

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)****CONDENSED BALANCE SHEET AS AT DECEMBER 31, 2022**

	Notes	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5.1	4,945.39	5,980.95	6,805.17
Right-of-use Asset	5.2	22,009.74	32,958.03	28,027.80
		<b>26,955.13</b>	<b>38,938.98</b>	<b>34,832.97</b>
Financial assets				
- Investments	6	2,621.21	2,383.98	2,396.65
- Loans	7	-	81,106.32	-
-Other non current financial assets	8	7,641.44	6,949.87	6,986.80
Deferred tax assets (net)	9	-	1,007.99	676.89
		<b>37,217.78</b>	<b>130,387.14</b>	<b>44,893.31</b>
<b>Current assets</b>				
Financial assets				
- Investments				
- Trade receivables	10	173,381.52	79,234.26	65,709.98
- Cash and cash equivalents	11	152,444.03	144,748.72	178,704.67
- Other current financial assets	12	183,295.40	58,163.87	183,701.18
Current tax assets (net)		-	3,182.77	-
Other current assets	13	5,194.12	7,940.76	11,525.66
		<b>514,315.07</b>	<b>293,270.38</b>	<b>439,641.49</b>
<b>TOTAL</b>		<b>551,532.85</b>	<b>423,657.52</b>	<b>484,534.80</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	4	16,582.40	16,582.40	16,582.40
Other equity		242,827.96	139,045.11	186,708.47
		<b>259,410.36</b>	<b>155,627.51</b>	<b>203,290.87</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Deferred payment liability				
Financial liabilities				
- Borrowings	14	82,123.35	87,176.73	78,063.62
-Other non-current financial liabilities	15	3,491.55	13,942.71	9,334.34
		<b>85,614.90</b>	<b>101,119.44</b>	<b>87,397.96</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables	16	48,621.29	41,314.29	41,581.34
- Borrowings	17	26,443.80	21,889.30	27,982.67
- Other current financial liabilities	18	390.80	4,567.85	5,007.77
Other current liabilities	19	82,659.80	82,567.76	91,439.03
Provisions	20	23,517.75	16,571.37	20,403.58
Current tax liabilities (net)		24,422.26	-	7,431.58
Deferred tax liability (net)	9	451.89	-	-
		<b>206,507.59</b>	<b>166,910.57</b>	<b>193,845.97</b>
<b>TOTAL</b>		<b>551,532.85</b>	<b>423,657.52</b>	<b>484,534.80</b>
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 16, 2023

*Arnaud Pierrel*  
For and on behalf of the Board of Directors of Arnaud Pierrel (Jan 16, 2023 07:54 GMT+1)  
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

*Sunil Sapre*  
Sunil Sapre (Jan 16, 2023 10:38 GMT+5.5)

