

Persistent Systems Germany GmbH
BALANCE SHEET AS AT MARCH 31, 2026

	Note	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	12,266.98	7,121.24
Right-of-use asset	5.2	221,979.11	226,343.08
		234,246.09	233,464.32
Non-current investments	6	-	1,043,090.53
Other non-current financial asset	7	20,390.78	19,634.55
Deferred tax assets (net)	8	119,797.55	101,687.25
		374,434.43	1,397,876.66
Current assets			
Financial assets			
-Trade receivables	9		
- Billed		79,313.04	167,922.54
- Unbilled		14,276.77	7,444.39
-Cash and cash equivalents	10	298,406.84	8,727.88
-Other financial assets	11	4,404.96	9,231.55
Other current assets	12	14,260.24	4,221.74
		410,661.85	197,548.10
TOTAL		785,096.28	1,595,424.76
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	1,413,301.11	1,413,301.11
Other equity		(1,040,138.66)	(1,280,243.18)
		373,162.45	133,057.93
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	13	-	850,042.41
-Lease Liabilities	14	179,937.01	194,118.90
		179,937.01	1,044,161.31
Current Liabilities			
Financial liabilities			
-Trade payables	15	130,442.30	332,568.16
-Lease Liabilities	14	53,558.22	43,840.00
-Other financial liabilities	16	20,147.11	22,171.60
Other current liabilities	17	24,154.93	15,087.98
Provisions	18	3,694.26	4,537.78
		231,996.82	418,205.52
TOTAL		785,096.28	1,595,424.76

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
Persistent Systems Germany GmbH

per Tejashree Joshi
Partner
Membership No. 139807

Arnaud Pierrel
Director

Anand Deshpande
Director

Place: India
Date : April 18, 2026

Place: France
Date : April 18, 2026

Place: India
Date : April 18, 2026

Persistent Systems Germany GmbH

STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2026

	Note	For the quarter ended		For year ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
		(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Income					
Revenue from operations (net)	19	111,916.09	190,837.64	414,261.06	457,440.92
Other income	20	78,080.18	1,013.48	410,024.02	115,742.96
Total income (A)		189,996.27	191,851.12	824,285.08	573,183.88
Expenses					
Employee benefits expense	21.1	66,949.52	74,859.14	297,794.71	359,383.87
Subcontracting costs	21.2	31,804.76	35,067.33	139,566.44	165,562.15
Finance costs	22	940.32	10,467.78	31,885.35	45,749.61
Depreciation and amortization expense	5.3	15,961.89	11,227.73	55,812.36	44,990.66
Other expenses	23	36,939.96	20,756.97	84,930.15	81,858.12
Total expenses (B)		152,596.45	152,378.95	609,989.01	697,544.41
Profit/(Loss) before tax (A - B)		37,399.82	39,472.17	214,296.07	(124,360.53)
Tax expense					
Current tax		-	-	-	-
Tax charge in respect of earlier years		-	4,389.50	-	14,443.22
Deferred tax Charge/(Credit)		-	-	-	-
Total tax expense		-	4,389.50	-	14,443.22
Profit/(Loss) for the quarter/ year (C)		37,399.82	35,082.67	214,296.07	(138,803.75)
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		11,138.43	1,767.64	25,808.45	3,411.45
		11,138.43	1,767.64	25,808.45	3,411.45
Total comprehensive income for the quarter/ year (C) + (D) + (E)		48,538.25	36,850.31	240,104.52	(135,392.30)
Earnings per equity share [nominal value of Share EUR 1]					
Basic (In ₹)	24	3.93	3.68	12.81	(8.30)
Diluted (In ₹)		3.93	3.68	12.81	(8.30)
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
Persistent Systems Germany GmbH

