Persistent Systems Pte Ltd.

CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2018

	Notes	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
ASSETS				
Non-current assets				
Property, Plant and Equipment	5.1	39,723	61,238	57,529
		39,723	**61,238**	**57,529**
Financial assets				
- Investments	6	-	-	-
- Loans	7	223,256,000	140,745,000	208,544,000
		223,295,723	**140,806,238**	**208,601,529**
Current assets				
Financial Assets				
- Trade receivables	8	2,264,919	150,443,991	10,255,431
- Cash and cash equivalents	9	58,492,206	91,912,902	97,933,056
- Loans	10	2,555,641	66,261,731	2,315,603
- Other financial assets	11	520,727	1,706,609	1,727,070
Current tax assets (net)		4,565,757	7,496,783	6,728,109
Other current assets	12	21,653,212	116,777,286	86,859,349
		90,052,462	**434,599,302**	**205,818,618**
TOTAL		**313,348,185**	**575,405,540**	**414,420,147**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	4	15,503,532	15,503,532	15,503,532
Other equity		264,801,372	297,462,569	268,883,324
		280,304,904	**312,966,101**	**284,386,856**
LIABILITIES				
Current liabilities				
Financial liabilities				
- Trade payables	13	1,473,509	113,532,315	17,053,506
- Other financial liabilities	14	886,879	-	145,371
Other current liabilities	15	26,882,240	147,725,700	110,932,400
Provisions	16	3,800,653	1,181,424	1,902,014
		33,043,281	**262,439,439**	**130,033,291**
TOTAL		**313,348,185**	**575,405,540**	**414,420,147**
Summary of significant accounting policies	3			

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

As per our report of even date

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

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

per C. K. Joshi
Partner
Membership no. 030428

Place: Pune
Date : January 25, 2019

Azlin Ghazali
Director

Place: Kuala Lumpur
Date : January 25, 2019

John Ryan
Director

Place: Singapore
Date : January 25, 2019

Persistent Systems Pte Ltd.

CONDENSED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2018

	Notes	For the quarter ended		For the nine months ended		For the year ended
		December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
Income						
Revenue from operations (net)	17	32,049,750	61,058,857	96,769,300	251,652,626	299,721,640
Other income	18	2,337,357	1,914,396	18,909,032	5,377,507	7,282,005
Total income (A)		**34,387,107**	**62,973,253**	**115,678,332**	**257,030,133**	**307,003,645**
Expenses						
Employee benefits expense	19	3,658,288	3,256,907	10,724,050	6,538,104	9,798,755
Cost of technical professionals	19	21,586,641	40,549,200	66,823,633	150,125,520	195,999,078
Depreciation and amortization expense	5	6,558	5,995	19,339	10,963	16,987
Other expenses	20	4,328,080	14,094,496	15,775,672	65,569,375	80,492,646
Total expenses (B)		**29,579,567**	**57,906,598**	**93,342,694**	**222,243,962**	**286,307,466**
Profit before tax (A - B)		**4,807,540**	**5,066,655**	**22,335,638**	**34,786,171**	**20,696,179**
Tax expense						
Current tax		403,358	879,312	932,437	4,289,977	1,662,206
Tax charge in respect of earlier years		5,139,207	-	8,038,841	-	3,863,737
Total tax expense		**5,542,565**	**879,312**	**8,971,278**	**4,289,977**	**5,525,943**
Net profit for the period / year (C)		**(735,025)**	**4,187,343**	**13,364,360**	**30,496,194**	**15,170,236**
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		(10,491,381)	(1,544,912)	8,173,388	9,800,791	22,430,554
		(10,491,381)	**(1,544,912)**	**8,173,388**	**9,800,791**	**22,430,554**
Total comprehensive income for the period / year (C) + (D) + (E)		**(11,226,406)**	**2,642,431**	**21,537,748**	**40,296,985**	**37,600,790**
Earnings per equity share [nominal value of share S$ 1 (Corresponding period / Previous year: S$ 1)]	21					
Basic (In ₹)		(1.47)	8.37	26.73	60.99	30.34
Diluted (In ₹)		(1.47)	8.37	26.73	60.99	30.34
Summary of significant accounting policies	3					

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

As per our report of even date

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

per C. K. Joshi
Partner
Membership no. 030428

Place: Pune
Date : January 25, 2019

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

Azlin Ghazali
Director

Place: Kuala Lumpur
Date : January 25, 2019

John Ryan
Director

Place: Singapore
Date : January 25, 2019

Persistent Systems Pte Ltd.

CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

		For the nine months ended		For the year ended
		December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
Cash flow from operating activities				
Profit before tax		**22,335,638**	**34,786,171**	**20,696,179**
Adjustments for:				
Interest income		(6,673,239)	(5,377,507)	(7,282,005)
Depreciation and amortization expense		19,339	10,963	16,987
Unrealised exchange loss/ (gain) (net)		72,154	(2,845,244)	(3,314,546)
Change in foreign currency translation reserve		(6,824,844)	76,543,803	20,987,612
Exchange loss/ (gain) on translation of foreign currency cash and cash equivalents		(3,200,716)	4,647,188	5,595,576
Bad debts		284,675	34,366	474,839
Provision for doubtful receivables (net)		2,538,491	457,682	116,688
Operating (loss) / profit before working capital changes		**8,551,498**	**108,257,422**	**37,291,330**
Movements in working capital :				
Decrease / (increase) in trade receivables		5,079,122	(92,876,923)	47,690,650
Decrease in other current assets		66,412,475	(4,562,738)	25,334,745
Decrease / (increase) in loans and advances		156,518	(64,275,188)	(329,720)
(Decrease) in trade payables and current liabilities		(98,888,649)	81,524,860	(51,596,233)
Increase in provisions		1,898,639	1,181,424	1,902,014
Operating (loss) / profit after working capital changes		**(16,790,397)**	**29,248,857**	**60,292,786**
Direct taxes paid (net of refunds)		(6,730,957)	(18,898,392)	(20,072,806)
Net cash generated from operating activities	**(A)**	**(23,521,354)**	**10,350,465**	**40,219,980**
Cash flows from investing activities				
Payment towards capital expenditure		-	(72,707)	(72,707)
Interest received		6,499,488	4,188,201	7,170,278
Net cash generated from investing activities	**(B)**	**6,499,488**	**4,115,494**	**7,097,571**
Cash flows from financing activities				
Dividend paid		(25,619,700)	(23,937,350)	(49,820,400)
Net cash (used in) financing activities	**(C)**	**(25,619,700)**	**(23,937,350)**	**(49,820,400)**

	For the nine months ended		For the year ended
	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
Net (decrease) in cash and cash equivalents (A + B + C)	(42,641,566)	(9,471,391)	(2,502,849)
Cash and cash equivalents at the beginning of the period / year	97,933,056	106,031,481	106,031,481
Effect of exchange difference on translation of foreign cash and cash equivalents	3,200,716	(4,647,188)	(5,595,576)
Cash and cash equivalents at the end of the period / year	**58,492,206**	**91,912,902**	**97,933,056**
Components of cash and cash equivalents			
Cash on hand	-	-	-
Balances with banks			
On current accounts	58,492,206	91,912,902	97,933,056
Cash and cash equivalents as per note 9	**58,492,206**	**91,912,902**	**97,933,056**

Summary of significant accounting policies - Refer note 3

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

As per our report of even date

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

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

per C. K. Joshi
Partner
Membership no. 030428

Place: Pune
Date : January 25, 2019

Azlin Ghazali
Director

Place: Kuala Lumpur
Date : January 25, 2019

John Ryan
Director

Place: Singapore
Date : January 25, 2019

Persistent Systems Pte Ltd.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

A. Equity share capital (Refer note 4)

(In ₹)

Balance as at April 1, 2018	Changes in equity share capital during the period	Balance as at December 31, 2018
15,503,532	-	15,503,532

(In ₹)

Balance as at April 1, 2017	Changes in equity share capital during the period	Balance as at December 31, 2017
15,503,532	-	15,503,532

(In ₹)

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
15,503,532	-	15,503,532

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Persistent Systems Pte Ltd.
STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2018

B. Other equity

(In ₹)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2018	250,733,724	18,149,600	268,883,324
Net profit for the period / year	13,364,360	-	13,364,360
Interim Dividend	(25,619,700)	-	(25,619,700)
Other comprehensive income for the period	-	8,173,388	8,173,388
Balance at December 31, 2018	**238,478,384**	**26,322,988**	**264,801,372**

(In ₹)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2017	285,383,888	(4,280,954)	281,102,934
Net profit for the period / year	30,496,194	-	30,496,194
Interim Dividend	(23,937,350)	-	(23,937,350)
Other comprehensive income for the period	-	9,800,791	9,800,791
Balance at December 31, 2017	**291,942,732**	**5,519,837**	**297,462,569**