Sunil Sapre  
Director

Place: Pune  
Date : January 16, 2023

Arnaud Pierrel  
Director

Place: Grenoble  
Date : January 16, 2023



**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

**CASH FLOW STATEMENT FOR NINE MONTHS ENDED DECEMBER 31, 2022**

	For nine months ended		For the year ended
	December 31, 2022 (In ₹'000)	December 31, 2021 (In ₹'000)	March 31, 2022 (In ₹'000)
<b>Cash flow from operating activities</b>			
<b>Profit/loss before tax</b>	<b>52,392.38</b>	<b>93,359.50</b>	<b>147,276.17</b>
Adjustments for:			
Finance cost	1,590.23	1,892.33	2,463.12
Depreciation and amortization expense	18,112.07	18,050.80	23,980.58
Interest income	(1,562.07)	(1,065.65)	(1,399.14)
Excess provision written back	-	(7,137.27)	(7,149.84)
Unrealised exchange (gain)/ loss (net)	2,610.75	(1,155.46)	(1,620.89)
Foreign Currency Translation Reserve	23,015.54	7,635.00	10,523.25
Advances written back	-	(58,807.09)	(58,910.63)
Sundry Balances written back	-	(721.97)	-
Debit balance written off	1,300.26	-	-
Exchange (gain)/ loss on translation of foreign currency cash and cash equivalents	658.97	1,289.23	1,471.79
<b>Operating profit before working capital changes</b>	<b>98,118.13</b>	<b>53,339.42</b>	<b>116,634.41</b>
<b>Movements in working capital :</b>			
(Increase)/Decrease in trade receivables	(107,547.68)	(25,519.53)	(11,603.21)
(Increase)/ Decrease in other current assets (including financial assets)	10,548.12	(3,127.80)	(51,289.45)
Increase/(Decrease) in trade payables and current liabilities	(1,752.70)	42,056.82	50,509.55
Increase/(Decrease) in provisions	3,114.17	2,420.42	6,406.47
<b>Operating profit after working capital changes</b>	<b>2,480.04</b>	<b>69,169.33</b>	<b>110,657.77</b>
Direct taxes paid (net of refunds)	(2,245.26)	-	-
<b>Net cash generated/ (used in) from operating activities</b>	<b>(A) 234.78</b>	<b>69,169.33</b>	<b>110,657.77</b>
<b>Cash flows from investing activities</b>			
Payment towards capital expenditure	(386.44)	(3,764.07)	(5,406.47)
Interest received on loan	1,506.76	8,923.87	8,923.87
<b>Net cash (used in) investing activities</b>	<b>(B) 1,120.32</b>	<b>5,159.80</b>	<b>3,517.40</b>
<b>Cash flows from financing activities</b>			
Payments against lease liability	(17,386.29)	(17,002.84)	(22,710.37)
Interest paid	(5,836.74)	-	-
Repayment of Switzerland Govt's loan	(3,733.74)	-	-
<b>Net cash (used in) financing activities</b>	<b>(C) (26,956.76)</b>	<b>(17,002.84)</b>	<b>(22,710.37)</b>
	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>March 31, 2022</b>
	<b>(In ₹'000)</b>	<b>(In ₹'000)</b>	<b>(In ₹'000)</b>
Net (Decrease)/ increase in cash and cash equivalents (A + B + C)	(25,601.67)	57,326.29	91,464.80
Cash and cash equivalents at the beginning of the period/year	178,704.67	88,711.66	88,711.66
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(658.97)	(1,289.23)	(1,471.79)
<b>Cash and cash equivalents at the end of the period</b>	<b>152,444.03</b>	<b>144,748.72</b>	<b>178,704.67</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand			
Balances with banks			
On current accounts	152,444.03	144,748.72	178,704.67
<b>Cash and cash equivalents as per note 11</b>	<b>152,444.03</b>	<b>144,748.72</b>	<b>178,704.67</b>

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.  
ICAI Firm registration no. 104370W  
Chartered Accountants

per C.K. Joshi  
Partner  
Membership No.030428  
Place: Pune  
Date : January 16, 2023

*Arnaud Pierrel*

Arnaud Pierrel (Jan 16, 2023 07:54 GMT+1)

For and on behalf of the Board of Directors of  
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)

*Sunil Sapre*

Sunil Sapre (Jan 16, 2023 10:38 GMT+5.5)

Sunil Sapre  
Director

Arnaud Pierrel  
Director

Place: Pune  
Date : January 16, 2023

Place: Grenoble  
Date : January 16, 2023

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)****STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2022****A. Equity share capital (refer note 4)**

(In ₹'000)

Balance as at April 01, 2022	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the period	Balance as at December 31, 2022
16,582.40	-	-	16,582.40

(In ₹'000)

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the period	Balance as at December 31, 2021
16,582.40	-	-	16,582.40

(In ₹'000)

Balance as at April 01, 2021	Changes in Equity Share Capital due to prior period errors	Changes in equity share capital during the year	Balance as at March 31, 2022
16,582.40	-	-	16,582.40

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)****STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2022****B. Other equity**

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 1, 2022	177,448.08	9,260.39	186,708.47
Net Profit/(Loss) for the period	34,192.91	-	34,192.91
Others Comprehensive income	-	21,926.58	21,926.58
<b>Balance at December 31, 2022</b>	<b>211,640.99</b>	<b>31,186.97</b>	<b>242,827.96</b>

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2021	51,141.07	3,647.03	54,788.10
Net Profit/(Loss) for the period	79,880.29	-	79,880.29
Others Comprehensive income	-	4,376.72	4,376.72
<b>Balance at December 31, 2021</b>	<b>131,021.36</b>	<b>8,023.75</b>	<b>139,045.11</b>