per Tejashree Joshi
Partner
Membership No. 139807

Arnaud Pierrel
Director

Anand Deshpande
Director

Place: India
Date : April 18, 2026

Place: France
Date : April 18, 2026

Place: India
Date : April 18, 2026

Persistent Systems Germany GmbH

CASH FLOW STATEMENT FOR YEAR THE ENDED MARCH 31, 2026

	For year the ended	
	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)
Cash flow from operating activities		
Profit before tax	214,296.07	(124,360.53)
Adjustments for:		
Miscellaneous income	(6,505.80)	(1,013.48)
Depreciation and amortization expense	55,812.36	44,990.66
Unrealised exchange loss/ (gain) (net)	(45,217.39)	(3,560.91)
Dividend Income	-	(113,369.53)
Currency translation reserve	25,808.45	3,411.45
Excess provision written back	(3.00)	(1,359.95)
Finance cost	31,885.35	45,749.61
Sundry balances written off/ (back)	140.45	451.75
Tax charge in respect of earlier years	-	-
Gain on sale of assets	(1,618.56)	-
Gain on sale of Investment	(401,896.66)	-
Tax charge in respect of earlier years	-	(14,443.22)
Provision for doubtful debts	(31.50)	35.40
Operating profit before working capital changes	(127,330.23)	(163,468.75)
Movements in working capital :		
Increase in trade receivables	80,190.06	(41,599.73)
(Increase) / Decrease in non current asset	(2,685.05)	(1,939.75)
(Increase) / Decrease in other current financial assets	3,222.71	14,040.76
Increase in trade payables and current liabilities	(195,783.47)	24,183.24
Operating profit after working capital changes	(242,385.99)	(168,784.24)
Direct taxes paid (net of refunds)	-	-
Net cash generated from/ used in operating activities	(A) (242,385.99)	(168,784.24)
Cash flows from investing activities		
Payment towards capital expenditure	(9,139.68)	(2,252.77)
Sales proceeds on fixed asset	1,618.56	21.86
Sale of Investment- subsidiary	1,592,069.86	-
Dividends received	-	113,369.53
Net cash (used in) investing activities	(B) 1,584,548.74	111,138.62
Cash flows from financing activities		
Payment towards lease liability	(53,070.59)	(47,790.66)
Proceeds from Intercorporate borrowing received	-	92,701.20
Repayment of inter corporate deposits	(898,813.75)	-
Interest repaid on Intercorporate interest	(100,599.44)	-
Net cash generated/ used in financing activities	(C) (1,052,483.78)	44,910.54
Net increase in cash and cash equivalents (A + B + C)	289,678.97	(12,735.06)
Cash and cash equivalents at the beginning of the year	8,727.88	21,462.94
Cash and cash equivalents at the end of the year	298,406.84	8,727.88
Components of cash and cash equivalents		
Current account	298,406.84	8,727.88
Cash and cash equivalents as per note 10	298,406.84	8,727.88

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
Partner
Membership No. 139807
Place: India
Date : April 18, 2026

Arnaud Pierrel
Director
Place: France
Date : April 18, 2026

Anand Deshpande
Director
Place: India
Date : April 18, 2026

Persistent Systems Germany GmbH**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026****A. Equity share capital (Refer note 4)****(In ₹'000)**

Balance as at April 1, 2025	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2026
1,413,301.11	-	-	1,413,301.11

(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

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Persistent Systems Germany GmbH**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2026****B. Other equity**

(In ₹'000)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities Premium	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 01, 2025	306,098.16	293,175.30	(1,902,018.10)	22,501.46	(1,280,243.18)
Net profit/(loss) for the year	-	-	214,296.07	-	214,296.07
Other comprehensive income for the year	-	-	-	25,808.45	25,808.45
Balance at March 31, 2026	306,098.16	293,175.30	(1,687,722.03)	48,309.91	(1,040,138.66)

(In ₹'000)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Securities Premium	Capital reserve	Retained earnings	Exchange differences on translating the financial statements of foreign operations	
Restated 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)

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

For and on behalf of the Board of Directors of
Persistent Systems Germany GmbH

per Tejashree Joshi
Partner
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Anand Deshpande
Director

Place: India
Date : April 18, 2026

Place: France
Date : April 18, 2026

Place: India
Date : April 18, 2026

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 have been prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for the following items, which are measured on an alternative basis on each reporting date -

Items	Basis of Measurement
Derivative financial instruments	Fair Value
Non-derivative financial instruments at FVTPL	Fair Value
Debt and equity securities at FVOCI	Fair Value
Contingent consideration assumed in a business combination	Fair Value
Net defined benefit (asset) / liability	Fair value of plan assets less the present value of the defined benefit obligation

The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Accounting policies have been consistently applied 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.

Amounts in the financial statements are presented in Indian Rupees in millions as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees.

The accompanying financial statements have been prepared solely to assist the management of Persistent Systems Limited in preparation of its consolidated financials statements for the year ended 31 March 2026

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 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.

3.2 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 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. The company uses significant judgements to assess contingent liabilities.

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.

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.

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

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 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

3.4 Recent accounting pronouncement

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, 2026, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Group w.e.f. April 1, 2024. The Group has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Persistent Systems Germany GmbH

Notes forming part of financial statements

4. Share capital

	As at March 31, 2026	As at March 31, 2025
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, 2026		As at March 31, 2025	
	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, 2026**

	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	-	0%	100%

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%	0%

D) Shareholding pattern (shareholders holding more**(i) As at 31-March-2026**

Name of the share holder	No of shares	% of the shares	Country of incorporation	Relationship
Aepona Group Ltd	16,727.52	100%	Ireland	Holding company

(ii) As at 31-March-2025

Name of the share holder	No of shares	% of the shares	Country of incorporation	Relationship
Persistent Systems Ltd	16,727.52	100%	India	Holding company