(In ₹)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
Balance as at April 1, 2017	285,383,888	(4,280,954)	281,102,934
Net profit for the period / year	15,170,236	-	15,170,236
Interim dividend	(49,820,400)	-	(49,820,400)
Other comprehensive income for the year	-	22,430,554	22,430,554
Balance at March 31, 2018	**250,733,724**	**18,149,600**	**268,883,324**

Summary of significant accounting policies 3

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

As per our report of even date

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

per C. K. Joshi
Partner
Membership no. 030428

Place: Pune
Date : January 25, 2019

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

Azlin Ghazali
Director

Place: Kuala Lumpur
Date : January 25, 2019

John Ryan
Director

Place: Singapore
Date : January 25, 2019

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. 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 quarter and nine months ended December 31, 2018 as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

3. Summary of significant accounting policies

(a) Accounting year

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

(b) Functional currency

The Company's functional currency is Singapore dollar (SGD)

(c) Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and disclosure of contingent liabilities at the end of year. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

Critical accounting estimates

i) 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.

ii) Income taxes

The Company's tax jurisdictions is Singapore. 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.

(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.

(e) Intangible assets

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

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

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:
- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

(f) Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided using the Straight Line Method (‘SLM’) over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives
Computers	3 years

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

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

(g) Impairment of Property, Plant and Equipment and Other Intangible Assets

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

Recoverable amount of intangible under development that is not yet available for use is estimated at least at each financial 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 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) 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 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.

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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.

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 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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(i) Borrowing costs

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

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

(j) Leases

Where the Company is a lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases.

Operating lease payments are recognized as an expense in the statement of profit and loss as per the terms of the lease agreements.

(k) Revenue recognition

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

(i) Income from 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 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.

(l) 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".

Settlement

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.

(m) 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) 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.

(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 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.

(o) 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.

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(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 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.

(r) 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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4. Share capital

(In ₹)

	As at December 31, 2018 In ₹	As at December 31, 2017 In ₹	As at March 31, 2018 In ₹
Authorized shares (No.)			
500,000 Ordinary Shares of S$ 1 each (previous year 500,000 Ordinary Shares of S$ 1 each)	SGD 500,000	SGD 500,000	SGD 500,000
	SGD 500,000	**SGD 500,000**	**SGD 500,000**
Issued, subscribed and fully paid-up shares (No.)			
500,000 Ordinary Shares of S$ 1 each (previous year 500,000 Ordinary Shares of S$ 1 each)	15,503,532	15,503,532	15,503,532
Issued, subscribed and fully paid-up share capital	**15,503,532**	**15,503,532**	**15,503,532**

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

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

(In ₹)

	As at December 31, 2018		As at December 31, 2017		As at March 31, 2018	
	No of shares	Amount	No of shares	Amount	No of shares	Amount
Number of shares at the beginning of the period / year	500,000	15,503,532	500,000	15,503,532	500,000	15,503,532
Add : Issued during the period / year	-	-	-	-	-	-
Number of shares at the end of the period / year	**500,000**	**15,503,532**	**500,000**	**15,503,532**	**500,000**	**15,503,532**

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Notes forming part of condensed financial statements

5.1 Property, Plant and Equipment

(In ₹)

	Computers	Total
Gross block (At cost)		
As at April 1, 2018	126,337	126,337
Additions	-	-
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	3,599	3,599
As at December 31, 2018	**129,936**	**129,936**
Depreciation and amortization		
As at April 1, 2018	68,808	68,808
Charge for the period / year	19,339	19,339
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	2,066	2,066
As at December 31, 2018	**90,213**	**90,213**
Net block		
As at December 31, 2018	**39,723**	**39,723**
As at March 31, 2018	**57,529**	**57,529**

(In ₹)

	Computers	Total
Gross block (At cost)		
As at April 1, 2017	47,524	47,524
Additions	72,707	72,707
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,173	1,173
As at December 31, 2017	**121,404**	**121,404**
Depreciation and amortization		
As at April 1, 2017	47,524	47,524
Charge for the period / year	10,963	10,963
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,679	1,679
As at December 31, 2017	**60,166**	**60,166**
Net block		
As at December 31, 2017	**61,238**	**61,238**
As at March 31, 2017	**-**	**-**

(In ₹)