(In ₹'000)

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Foreign currency translation reserve	
Balance as at April 01, 2021	51,141.07	3,647.03	54,788.10
Net Profit/(Loss) for the year	126,307.01	-	126,307.01
Others Comprehensive income	-	5,613.36	5,613.36
<b>Balance at March 31, 2022</b>	<b>177,448.08</b>	<b>9,260.39</b>	<b>186,708.47</b>

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

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

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

As per our report of even date

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

per C.K. Joshi  
Partner  
Membership No.030428

Place: Pune  
Date : January 16, 2023

*Arnaud Pierrel*

Arnaud Pierrel (Jan 16, 2023 07:54 GMT+1)

**For and on behalf of the Board of Directors of**  
**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

*Sunil Sapre*

Sunil Sapre (Jan 16, 2023 10:38 GMT+5.5)

Sunil Sapre  
Director

Place: Pune  
Date : January 16, 2023

Arnaud Pierrel  
Director

Place: Grenoble  
Date : January 16, 2023

**1. Nature of operations**

Persistent Systems Switzerland AG (Formerly known as Parx Werk AG) is a Company incorporated in Switzerland. The Company is engaged in providing services based on the Salesforce.com platforms. The Company was acquired by Persistent Systems Germany GmbH by virtue of Share purchase agreement.

**2. Basis of preparation**

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

**Statement of compliance**

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. These financial statements have been prepared in accordance with Ind AS 34 Interim Financial Reporting for quarter and nine months ended December 31, 2022 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 January 01 to December 31. These financial statements have been prepared only for the purpose of consolidation.

**(b) Functional currency**

The Company's functional currency is CHF.

**(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.

Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):

The Company has evaluated the likely impact of COVID-19 on the overall business of the Company. The Company as at the date of the approval of these financials, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company's condensed interim financial statements may differ from the estimate as on the date of the approval of the condensed interim financial statements.

Expected credit loss:

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic, COVID -19 using the forward looking approach prescribed by Ind AS 109

Impact on unhedged foreign currency exposure:

Based on its assessment, the Company believes that the probability of occurrence of its forecasted transactions are not likely to be impacted by COVID – 19. Hence, the Company continues to believe that there is no foreseeable impact on the effectiveness of its cash flow hedges due to this global pandemic.

Carrying value of financial instruments:

Investments in mutual funds are classified as "Level 1" having fair value marked to an active market which factors in the uncertainties arising out of COVID – 19. These financial assets are mainly investments in liquid securities and no material permanent decline in their carrying value are expected.

Impact on revenue:

The Company continues to re-evaluate the probable revenues from customers in various verticals to assess any possible drops in revenue from any of these verticals due to the economic stress caused by COVID – 19. Accordingly, it is the opinion of the Company that the customers could re-prioritise their discretionary spend in the immediate future

to conserve resources.

The impact assessment of COVID – 19 is a continuing process given the uncertainties associated with its nature and duration. The Company has considered the same to the extent known currently and has taken steps to measure the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays and costs in meeting its obligations.

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. 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.

**iii. Income Taxes**

The Company's tax jurisdictions is Switzerland. Significant judgements are involved in determining the provision for income taxes

**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 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.

**(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
Computers - Servers and networks*	3 years
Office equipment's	5 years
Furniture and Fixtures	5 years
Plant and Machinery	5 years

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

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

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

**(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 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.

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

**ii) Financial liabilities**

*Initial recognition and measurement*

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

*Subsequent measurement*

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

- **Financial liabilities at amortized cost**

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

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

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

**iii) Impairment**

**i) Financial assets**

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

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

**ii) Non-financial assets**

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is

recognised in the statement of profit and loss.

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

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

**(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 year they occur.

**Amendment to Ind AS 23 Borrowing costs:** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact related to this amendment.

**(j) Leases**

***Where the Company is a lessee***

Leases that transfers substantially all the risks and rewards incidental to ownership to the Company are classified as finance leases.

Finance leases are capitalized at the lower of the inception date fair value of the leased assets and the present value of the minimum lease payments.