During the year ended 31 March 2026, Persistent Systems Ltd, incorporated in India, transferred 100% of its equity shareholding in the Company comprising 16,727.52 equity shares of EUR 1 each, aggregating to EUR 1,67,27,520, to Aepona Group Limited, incorporated in Ireland and having its registered office at 9, Exchange place, International Financial Services Centre, Dublin, Ireland with effect from 31-March-26

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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, 2025	36,890.54	1,382.50	3,642.78	8,655.72	50,571.54
Additions	9,139.68	-	-	-	9,139.68
Deletions	3,090.97	323.95	2,905.47	7,348.58	13,668.97
- Exchange differences	6,760.31	146.72	(252.78)	(722.99)	5,931.26
As at March 31, 2026	49,699.56	1,205.27	484.53	584.15	51,973.51
Depreciation and amortization					
As at April 1, 2025	30,128.24	1,347.15	3,546.76	8,428.15	43,450.30
Charge for the year	5,331.50	-	-	-	5,331.50
Deletions	2,518.12	323.95	2,905.47	7,348.58	13,096.12
- Exchange differences	4,727.47	160.45	(220.37)	(646.70)	4,020.85
As at March 31, 2026	37,669.09	1,183.65	420.92	432.87	39,706.53
As at March 31, 2026	12,030.47	21.62	63.61	151.28	12,266.98
As at March 31, 2025	6,762.30	35.35	96.02	227.57	7,121.24

(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	35.35	96.02	227.57	7,121.24
As at March 31, 2024	7,048.08	53.38	141.71	415.23	7,658.40

Persistent Systems Germany GmbH

Notes forming part of financial statements

5.2 Right of use assets (In ₹'000)

	Right of use asset	Total
Gross Block (at cost)		
As at April 1, 2025	410,031.57	410,031.57
Additional	8,170.80	8,170.80
- Exchange differences	73,499.40	73,499.40
As at March 31, 2026	491,701.77	491,701.77
Amortisation		
As at April 1, 2025	183,688.49	183,688.49
Charge for the year	50,480.87	50,480.87
Deletions	-	-
- Exchange differences	35,553.30	35,553.30
As at March 31, 2026	269,722.66	269,722.66
Net block		
As at March 31, 2026	221,979.11	221,979.11
As at March 31, 2025	226,343.08	226,343.08

5.2 Right of use assets (In ₹'000)

	Right of use asset	Total
Gross Block (at cost)		
As at April 1, 2024	394,583.80	394,583.80
Additions	4,667.04	4,667.04
Deletions	-	-
- Exchange differences	10,780.73	10,780.73
As at March 31, 2025	410,031.57	410,031.57
Amortisation		
As at April 1, 2024	137,123.66	137,123.66
Charge for the year	42,020.05	42,020.05
- 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

5.3 Depreciation and amortisation

	For the quarter ended		For the year ended	
	March 31, 2026 (In ₹000)	March 31, 2025 (In ₹000)	March 31, 2026 (In ₹000)	March 31, 2025 (In ₹000)
Property, Plant and Equipment	1,421.17	769.63	5,331.50	2,970.61
Right of use asset	14,540.72	10,458.10	50,480.86	42,020.05
	15,961.89	11,227.73	55,812.36	44,990.66

Persistent Systems Germany GmbH

Notes forming part of financial statements

6. Non-current investments

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (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
Persistent Systems Costa Rica Limitada 0.004 Thousand Shares of CRC 10,000 each	-	323,799.95
Persistent Systems S.R.L.- Romania 45 Thousand Shares of 10 LEI each	-	10,418.05
	-	1,043,090.53

During the year, the Company sold its 100% equity investments in Persistent Systems Switzerland and Persistent Systems Costa Rica Limitada to Aepona Group Limited and Persistent Systems Inc., respectively. The investments were sold for a consideration of EUR 9,488,068.92 and EUR 4,801,547.11, respectively. The gain arising on disposal of the aforesaid investments has been recognised in the Statement of Profit and Loss for the period.

During the year, the Company sold its 100% equity investments in Persistent Systems S.R.L.- Romania and to Aepona Group Limited. The investments were sold for a consideration of EUR 7,87,499.04. The gain arising on disposal of the aforesaid investments has been recognised in the Statement of Profit and Loss for the period.