	Computers	Total
Gross block (At cost)		
As at April 1, 2017	47,524	47,524
Additions	72,707	72,707
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	6,106	6,106
As at March 31, 2018	**126,337**	**126,337**
Depreciation and amortization		
As at April 1, 2017	47,524	47,524
Charge for the year	16,987	16,987
Disposals	-	-
Effect of foreign currency translation from functional currency to reporting currency	4,297	4,297
As at March 31, 2018	**68,808**	**68,808**
Net block		
As at March 31, 2018	**57,529**	**57,529**
As at March 31, 2017	**-**	**-**

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5.2. Depreciation and amortization

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
On Property, Plant and Equipment	6,558	5,995	19,339	10,963	16,987
	6,558	**5,995**	**19,339**	**10,963**	**16,987**

6. Non-current financial assets : Investments

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
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	13,875,630	12,964,469	13,491,364
Less : Provision for diminution in value of investment	(13,875,630)	(12,964,469)	(13,491,364)
Total carrying amount of investments	-	-	-
Aggregate amount of diminution in value of investments	13,875,630	12,964,469	13,491,364
Aggregate amount of unquoted investments	13,875,630	12,964,469	13,491,364

* 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. Non-current financial assets : Loans

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Carried at amortized cost			
Other loans and advances			
Loan to related parties			
Unsecured, considered good			
-Persistent Telecom Solutions Inc.	223,256,000	140,745,000	208,544,000
	223,256,000	**140,745,000**	**208,544,000**

8. Trade receivables

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Outstanding for a period exceeding six months from the date they are due for payment			
Unsecured, considered good	-	-	-
Unsecured, considered doubtful	2,799,448	559,922	219,298
	2,799,448	**559,922**	**219,298**
Less : Provision for doubtful receivables	(2,799,448)	(559,922)	(219,298)
	-	**-**	**-**
Others			
Unsecured, considered good	2,264,919	150,443,991	10,255,431
Unsecured, considered doubtful	-	-	-
	2,264,919	**150,443,991**	**10,255,431**
Less : Provision for doubtful receivables	-	-	-
	2,264,919	**150,443,991**	**10,255,431**
	2,264,919	**150,443,991**	**10,255,431**

9. Cash and cash equivalents

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Cash and cash equivalents as presented in cash flow statement			
Balances with banks			
On current accounts	58,492,206	91,912,902	97,933,056
	58,492,206	**91,912,902**	**97,933,056**

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10. Current financial assets : Loans

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Carried at amortised costs			
Loan to related parties (Unsecured, considered good)			
- Persistent Telecom Solutions Inc.	-	63,975,000	-
Add: Interest accrued but not due on loan	2,319,940	1,925,277	1,939,459
	2,319,940	**65,900,277**	**1,939,459**
Security Deposits			
Unsecured, considered good	235,701	361,454	376,144
	235,701	**361,454**	**376,144**
	2,555,641	**66,261,731**	**2,315,603**

11. Other current financial assets

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advance to related parties (Unsecured, considered good)			
- Persistent Systems Limited	-	11,208	-
	-	11,208	-
Unbilled revenue	520,727	1,695,401	1,727,070
	520,727	1,695,401	1,727,070
	520,727	**1,706,609**	**1,727,070**

12. Other current assets

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advances to related parties (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received			
- Persistent Systems Inc.	21,211,204	113,043,633	84,889,399
- Persistent Telecom Solutions Inc.	-	3,306,740	1,260,323
	21,211,204	**116,350,373**	**86,149,722**
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	442,008	426,913	709,627
	442,008	**426,913**	**709,627**
	21,653,212	**116,777,286**	**86,859,349**

13. Trade payables

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Trade payables for goods and services	1,473,509	113,532,315	17,053,506
	1,473,509	**113,532,315**	**17,053,506**

14. Other financial liabilities

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advance from related parties (Unsecured, considered good)			
-Persistent Systems Limited	144,662	-	145,371
Others			
Accrued employee liabilities	742,217	-	-
	886,879	**-**	**145,371**

15. Other current liabilities

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Advance from customers	-	1,499,851	3,178,695
Other payables			
- Statutory liabilities	368,258	15,368	15,992
- Unearned revenue	26,513,982	145,438,019	107,687,174
GST payable (net)	-	772,462	50,539
	26,882,240	**147,725,700**	**110,932,400**

16. Current liabilities : Provisions

	As at December 31, 2018 (In ₹)	As at December 31, 2017 (In ₹)	As at March 31, 2018 (In ₹)
Provision for employee benefits			
- Other employee benefits	3,800,652	1,181,424	1,902,014
	3,800,653	**1,181,424**	**1,902,014**