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

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

**Ind AS 116 Leases:** The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss. The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Company recognises the amount of the re-measurement of lease liability as an adjustment to the right-of-use asset. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss. The Company has elected not to apply the requirements of IND AS 116 to short term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease expenses associated with these leases are recognized in the statement of profit and loss on accrual basis.

**(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 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) 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.

**(iv) Foreign currency translation**

**(i) Foreign currency transactions and balances**

***Initial recognition***

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

***Conversion***

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

***Exchange differences***

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

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

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

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

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

***Translation of foreign operations***

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

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

**(l) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

Deferred tax liabilities are recognized for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, affects neither accounting nor taxable profit/ loss at the time of transaction. Deferred tax assets are

recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

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

**(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 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.

**(p) 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.

*(This space is intentionally left blank)*

**4. Share capital**

	As at December 31, 2022 (in ₹'000)	As at December 31, 2021 (in ₹'000)	As at March 31, 2022 (in ₹'000)
<b>Authorized shares</b>			
250 Thousand equity shares of CHF 1 each	CHF 250.00	CHF 250.00	CHF 250.00
	<b>CHF 250.00</b>	<b>CHF 250.00</b>	<b>CHF 250.00</b>
<b>Issued, subscribed and fully paid-up shares</b>			
250 Thousand equity shares of CHF 1 each	16,582.40	16,582.40	16,582.40
<b>Issued, subscribed and fully paid-up share capital</b>	<b>16,582.40</b>	<b>16,582.40</b>	<b>16,582.40</b>

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

There is no movement in the shares outstanding at the beginning and at the end of the reporting period.

**b) Terms / rights attached to equity shares**

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

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

*(This space is intentionally left blank)*

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

Notes forming part of condensed financial statements

**5.1 Property, Plant and Equipment**

	(In ₹'000)			
	Computers	Plant and equipment	Furniture and fixtures	Total
<b>Gross Block (at cost)</b>				
<b>As at April 01, 2022</b>	30,796.93	2,434.21	13,900.56	47,131.70
Additions	386.44	-	-	386.44
- Exchange differences	2,918.09	228.09	1,302.43	4,448.61
<b>As at December 31, 2022</b>	<b>34,101.46</b>	<b>2,662.30</b>	<b>15,202.99</b>	<b>51,966.75</b>
<b>Depreciation and amortization</b>				
<b>As at April 01, 2022</b>	25,817.28	2,064.54	12,444.71	40,326.53
Charge for the period	2,153.15	129.17	407.58	2,689.90
- Exchange differences	2,600.27	204.32	1,200.34	4,004.93
<b>As at December 31, 2022</b>	<b>30,570.70</b>	<b>2,398.03</b>	<b>14,052.63</b>	<b>47,021.36</b>
<b>Net block</b>				
<b>As at December 31, 2022</b>	<b>3,530.76</b>	<b>264.27</b>	<b>1,150.36</b>	<b>4,945.39</b>
<b>As at March 31, 2022</b>	<b>4,979.65</b>	<b>369.67</b>	<b>1,455.85</b>	<b>6,805.17</b>

	(In ₹'000)			
	Computers	Plant and equipment	Furniture and fixtures	Total
<b>Gross block (At cost)</b>				
<b>As at April 01, 2021</b>	24,753.19	2,301.61	12,336.69	39,391.49
Additions	2,922.46	-	841.61	3,764.07
- Exchange differences	1,312.04	119.74	648.79	2,080.57
<b>As at December 31, 2021</b>	<b>28,987.69</b>	<b>2,421.35</b>	<b>13,827.09</b>	<b>45,236.13</b>
<b>Depreciation and amortization</b>				
<b>As at April 01, 2021</b>	21,802.15	1,778.53	11,182.36	34,763.04
Charge for the period	2,042.62	139.72	479.18	2,661.52
- Exchange differences	1,151.20	93.68	585.74	1,830.62
<b>As at December 31, 2021</b>	<b>24,995.97</b>	<b>2,011.93</b>	<b>12,247.28</b>	<b>39,255.18</b>
<b>Net block</b>				
<b>As at December 31, 2021</b>	<b>3,991.72</b>	<b>409.42</b>	<b>1,579.81</b>	<b>5,980.95</b>
<b>As at March 31, 2021</b>	<b>2,951.04</b>	<b>523.08</b>	<b>1,154.33</b>	<b>4,628.45</b>