7. Other non-current financial asset

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
At Amortised Cost		
Unsecured, considered good - Deposits Long term		
Security Deposits	20,390.78	19,634.55
	20,390.78	19,634.55

8. Deferred tax assets (net)

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Deferred tax assets (net) (Refer note 30B)	119,797.55	101,687.25
-On carried forward losses	119,797.55	101,687.25

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Persistent Systems Germany GmbH
Notes forming part of financial statements

9. Trade receivables

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Trade receivables- Billed		
Unsecured, considered good (Refer note 26)	79,313.04	167,922.54
Unsecured, considered doubtful	75.34	36.84
	79,388.38	167,959.38
Less : Expected credit loss	(75.34)	(36.84)
	79,313.04	167,922.54
Trade receivables- Unbilled		
	14,276.77	7,444.39
	14,276.77	7,444.39
	93,589.81	175,366.93

Trade receivables Ageing Schedule

	Unbilled	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	14,276.77	66,145.29	-	13,135.85	31.90	-	-	93,589.81
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	75.34	-	-	-	75.34
Disputed Trade receivables – considered good	-	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-	-
As At March 31, 2026	14,276.77	66,145.29	-	13,211.19	31.90	-	-	93,665.15
Less: Allowance for expected credit loss	-	-	-	75.34	-	-	-	75.34
	14,276.77	66,145.29	-	13,135.85	31.90	-	-	93,589.81
Expected loss rate	0%	0%	0%	0.57%	0%	-	-	0%

	Unbilled	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	7,444.39	38,096.44	129,826.10	-	-	-	-	175,366.93
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, 2025	7,444.39	38,096.44	129,826.10	-	-	-	-	175,366.93
Less: Allowance for expected credit loss	-	-	-	-	-	-	-	-
	7,444.39	38,096.44	129,826.10	-	-	-	-	175,366.93
Expected loss rate	0%	0%	0%	-	-	-	-	0%

Persistent Systems Germany GmbH

Notes forming part of financial statements

10. Cash and cash equivalents

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Cash and cash equivalents as presented in cash flow statement		
Balances with banks		
On current accounts	298,406.84	8,727.88
	298,406.84	8,727.88

11. Other current financial assets

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Advance to vendors	65.00	-
Advance to related parties (Unsecured, considered good) (Refer note 26)	-	-
-Persistent Systems S.R.L.- Romania	102.52	24.84
'-Persistent Systems Ltd	354.02	-
Other receivables (Refer note 26)		
-Persistent Systems Ltd	1,892.75	1,707.01
-Persistent Systems UK Limited	-	6,550.32
-Persistent Systems Inc.	-	891.62
Security Deposits	1,928.82	-
Contract Asset	61.85	57.76
	4,404.96	9,231.55

12. Other current assets

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Advances recoverable in cash or in kind	399.55	594.68
Prepaid expense	9,302.36	1,994.08
VAT receivable	4,558.33	1,632.98
	14,260.24	4,221.74

13. Borrowings

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
-Non current		
Unsecured considered good		
- Persistent Systems Inc.	-	787,609.62
Intercompany deposits from related parties (Repayment Terms : After 36 months) (Rate of interest: 3 month EURIBOR plus 225 basis points)		
Interest accrued but not due on loans	-	62,432.79
	-	850,042.41

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Persistent Systems Germany GmbH

Notes forming part of financial statements

14. Lease Liabilities

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
-Non current		
Lease liability	233,495.23	237,958.90
Less: current maturity of lease liability (refer note 16)	(53,558.22)	(43,840.00)
	179,937.01	194,118.90
-Current		
Lease liability	53,558.22	43,840.00
	53,558.22	43,840.00

Movement of lease liabilities

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Opening balance	237,958.90	268,838.90
Additions	8,170.80	4,667.04
Deletions	-	-
Add: interest recognised during the year (Ref. Note 22)	3,814.31	3,977.54
Less: payments made	(53,070.59)	(47,790.66)
Translation Adjustment	36,621.81	8,266.08
Closing balance	233,495.23	237,958.90

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Persistent Systems Germany GmbH

Notes forming part of financial statements

15. Trade payable

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Trade payables for goods and services (refer note-26)	130,442.30	332,568.16
	130,442.30	332,568.16

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	45,167.75	82,548.69	1,567.26	1,085.34	-	130,369.04
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
As At March 31, 2026	45,167.75	82,548.69	1,567.26	1,085.34	-	130,369.04

	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

Persistent Systems Germany GmbH**Notes forming part of financial statements****16. Other current financial liabilities**

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Advance from related parties (Unsecured, considered good) (Refer note 26)		
Persistent Systems France SAS	8,381.89	3,799.98
Accrued employee liabilities	11,765.22	18,371.62
	20,147.11	22,171.60

17. Other current liabilities

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Unearned revenue	24,154.77	15,087.98
Statutory liabilities	0.16	-
	24,154.93	15,087.98

18. Current liabilities: Provisions

	As at March 31, 2026 (In ₹'000)	As at March 31, 2025 (In ₹'000)
Provision for Leave encashment	3,691.60	4,537.78
	3,694.26	4,537.78