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Persistent Systems Pte Ltd.
Notes forming part of condensed financial statements

17. Revenue from operations (net)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
Software services	32,012,993	54,282,020	91,518,791	201,531,133	245,725,137
Software licenses	36,757	6,776,837	5,250,509	50,121,493	53,996,503
	32,049,750	**61,058,857**	**96,769,300**	**251,652,626**	**299,721,640**

18. Other income

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
Interest income					
On others	2,337,357	1,914,396	6,673,239	5,377,507	7,282,005
Foreign exchange gain (net)	-	-	12,235,793	-	-
	2,337,357	**1,914,396**	**18,909,032**	**5,377,507**	**7,282,005**

19. Personnel expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	December 31, 2018 (In ₹)	December 31, 2017 (In ₹)	March 31, 2018 (In ₹)
19.1 Employee benefits expense					
Salaries, wages and bonus	3,446,145	3,080,595	10,115,054	6,114,258	9,268,027
Defined contribution to other funds	30,514	2,988	60,901	6,775	9,838
Staff welfare and benefits	181,629	173,324	548,095	417,071	520,890
	3,658,288	**3,256,907**	**10,724,050**	**6,538,104**	**9,798,755**
19.2 Cost of technical professionals					
Technical professionals - related parties	21,586,641	40,549,200	66,823,633	150,125,520	195,999,078
	21,586,641	**40,549,200**	**66,823,633**	**150,125,520**	**195,999,078**
	25,244,929	**43,806,107**	**77,547,683**	**156,663,624**	**205,797,833**

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20. Other expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
	(In ₹)	(In ₹)	(In ₹)	(In ₹)	(In ₹)
Travelling and conveyance	350,225	226,746	2,145,636	471,894	584,912
Communication expenses	10,256	23,616	19,365	37,641	54,656
Purchase of software licenses and support expenses	34,242	4,061,809	4,902,199	36,533,188	41,227,705
Bad debts	1,962	220	284,675	34,366	474,839
Provision for doubtful receivables/ (provision for doubtful receivables written back) (net)	17,495	19,240	2,538,491	457,682	116,688
Rent	373,231	878,133	1,284,333	1,046,436	1,406,044
Legal and professional fees	1,031,312	858,726	2,844,242	2,579,490	2,911,781
Commission on sales	-	2,563,837	-	9,755,691	11,686,390
Advertisement and sponsorship fees	1,060,362	-	1,060,362	-	-
Auditor's remuneration	169,829	159,213	504,907	472,210	537,666
Books, memberships, subscriptions	3,907	3,603	11,519	10,635	14,258
Foreign exchange loss (net)	1,253,963	5,219,424	-	13,830,786	21,034,789
Miscellaneous expenses	21,296	79,929	179,943	339,356	442,918
	4,328,080	**14,094,496**	**15,775,672**	**65,569,375**	**80,492,646**

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21. Earnings per share

		For the quarter ended		For the nine months ended		For the year ended
		December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
Numerator for Basic and Diluted EPS						
Net Profit after tax (In ₹)	(A)	(735,025)	4,187,343	13,364,360	30,496,194	15,170,236
Denominator for Basic EPS						
Weighted average number of equity shares of S$ 1 each	(B)	500,000	500,000	500,000	500,000	500,000
Denominator for Diluted EPS						
Number of equity shares	(C)	500,000	500,000	500,000	500,000	500,000
Basic Earnings per share of S$ 1 each (In ₹)	(A/B)	**(1.47)**	**8.37**	**26.73**	**60.99**	**30.34**
Diluted Earnings per share of S$ 1 each (In ₹)	(A/C)	**(1.47)**	**8.37**	**26.73**	**60.99**	**30.34**

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22. Contingent liabilities

The Company does not have any contingent liability as on December 31, 2018 (previous period / year ₹ Nil).

23. Despite of Persistent Telecom Solutions Inc. having negative networth, the dues receivable from it are considered good based on the financial support by the holding or ultimate holding company.

24. Previous period / year's figures have been regrouped where necessary to conform to current period / year'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 Pte Ltd.

per C.K. Joshi Partner Membership No.030428 Place: Pune Date: January 25, 2019	Azlin Ghazali Director Place: Kuala Lumpur Date: January 25, 2019	Mr. John Ryan Director Place: Singapore Date: January 25, 2019
