended March 31, 2025 (In ₹'000)
17.1. Employee benefits expense	
Salaries, wages and bonus	109,790.90
Defined contribution to other funds	8,523.85
Staff welfare and benefits	37,229.55
	155,544.30
17.2 Cost of technical professionals	
Technical professionals - related parties	170,974.54
Technical professionals - others	89,351.91
	260,326.45
	415,870.75

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Starfish Associates, LLC

Notes forming part of financial statements

18. Other expenses

	For the period ended March 31, 2025 (In ₹'000)
Travelling and conveyance	1,609.48
Electricity expenses	435.86
Communication expenses	628.92
Purchase of software licenses and support expenses	4,995.98
Rent	5,532.66
Rates and taxes	180.15
Professional fees	4,366.70
Repairs and maintenance	
- Others	30.67
Books, memberships, subscriptions	21.80
Foreign exchange loss (net)	44.40
Miscellaneous expenses	294.07
	18,140.69

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19. Ratio Analysis and its elements

Ratio	Numerator	Denominator	March 31, 2025
(a) Current Ratio,	Current Assets	Current Liabilties	0.96
(b) Debt-Equity Ratio,	Debt	Equity	NA
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	NA
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	(5.05)
(e) Trade Receivables turnover ratio,	Turnover	Average Trade Receivables	6.79
(f) Trade payables turnover ratio,	Trade Payables	Cost of professional + other expenses	0.37
(g) Net capital turnover ratio,	Turnover	Average working capital	(62.28)
(h) Net profit ratio,	Net Profit after tax	Turnover	0.08
(i) Return on Capital employed,	EBITDA	Capital employed	(2.53)

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20. Unhedged foreign currency exposure at the end of the year

Particulars	As at March 31, 2025		
	Amount in FC ('000)	Rate	Amount in INR ('000)
Trade Receivables	CAD 290.00	59.56	17,271.47

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Notes forming part of financial statements

21. 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 is high dependence on top customers. 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

(In ₹'000)

Particulars	As at Mar 31, 2025
Trade receivables (CAD)	17,271.47

Foreign currency sensitivity analysis

For the period ended March 31, 2025, every percentage point depreciation / appreciation in the exchange rate between the USD and foreign currencies, has affected the Company's profit before tax margin (PBT) by approximately 0.45%.

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 ₹ 138,568.25 thousand as at March 31, 2025. Trade receivables are typically unsecured and are derived from revenue earned from customers. Credit risk is managed by the Company's 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:

(In ₹'000)

Particulars	As at March 31, 2025
Receivables overdue for more than 90 days	-
Total receivables	138,568.25
Overdue for more than 90 days as a % of total receivables	0.0%

Ageing of trade receivables

(In ₹'000)

Particulars	As at March 31, 2024
Within the credit period	123,824.33
1 to 30 days past due	14,743.92
31 to 60 days past due	-
61 to 90 days past due	-
91 to 120 days past due	-
121 and above past due	-
Less: Expected credit loss	-
Net trade receivables	**138,568.25**

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. As at March 31, 2025, the Company had a negative working capital of ₹ 15,108.23 thousand including cash and cash equivalents of ₹ 183,267.76 thousand.

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

(In ₹'000)

Particulars	As at March 31, 2025	
	Less than 1 year	More than 1 year
Trade payables	204,308.57	-

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22. 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 (In ₹'000)**
Profit before tax	38,168.97
Enacted tax rate	0.00%
Computed tax expense at enacted tax rate	-
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense:	
Short Tax Provision (Net)	-
Others (Net)	-
Income tax expense	**-**

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23. Related Party Disclosures

a. Names of related parties and their related party relationships

Holding Company
Persistent Systems Inc.

Ultimate Holding Company
Persistent Systems Limited

b. Related party transactions

(Amount in ₹ '000)

Particulars	Name of Related Party	Relation with the company	For the period ended 31-Mar-25
Sale of service	Persistent Systems Limited	Ultimate Holding Company	13,066.13
Cost of technical professional	Persistent Systems Limited	Ultimate Holding Company	107,276.35
Cost of technical professional	Persistent Systems, Inc.	Holding Company	63,698.19

c. Balances outstanding

(Amount in ₹ '000)

Particulars	Name of Related Party	Relation with the company	As at 31-Mar-25
Share capital	Persistent Systems Inc.	Holding Company	2,230.86
Trade payables	Persistent Systems Limited	Ultimate Holding Company	106,435.79
Trade payables	Persistent Systems, Inc.	Holding Company	62,893.35
Trade receivables	Persistent Systems Limited	Ultimate Holding Company	12,867.15

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24. Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc. effective from August 1, 2024, upon completion of the necessary customary closing conditions.
Post acquisition Persistent Systems USA is 100% owner of equity interest amounting to USD 26,658.68.

25. **Contingent liabilities**

The Company does not have any contingent liability as at March 31, 2025.

26. **Capital commitments**

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

27. The financial statements are presented in ₹ '000.

28. Being first year of operations, the information for comparatives periods is not presented in the financial statements.

29. 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.

30. The entity Starfish Associates LLC being in the form of LLC, the tax liability is borne by its member which is Persistent System Inc (PSI). Therefore, the tax provision is accounted in the books of PSI.

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
Starfish Associates, LLC

Sandeep Kalra
Manager-CEO

Place: USA
Date: April 21, 2025

Thomas Klein
Manager

Place: USA
Date: April 21, 2025