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Persistent Systems Germany GmbH**Notes forming part of financial statements****19. Revenue from operations**

	For the quarter ended		For year ended	
	March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Sale of Services (Refer note 26)	109,356.49	185,904.51	393,801.80	445,143.65
Sale of Products	2,559.60	4,933.13	20,459.26	12,297.27
	111,916.09	190,837.64	414,261.06	457,440.92

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, 2026	March 31, 2025
	(In ₹'000)	(In ₹'000)
Segment wise disclosure		
Industrial Services	-	403,565.79
BFSI	-	-
LSHC	59,479.75	53,875.13
Others	354,781.31	-
Total	414,261.06	457,440.92
Geographical disclosure		
India	178,892.31	6,525.63
North America	-	-
Rest of the World	235,368.75	250,630.08
Total	414,261.06	257,155.71

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, 2026	March 31, 2025
	(In ₹'000)	(In ₹'000)
Balance at the beginning of the year	7,502.15	12,694.43
Revenue recognised during the year	12,895.30	99,023.02
Invoices raised during the year	(6,983.33)	(111,748.61)
Translation exchange difference	862.64	7,533.31
Balance at the end of the year	14,276.77	7,502.15

Changes in Unearned revenue are as follows:

Particulars	March 31, 2026	March 31, 2025
	(In ₹'000)	(In ₹'000)
Balance at the beginning of the year	18,762.09	8,866.66
Revenue recognised during the year	(25,077.99)	(74,777.55)
Increase due to invoicing during the year, not recognised as revenue during the year	32,008.96	91,799.12
Translation exchange difference	(1,538.28)	(7,126.14)
Balance at the end of the year	24,154.77	18,762.09

Persistent Systems Germany GmbH
Notes forming part of financial statements

20. Other Income

	For the quarter ended		For year ended	
	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)
Dividend Income (Refer note 26)	-	-	-	113,369.53
Profit on sale of investments	72,650.93	-	401,896.66	-
Gain on sale of Assets	36.12	-	1,618.56	-
Miscellaneous Income	5,393.13	1,013.48	6,505.80	1,013.48
Insurance refund received	-	-	-	-
Excess Provision written back	-	-	3.00	1,359.95
	78,080.18	1,013.48	410,024.02	115,742.96

21. Personnel expenses

	For the quarter ended		For year ended	
	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)
21.1 Employee benefit expenses				
Salaries wages and bonus	57,123.59	84,139.92	254,129.98	308,360.53
Defined contribution to other funds	8,551.56	(10,166.55)	40,579.48	48,925.22
Staff welfare and benefits	1,274.37	885.77	3,085.25	2,098.12
	66,949.52	74,859.14	297,794.71	359,383.87
21.2 Subcontracting costs				
Technical professionals - Related parties (Refer note 26)	33,520.76	31,901.88	122,847.20	150,392.17
Technical professionals - Others	(1,716.00)	3,165.45	16,719.24	15,169.98
	31,804.76	35,067.33	139,566.44	165,562.15
	98,754.28	109,926.47	437,361.15	524,946.02

22. Finance costs

	For the quarter ended		For year ended	
	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)
Intercompany Interest expenses(Refer note 26)	-	9,528.27	28,071.04	41,772.07
Interest on lease liability	940.32	939.51	3,814.31	3,977.54
	940.32	10,467.78	31,885.35	45,749.61

23. Other expenses

	For the quarter ended		For year ended	
	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)	March 31, 2026 (In ₹'000)	March 31, 2025 (In ₹'000)
Traveling and conveyance	1,788.73	1,623.42	8,189.11	4,957.05
Electricity expenses	122.51	197.19	449.82	449.65
Internet link expenses	580.07	94.85	1,660.73	1,678.32
Communication expenses	290.62	(9.76)	1,446.28	2,672.15
Recruitment expenses	-	-	-	(1.34)
Training and seminars	9.59	-	18.46	53.67
Purchase of software licenses and support expenses	6,036.72	276.10	7,747.23	5,234.48
Allowances/(Reversal) for Expected Credit Loss	- 756.08	(277.41)	(31.50)	35.40
Books & Subscription	-	12.34	36.94	49.80
Rent-Others	424.90	357.42	1,603.01	1,304.25
Rent-Office	2,216.29	808.81	5,320.22	4,849.85
Office expenses	4,402.19	1,075.61	10,212.90	5,645.03
Insurance	-	1.14	-	63.68
Rates and taxes	1,182.37	-	1,225.47	-
Legal and professional fees	15,805.68	13,852.64	37,038.11	46,559.80
Repairs and maintenance				
Plant and machinery	135.45	13.11	522.54	545.52
Buildings	-	-	918.52	-
Advertisement and sponsorship fees	86.35	-	149.07	-
Auditors' remuneration (Refer note 33)	1,443.89	2,037.06	3,000.30	2,037.06
Computer consumables	-	-	-	4.99
Foreign exchange loss (net)	- 180.35	(30.67)	85.96	3,195.42
Sundry Balance Written Off	77.44	451.75	140.45	451.75
Miscellaneous expenses	3,273.59	273.37	5,196.53	2,071.59
	36,939.96	20,756.97	84,930.15	81,858.12