	(In ₹'000)			
	Computers	Plant and equipment	Furniture and fixtures	Total
<b>Gross Block (at cost)</b>				
<b>As at April 01, 2021</b>	24,753.19	2,301.61	12,336.69	39,391.49
Additions	4,563.38	-	843.09	5,406.47
- Exchange differences	1,480.36	132.60	720.78	2,333.74
<b>As at March 31, 2022</b>	<b>30,796.93</b>	<b>2,434.21</b>	<b>13,900.56</b>	<b>47,131.70</b>
<b>Depreciation and amortization</b>				
<b>As at April 01, 2021</b>	21,802.15	1,778.53	11,182.36	34,763.04
Charge for the year	2,726.62	181.39	610.83	3,518.84
- Exchange differences	1,288.51	104.62	651.52	2,044.65
<b>As at March 31, 2022</b>	<b>25,817.28</b>	<b>2,064.54</b>	<b>12,444.71</b>	<b>40,326.53</b>
<b>Net block</b>				
<b>As at March 31, 2022</b>	<b>4,979.65</b>	<b>369.67</b>	<b>1,455.85</b>	<b>6,805.17</b>
<b>As at March 31, 2021</b>	<b>2,951.04</b>	<b>523.08</b>	<b>1,154.33</b>	<b>4,628.45</b>

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

Notes forming part of condensed financial statements

**5.2 Right of use assets**

(In ₹'000)

	Right of use asset	Total
<b>Gross Block</b>		
As at April 1, 2022	89,915.90	89,915.90
Additions	7,449.30	7,449.30
- Exchange differences	9,052.00	9,052.00
<b>As at December 31, 2022</b>	<b>106,417.20</b>	<b>106,417.20</b>
<b>Depreciation and impairment</b>		
As at April 1, 2022	61,888.10	61,888.10
Charge for the period	15,422.17	15,422.17
- Exchange differences	7,097.19	7,097.19
<b>As at December 31, 2022</b>	<b>84,407.46</b>	<b>84,407.46</b>
<b>Net block</b>		
<b>As at December 31, 2022</b>	<b>22,009.74</b>	<b>22,009.74</b>
<b>As at March 31, 2022</b>	<b>28,027.80</b>	<b>28,027.80</b>

(In ₹'000)

	Right of use asset	Total
<b>Gross Block</b>		
As at April 1, 2021	85,017.77	85,017.77
Additions	-	-
- Exchange differences	4,422.90	4,422.90
<b>As at December 31, 2021</b>	<b>89,440.67</b>	<b>89,440.67</b>
<b>Depreciation and impairment</b>		
As at April 1, 2021	38,939.66	38,939.66
Charge for the period	15,389.28	15,389.28
- Exchange differences	2,153.70	2,153.70
<b>As at December 31, 2021</b>	<b>56,482.64</b>	<b>56,482.64</b>
<b>Net block</b>		
<b>As at December 31, 2021</b>	<b>32,958.03</b>	<b>32,958.03</b>
<b>As at March 31, 2021</b>	<b>46,078.11</b>	<b>46,078.11</b>

(In ₹'000)

	Right of use asset	Total
<b>Gross Block</b>		
As at April 1, 2021	85,017.77	85,017.77
Additions	-	-
- Exchange differences	4,898.13	4,898.13
<b>As at March 31, 2022</b>	<b>89,915.90</b>	<b>89,915.90</b>
<b>Depreciation and impairment</b>		
As at April 1, 2021	38,939.66	38,939.66
Charge for the year	20,461.74	20,461.74
- Exchange differences	2,486.70	2,486.70
<b>As at March 31, 2022</b>	<b>61,888.10</b>	<b>61,888.10</b>
<b>Net block</b>		
<b>As at March 31, 2022</b>	<b>28,027.80</b>	<b>28,027.80</b>
<b>As at March 31, 2021</b>	<b>46,078.11</b>	<b>46,078.11</b>