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24. Earnings per share

Particulars		For the quarter ended		For year ended	
		March 31, 2026	March 31, 2025	March 31, 2026	March 31, 2025
Basic earnings per share					
<u>Numerator</u>					
Net Profit / (loss) after tax (in ₹'000)	A	37,399.82	35,082.67	214,296.07	(138,803.75)
<u>Denominator for basic EPS</u>					
	B	9,525,000	9,525,000	16,727,520	16,727,520
<u>Denominator for diluted EPS</u>					
Weighted average number of equity share	C	9,525,000	9,525,000	16,727,520	16,727,520
Basic earnings per share (Face value of EUR 1 each) (in ₹)	A / B	3.93	3.68	12.81	(8.30)
Diluted earnings per share (Face value of EUR 1 each) (in ₹)	A/C	3.93	3.68	12.81	(8.30)

	As at March 31, 2026	As at March 31, 2025	As at March 31, 2026	As at March 31, 2025
Number of shares considered as basic weighted average shares outstanding	9,525,000	9,525,000	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	9,525,000	9,525,000	16,727,520.00	16,727,520

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Persistent Systems Germany GmbH**Notes forming part of financial statements****25 Ratio Analysis and its elements**

Ratio	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for variance (If more than 25%)
(a) Current Ratio,	Current Assets	Current Liabilities	1.77	0.47	275%	The entire loan amount along with interest has been fully repaid. As a result, current assets have increased.
(b) Debt-Equity Ratio,	Debt	Average Equity	Not applicable		0%	NA
(c) Debt Service Coverage Ratio,	EBITDA	Debt service within a year	Not applicable		0%	NA
(d) Return on Equity Ratio,	Net Profit after tax	Average Equity	85%	-69%	154%	Profit incurred on the sale of investments has increased the net profit.
(f) Trade Receivables turnover ratio,	Turnover	Average Trade Receivables	3.17	3.11	2%	NA
(g) Trade payables turnover ratio,	Purchases	Average Trade Payables	0.97	0.81	20%	NA
(h) Net capital turnover ratio,	Turnover	Average working Capital	(19.73)	(2.13)	-2536%	The entire loan amount along with interest has been fully repaid.
(i) Net profit ratio,	Net Profit after tax	Turnover	52%	-30%	82%	Net profit has increased due to profit on the sale of investments, which in turn has led to an increase in the net profit ratio.
(j) Return on Capital employed,	Earnings Before Interest	Capital employed	-44%	(0.16)	176%	Decrease in Revenue in current FY
(k) Return on investment.	Income generated from invested funds	Average invested funds in treasury investments	0%	11%	-100%	No dividend in current FY

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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
 - Aepona Group Ltd
 Ultimate holding Company
 Persistent Systems Ltd

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.
 Persistent Systems Costa Rica Limitada
 Persistent Systems Switzerland AG (FKA PARX Werk AG)
 Persistent Systems S.R.L.- Romania

Key management personnel

 Mr. Arnaud Pierrel
 Mr. Anand Deshpande

ii) Related Party Transactions

Nature of Transaction	Name of related party	Relationship with the company	(In ₹000)	
			Year ended March 31, 2026	Year ended March 31, 2025
Interest expense on intercorporate deposit	Persistent Systems Inc.	Companies under same management	28,071.04	41,772.07
Sale of Services	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	29,681.89	13,815.37
	Persistent Systems Ltd	Ultimate holding Company	178,892.31	206,810.84
	Persistent Systems France SAS	Companies under same management	6,525.63	5,346.95
	Persistent Systems UK Ltd (FKA Aepona LTD)	Companies under same management	11,470.25	436.91
Profit / Loss on sale of Investment- Intercompany	Persistent Systems Costa Rica Limitada	Companies under same management	137,097.01	-
	Persistent Systems S.R.L.- Romania	Companies under same management	72,650.93	-
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	192,148.72	-
Professional fees	Persistent Systems Ltd	Ultimate holding Company	94,306.06	95,357.71
	Persistent Systems Inc.	Companies under same management	-	-
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	17,004.78	18,070.62
	Persistent Systems S.R.L.- Romania	Companies under same management	291.47	13,785.48
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	-	11,501.89
Dividend received	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	11,244.89	11,676.47
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	-	113,369.53

iii) Related Party Balances

Particulars	Name of related party	Relationship with the company	(In ₹000)	
			As at March 31, 2026	As at March 31, 2025
Share Capital	Persistent Systems Ltd	Ultimate holding Company	-	14,13,301.11
	Aepona Group Ltd	Holding Company	1,413,301.11	-
Securities Premium	Persistent Systems Ltd	Ultimate holding Company	306,098.16	306,098.16
Non current investment	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	-	708,872.53
	Persistent Systems Costa Rica Limitada	Companies under same management	-	323,799.95
	Persistent Systems S.R.L.- Romania	Companies under same management	-	10,418.05
Advance received	Persistent Systems France SAS	Companies under same management	8,381.89	3,799.98
	Persistent Systems S.R.L.- Romania	Companies under same management	102.52	24.84
	Persistent Systems Ltd	Ultimate holding Company	2,246.76	1,707.01
	Persistent Systems Inc.	Companies under same management	-	891.62
	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under same management	-	6,550.32
Trade payable	Persistent Systems Ltd	Ultimate holding Company	100,230.60	253,198.56
	Persistent Systems Inc.	Companies under same management	-	11,454.56
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	10,251.04	4,311.65
	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	3,899.06	11,675.96
	Persistent Systems UK Ltd (FKA Aepona LTD)	Companies under same management	-	11,929.70
Trade receivables	Persistent Systems S.R.L.- Romania	Companies under same management	-	14,062.02
	Persistent Systems Ltd	Ultimate holding Company	27,025.61	121,944.48
	Persistent Systems Inc.	Companies under same management	-	(5,076.80)
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	Companies under same management	7,282.79	6,085.84
	Persistent Systems Malaysia Sdn. Bhd.	Companies under same management	-	2,637.27
	Persistent Systems UK Limited (FKA Aepona Limited)	Companies under same management	3,730.27	36.05
	Persistent Systems France SAS	Companies under same management	-	2,226.90

27. Unhedged balances

Particulars	(In ₹000)						
	Mar-26			Mar-25			
	Foreign currency	Convesation rate	Amount in Rs	Foreign currency	Convesation rate	Amount in Rs	
Trade payable	CHF 84.77		118.57	CHF 40.14		97.0037	3,893.50
	GBP 15.01		125.52	GBP 22.13		110.6324	2,448.63
	USD 43.92		94.77	PLN 1.56		22.1591	34.65
	INR 321.94		1.0000	USD 301.57		85.4700	25,774.88
Trade Receivables				INR 323.41		1.0000	323.41
	CHF 38.80		118.57	CHF 62.74		97.0037	6,085.84
	USD 388		94.77	USD 180.86		85.4700	15,458.49
				GBP 59.21		110.6324	6,550.32

28. Lease

Particulars	(In ₹000)	
	31-Mar-26	31-Mar-25
- Not later than one year	53,558.22	47,233.87
- Later than one year and not later than five years	179,937.01	200,743.97

29. Financial risk management

29 (a). Financial assets and liabilities

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

Financial assets / Financial liabilities	March 31, 2026			March 31, 2025			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in associates (net)	-	-	-	-	-	1,043,090.53	Level 3
Cash and cash equivalents (including unpaid dividend)	-	-	298,406.84	-	-	8,727.88	
Trade receivables (net)	-	-	-	-	-	-	
Foreign exchange forward contracts	-	-	-	-	-	-	Level 3
Unbilled revenue	-	-	14,338.62	-	-	7,502.15	
Other financial assets	-	-	10,457.12	-	-	21,363.95	
Total Financial Assets	-	-	323,202.58	-	-	1,080,684.51	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	-	-	-	850,042.41	Level 3
Trade payables	-	-	130,442.30	-	-	332,568.16	Level 3
Lease liabilities	-	-	233,495.23	-	-	237,958.90	Level 3
Other financial liabilities (excluding borrowings)	-	-	20,147.11	-	-	22,171.60	
Total Financial Liabilities	-	-	384,084.64	-	-	1,442,741.07	

*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 Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

Significant Unobservable Inputs Used in Level 2 Fair Values

Financial Instrument	Valuation Methods and Assumptions
Derivative instruments (assets and liabilities)	The Company enters into derivative financial instruments with various counterparties, primarily banks with investment-grade credit ratings. Derivatives are valued using valuation techniques with market-observable inputs, mainly foreign exchange forward contracts. The valuation models incorporate inputs such as the credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves of the underlying instruments.
Treasury Bonds	Fair value of bonds is determined using the discounted cash flow (DCF) approach with yield-to-maturity (YTM) rates.