**5.3 Depreciation and Amortisation expense**

	For quarter ended		For nine months ended		For year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Property, Plant and Equipment	870.66	875.72	2,689.90	2,661.52	3,518.84
Right to Use asset	5,106.22	5,188.26	15,422.17	15,389.28	20,461.74
	<b>5,976.88</b>	<b>6,063.98</b>	<b>18,112.07</b>	<b>18,050.80</b>	<b>23,980.58</b>



**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)****Notes forming part of condensed financial statements****6. Non-current financial assets - Investments**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
<b>Investments carried at cost</b>			
Unquoted investments			
Investments in equity instruments			
Parx Consulting GmbH 25,000 Shares (100% held by the company) of EUR 1 each	2,621.21	2,383.98	2,396.65
	<b>2,621.21</b>	<b>2,383.98</b>	<b>2,396.65</b>

**7. Non-current financial assets: Loans**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Loan to related parties			
- Parx Consulting GmbH (repayment terms: after 36 months) (Rate of interest: 3M LIBOR plus 225 basis points)	-	81,106.32	-
	<b>-</b>	<b>81,106.32</b>	<b>-</b>

**8. Other non current financial assets**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Security deposit (Unsecured, Considered Good)	7,641.44	6,949.87	6,986.80
	<b>7,641.44</b>	<b>6,949.87</b>	<b>6,986.80</b>

**9. Deferred Tax Asset/ Liability**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
<b>Deferred Tax Assets</b>			
On carried forward losses	-	-	-
Difference in Book values and tax base values of ROU asset and Lease liability	-	1,007.99	676.89
	<b>-</b>	<b>1,007.99</b>	<b>676.89</b>
<b>Deferred Tax Liability</b>			
Difference in Book values and tax base values of ROU asset and Lease liability	451.89	-	-
	<b>451.89</b>	<b>-</b>	<b>-</b>

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)****Notes forming part of condensed financial statements****10. Trade receivables**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Unsecured, considered good	173,381.52	79,234.26	65,709.98
Unsecured, considered doubtful	-	-	-
	<b>173,381.52</b>	<b>79,234.26</b>	<b>65,709.98</b>

**11. Cash and cash equivalents**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
<b>Cash and cash equivalents as presented in cash flow statement</b>			
Cash on hand	66.14	148.73	133.67
Balances with banks			
On current accounts	152,377.89	144,599.99	178,571.00
	<b>152,444.03</b>	<b>144,748.72</b>	<b>178,704.67</b>

**12. Other current financial assets**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Loan to Related party			
- Parx Consulting GmbH	85,070.65	-	81,006.48
Interest accrued on loan to related party	736.87	344.59	335.60
Advance to related parties (Unsecured, considered good)			
- Persistent Systems France SAS	1,359.03	1,239.20	1,245.33
Advance to vendor	28,741.43	-	-
Unbilled revenue	67,387.42	56,580.08	101,113.77
	<b>183,295.40</b>	<b>58,163.87</b>	<b>183,701.18</b>

**13. Other current assets**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Advances recoverable in cash or kind or for value to be received	5,194.12	7,940.76	11,525.66
	<b>5,194.12</b>	<b>7,940.76</b>	<b>11,525.66</b>

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

Notes forming part of condensed financial statements

**14. Long term Borrowings**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
<b>Intercorporate deposit</b>			
-Persistent Systems Inc (repayment terms: after 36 months) (rate of interest: 3%)	51,677.13	46,430.08	47,342.08
-Loan from Switzerland Government (repayment terms: after 60 months) (Interest Free)	37,333.78	40,746.65	37,549.28
Less: Current maturity of loan	(6,887.56)	-	(6,827.74)
	<b>82,123.35</b>	<b>87,176.73</b>	<b>78,063.62</b>

**15. Other non-current financial liabilities**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Lease liability	23,047.79	35,832.01	30,489.27
Less: current maturity of lease liability	(19,556.24)	(21,889.30)	(21,154.93)
	<b>3,491.55</b>	<b>13,942.71</b>	<b>9,334.34</b>

**Movement of lease liabilities**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Opening balance	30,489.27	49,552.94	49,552.94
Addition to lease liability	7,449.30	-	-
Add: interest recognised during the period/year	438.52	838.39	1,049.34
Less: payments made	(17,386.29)	(17,002.84)	(22,710.37)
Less :- Translation Difference	2,056.99	2,443.52	2,597.36
Closing balance	<b>23,047.79</b>	<b>35,832.01</b>	<b>30,489.27</b>

**16. Trade payables**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Trade payables for goods and services	48,621.29	41,314.29	41,581.34
	<b>48,621.29</b>	<b>41,314.29</b>	<b>41,581.34</b>

**17. Current Borrowings**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Current maturities of lease liability	19,556.24	21,889.30	21,154.93
Current maturities of loan from Switzerland Government	6,887.56	-	6,827.74
	<b>26,443.80</b>	<b>21,889.30</b>	<b>27,982.67</b>

**18. Other current financial liabilities**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Interest on intercorporate deposit			
Persistent Systems Inc	390.80	4,567.85	5,007.77
	<b>390.80</b>	<b>4,567.85</b>	<b>5,007.77</b>

**19. Other current liabilities**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Unearned revenue	59,396.09	65,006.78	71,404.64
Other payables			
- Statutory liabilities	5,475.91	4,228.01	12,133.39
- Vat payable (net)	17,787.80	13,332.97	7,901.00
	<b>82,659.80</b>	<b>82,567.76</b>	<b>91,439.03</b>

**20. Current Liabilities: Provisions**

	As at December 31, 2022 (In ₹'000)	As at December 31, 2021 (In ₹'000)	As at March 31, 2022 (In ₹'000)
Provision for employee benefits			
- Leave encashment	16,766.20	11,107.24	16,184.38
- Other employee benefit provisions	6,751.55	5,464.13	4,219.20
	<b>23,517.75</b>	<b>16,571.37</b>	<b>20,403.58</b>

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

Notes forming part of condensed financial statements

**21. Revenue from operations**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Software services	264,043.00	198,059.92	671,893.75	530,323.50	780,136.49
Software products	9,466.17	13,532.62	21,695.07	17,832.27	31,511.37
	<b>273,509.17</b>	<b>211,592.54</b>	<b>693,588.82</b>	<b>548,155.77</b>	<b>811,647.86</b>

**22. Other income**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Interest income					
On intercompany deposit	694.88	344.49	1,562.07	1,065.65	1,399.14
Excess provision written back	65.35	1,930.81	4,389.72	7,137.27	7,149.84
Miscellaneous income	-	167.88	86.90	721.97	703.27
Advance written back	-	58,807.09	-	58,807.09	58,910.63
	<b>760.23</b>	<b>61,250.27</b>	<b>6,038.69</b>	<b>67,731.98</b>	<b>68,162.88</b>

**23. Personnel expenses**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
<b>23.1 Employee benefits expense</b>					
Salaries, wages and bonus	96,620.54	86,195.16	290,372.27	255,999.74	356,346.09
Contribution to provident and other funds	6,287.05	5,967.20	18,610.58	17,658.48	24,038.92
Staff welfare and benefits	10,249.71	8,796.29	29,813.65	26,559.35	35,775.30
	<b>113,157.30</b>	<b>100,958.65</b>	<b>338,796.50</b>	<b>300,217.57</b>	<b>416,160.31</b>
<b>23.2 Cost of technical professionals</b>					
Technical professionals - related parties	7,432.64	8,068.73	21,281.07	31,965.34	43,593.21
Technical professionals - others	73,890.14	46,364.19	203,891.18	116,135.08	172,353.26
	<b>81,322.78</b>	<b>54,432.92</b>	<b>225,172.25</b>	<b>148,100.42</b>	<b>215,946.47</b>
	<b>194,480.08</b>	<b>155,391.57</b>	<b>563,968.75</b>	<b>448,317.99</b>	<b>632,106.78</b>

**24. Finance costs**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Interest on lease liabilities	124.92	246.75	438.52	838.39	1,049.34
Interest on borrowings	385.16	351.09	1,151.71	1,053.94	1,413.78
	<b>510.08</b>	<b>597.84</b>	<b>1,590.23</b>	<b>1,892.33</b>	<b>2,463.12</b>