Significant Unobservable Inputs Used in Level 3 Fair Values

Type	Valuation Techniques	Significant Unobservable Inputs	Inter-relationship Between Significant Unobservable
Contractual obligation	Discounted cash flow method. The valuation model considers the present value of expected payments discounted using a risk-adjusted discount rate. Expected payments are determined by considering possible scenarios of forecast EBITDA, the amount payable under each scenario, and the probability assigned to each scenario.	<ul style="list-style-type: none"> Forecasted EBITDA Risk-adjusted discount rate 	The estimated increase/(decrease) in the fair value of the contractual obligation would not be significant for a 10% sensitivity in the significant unobservable inputs.

Fair Value of Financial Instruments

Financial Instruments at FVTPL & FVTOCI

The financial instruments being carried at FVTPL and FVTOCI is at their respective fair value.

Financial Instruments at Amortised Cost

The Management assessed that fair value of Trade receivables, Unbilled revenue, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of

Persistent Systems Germany GmbH**Notes forming part of financial statements****29 (b) 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-31-2026	March-31-2025
Trade receivables	41,371.87	28,094.65
Trade payable	16,419.19	32,475.07

Foreign Currency Sensitivity Analysis:

For the year ended March 31, 2026 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 (0.25%) and 0.25% 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 75,407.90 as at March 31, 2026 and 167,922.54 in thousand as at March 31, 2025, 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 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days

	(In ₹000)	
	As at March 31, 2026	As at March 31, 2025
Receivables overdue for more than 180 days	13,167.75	129,826.10
Trade receivables	93,589.81	175,366.93
Overdue for more than 180 days as a % of total receivables	14%	74%

Ageing of trade receivables

	(In ₹000)	
	As at March 31, 2026	As at March 31, 2025
Within the credit period	80,422.06	45,540.83
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	-	-
121 and 180 past due	13,211.19	36.84
181 and above past due	31.90	-
Less: Expected credit loss	(75.34)	0.00
Net trade receivables	93,589.81	175,403.77

Movement in expected credit loss allowance

	(In ₹000)	
	As at March 31, 2026	As at March 31, 2025
Opening balance	-	-
Movement in expected credit loss allowance	75.34	-
Translation differences	-	-
Closing balance	75.34	-

Persistent Systems Germany GmbH
Notes forming part of 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, 2026, the Company had a working capital of Rs.178,665.03 Thousand including cash and cash equivalents and other bank balances of Rs.298,406.84 Thousand. 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.

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

	(In ₹000)			
	As at March 31, 2026		As at March 31, 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade Payable	127,716.44	2,652.60	332,568.16	-
Lease liability	53,558.22	179,937.01	43,840.00	1,044,161.31

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, 2026	March 31, 2025
Profit before tax as per statement of profit and loss	214,296.07	(124,360.53)
Add - Adjustment as per Ind AS financials (Refer Note 30)	-	-
Profit/(loss) before tax	-	(39,702.10)
Enacted tax rate	31.93%	31.93%
Computed tax expense at enacted tax rate	68,414.02	(39,702.10)
Tax effect of adjustments to reconcile expected income tax expense to reported income tax expense		
Prior Period Tax charge / (Credit)	-	14,443.22
Non-deductible expenses		-
Unused tax losses not recognised as deferred tax assets	(68,914.09)	39,702.10
Others	500.06	
Income tax expense	(0.00)	14,443.22

Entity Name	Country	Currency	(In ₹000)	
			Carry forward operating loss as on March 31, 2026	Carry forward operating loss as on March 31, 2025 - Eqv. INR
Persistent Systems Germany GmbH	Germany	Euro	11,100.00	1,139,240.00

(B) Deferred tax asset

Persistent Systems Germany GmbH has carry-forward tax loss as on March 31, 2026 as per details provided in below table. The Company expects that this loss shall be utilised against future taxable income. As on March 31, 2026.

Particulars	(In ₹000)	
	As at March-2026	As at March-2025
Deferred tax on unabsorbed losses	119,797.55	101,687.25

(C) Unrecognized deferred tax on carried forward losses

The Company has cumulative unutilized corporate income tax losses as of March 2026. 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-26	31-Mar-26	31-Mar-25	31-Mar-25
EUR in thousand	Rs. in thousand	EUR in thousand	Rs. in thousand
11,100.00	1,139,240.00	11,100.00	1,007,040.00

Persistent Systems Germany GmbH

Notes forming part of financial statements

31. Contingent liabilities:

The Company does not have any contingent liability as on March 31, 2026 (March 31, 2025 - ₹ Nil).

32. Auditors Remuneration

(In ₹000)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
Audit Fees	3,000.30	2,037.06

33. 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).

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

35. 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

For and on behalf of the Board of Directors of
Persistent Systems Germany GmbH

per Tejashree Joshi
Partner
Membership No. 139807

Arnaud Pierrel
Director

Anand Deshpande
Director

Place: India
Date : April 18, 2026

Place: France
Date : April 18, 2026

Place: India
Date : April 18, 2026