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**

Notes forming part of condensed financial statements

**25. Other expenses**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)	(In ₹'000)
Travelling and conveyance	3,910.14	3,273.30	10,422.67	5,636.46	7,415.01
Electricity expenses (net)	96.27	48.85	299.08	199.43	279.90
Internet link expenses	37.68	398.07	474.29	811.39	843.27
Communication expenses	586.56	623.28	1,740.78	2,210.79	3,022.18
Recruitment expenses	4.30	3.77	289.25	968.24	969.94
Training and seminars	3,011.62	2,101.62	4,740.49	2,425.60	1,864.21
Purchase of software licenses and support expenses	16,101.55	18,600.94	25,873.01	29,451.97	42,880.93
Rent	(1.78)	-	(119.75)	-	-
Insurance	267.54	471.68	1,460.12	1,422.26	1,889.84
Rates and taxes	138.88	-	138.88	-	-
Legal and professional fees	576.00	623.25	1,846.59	1,380.66	1,793.25
Repairs and maintenance					
- Plant and Machinery	534.25	772.63	2,694.17	2,539.09	3,451.37
- Others	-	116.17	-	466.34	477.54
Advertisement and sponsorship fees	56.34	77.02	137.14	284.25	284.76
Auditors' remuneration	142.55	146.02	1,044.62	450.65	531.12
Foreign exchange loss (Net)	4,631.24	110.21	5,718.39	1,899.93	2,799.78
Office expenses	3,937.52	664.80	3,937.52	1,998.60	2,771.13
Miscellaneous expenses	(1,312.65)	618.81	2,866.83	2,121.47	2,709.86
	<b>32,718.02</b>	<b>28,650.42</b>	<b>63,564.08</b>	<b>54,267.13</b>	<b>73,984.09</b>

*(This space is intentionally left blank)*

**Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)**  
Notes forming part of condensed financial statements

**26. Earnings per share**

		For the quarter ended		For nine months ended		For the year ended
		December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
<b>Numerator for Basic and Diluted EPS</b>						
Net Profit after tax (In ₹'000)	(A)	30,039.15	61,902.31	34,192.91	79,880.29	126,307.01
<b>Denominator for Basic EPS</b>						
Weighted average number of equity shares	(B)	250,000	250,000	250,000	250,000	250,000
<b>Denominator for Diluted EPS</b>						
Number of equity shares	(C)	250,000	250,000	250,000	250,000	250,000
<b>Basic Earnings per share of face value of CHF 1 each (In ₹ )</b>	(A/B)	120.16	247.61	136.77	319.52	505.23
<b>Diluted Earnings per share of face value of CHF 1 each (In ₹ )</b>	(A/C)	120.16	247.61	136.77	319.52	505.23

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
Number of shares considered as basic weighted average shares outstanding	250,000	250,000	250,000	250,000	250,000
Add: Effect of dilutive issues of stock options	-	-	-	-	-
<b>Number of shares considered as weighted average shares and potential shares outstanding</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>	<b>250,000</b>

(This space is intentionally left blank)

**27. Contingent liabilities**

The Company does not have any contingent liabilities as at December 31, 2022. (Previous year - ₹ Nil)

**28. Capital Commitments**

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

**29.** The advances written back represent amounts that were shown as payable to the Parent. The said amounts were in nature of earnout payments to selling shareholders. These were treated as additional Investments in local books of Parent company but treated as Intercompany advances payable in IGAAP books. Since the same are not payable as per local GAAP books, it does not warrant fund movements and hence have been written back in IGAAP books.

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

**31.** Previous year's figures have been regrouped where necessary to conform to current period's classification.

---

As per our report of even date

**For Joshi Apte &Co.,**

**Firm registration no. 104370W  
Chartered Accountants**

per C.K. Joshi  
Partner  
Membership No.030428  
Place: Pune  
Date: January 16, 2023

**For and on behalf of the Board of Directors of**

**Persistent Systems Switzerland AG (Formerly known as  
Parx Werk AG)**

*Sunil Sapre*  
Sunil Sapre (Jan 16, 2023 10:38 GMT+5.5)  
Sunil Sapre  
Director

Place: Pune  
Date: January 16, 2023

*Arnaud Pierrel*  
Arnaud Pierrel (Jan 16, 2023 07:54 GMT+1)

Arnaud Pierrel  
Director  
Place: Grenoble  
Date: January 16, 2023

---