

**Persistent Systems Malaysia Sdn. Bhd.**  
**CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2023**

	Notes	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, Plant and Equipment	5.1	4,189.71	7,295.33	6,252.58
Other Intangible assets	5.2	-	-	-
Capital Work In Progress		3,297.23	-	-
Right -of- use assets	5.3	13,330.21	20,510.09	18,979.30
		<b>20,817.15</b>	<b>27,805.42</b>	<b>25,231.88</b>
Financial assets				
- Other Non-current financial assets	6	21,376.69	22,214.47	22,037.53
		<b>42,193.84</b>	<b>50,019.89</b>	<b>47,269.41</b>
<b>Current assets</b>				
Financial Assets				
- Trade receivables	7	28,016.79	61,469.30	131,787.91
- Cash and cash equivalents	8	198,364.30	109,068.31	93,769.79
- Other current financial assets	9	45,397.45	80,596.97	141,093.14
Deferred tax assets	10	5,400.08	3,587.13	5,352.29
Current tax assets (net)		21,287.71	8,520.71	-
Other current assets	11	11,390.31	13,015.81	11,219.85
		<b>309,856.64</b>	<b>276,258.23</b>	<b>383,222.98</b>
<b>TOTAL</b>		<b>352,050.48</b>	<b>326,278.12</b>	<b>430,492.39</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Equity share capital	4	102,247.08	102,247.08	102,247.08
Other equity		146,936.14	114,788.02	158,571.78
		<b>249,183.22</b>	<b>217,035.10</b>	<b>260,818.86</b>
<b>LIABILITIES</b>				
<b>Non- current liabilities</b>				
Other financial liabilities	12	6,282.96	13,108.95	11,641.59
		<b>6,282.96</b>	<b>13,108.95</b>	<b>11,641.59</b>
<b>Current liabilities</b>				
Financial liabilities				
- Trade payables	13	75,467.94	65,372.97	113,269.49
- Other financial liabilities	14	7,052.16	7,175.91	7,187.66
Other current liabilities	15	2,216.25	2,099.19	13,773.90
Provisions	16	11,847.96	14,550.37	21,908.37
Current tax liabilities (net)		(0.01)	6,935.63	1,892.52
		<b>96,584.30</b>	<b>96,134.07</b>	<b>158,031.94</b>
<b>TOTAL</b>		<b>352,050.48</b>	<b>326,278.12</b>	<b>430,492.39</b>
Summary of significant accounting policies	3			

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

As per our report of even date

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

**For and on behalf of the Board of Directors of**  
**Persistent Systems Malaysia Sdn. Bhd.**

per Tejashree Joshi  
Partner  
Membership no. 139807

Dr. Anand Deshpande  
Director

Azlin Ghazali  
Director

Place: India  
Date : January 18, 2024

Place: India  
Date : January 18, 2024

Place: Malaysia  
Date : January 18, 2024

**Persistent Systems Malaysia Sdn. Bhd.**

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023**

	Notes	For the Quarter ended		For the nine months ended		For the year ended
		December 31, 2023 (In ₹ '000)	December 31, 2022 (In ₹ '000)	December 31, 2023 (In ₹ '000)	December 31, 2022 (In ₹ '000)	March 31, 2023 (In ₹ '000)
<b>Income</b>						
Revenue from operations (net)	17	72,970.75	120,126.74	207,975.19	329,725.47	537,139.94
Other income	18	991.20	568.23	1,486.03	1,097.25	1,530.88
<b>Total income (A)</b>		<b>73,961.95</b>	<b>120,694.97</b>	<b>209,461.22</b>	<b>330,822.72</b>	<b>538,670.82</b>
<b>Expenses</b>						
Employee benefits expense	19.1	41,518.33	45,976.50	119,637.43	130,422.30	178,611.49
Cost of technical professionals	19.2	16,797.07	22,640.22	57,260.47	72,731.82	99,773.85
Finance costs		128.96	64.44	435.28	114.00	292.24
Depreciation and amortization expense	5.4	2,765.54	2,405.60	8,179.30	7,507.85	10,273.18
Other expenses	20	9,320.33	57,085.35	28,105.46	86,383.75	158,087.44
<b>Total expenses (B)</b>		<b>70,530.23</b>	<b>128,172.11</b>	<b>213,617.94</b>	<b>297,159.72</b>	<b>447,038.20</b>
<b>Profit before tax (A - B)</b>		<b>3,431.72</b>	<b>(7,477.14)</b>	<b>(4,156.72)</b>	<b>33,663.00</b>	<b>91,632.62</b>
<b>Tax expense</b>						
Current tax (credit)		-	(2,408.91)	-	6,572.54	21,739.06
Deferred tax (credit)		792.99	920.79	(195.04)	2,473.49	771.50
Tax (credit) / charge in respect of earlier years		398.53	(1,313.42)	398.53	(1,313.42)	(1,333.27)
<b>Total tax expense / (credit)</b>		<b>1,191.52</b>	<b>(2,801.54)</b>	<b>203.49</b>	<b>7,732.61</b>	<b>21,177.29</b>
<b>Net profit for the quarter/period/year (C)</b>		<b>2,240.20</b>	<b>(4,675.60)</b>	<b>(4,360.21)</b>	<b>25,930.39</b>	<b>70,455.33</b>
<b>Other comprehensive income</b>						
<b>Items that will not be reclassified to profit or loss (D)</b>						
<b>Items that may be reclassified to profit or loss (E)</b>						
- Exchange differences in translating the financial statements from functional currency to reporting currency		5,487.95	14,329.20	(7,275.43)	9,155.23	8,414.05
		<b>5,487.95</b>	<b>14,329.20</b>	<b>(7,275.43)</b>	<b>9,155.23</b>	<b>8,414.05</b>
<b>Total comprehensive income for the quarter/period/year (C) + (D) + (E)</b>		<b>7,728.15</b>	<b>9,653.60</b>	<b>(11,635.64)</b>	<b>35,085.62</b>	<b>78,869.38</b>
<b>Earnings per equity share</b>						
Basic (In ₹)	21	0.41	(0.86)	(0.80)	4.76	12.93
Diluted (In ₹)		0.41	(0.86)	(0.80)	4.76	12.93
Summary of significant accounting policies	3					

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

As per our report of even date

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

**For and on behalf of the Board of Directors of**  
**Persistent Systems Malaysia Sdn. Bhd.**

per Tejashree Joshi  
Partner  
Membership no. 139807

Dr. Anand Deshpande  
Director

Azlin Ghazali  
Director

Place: India  
Date : January 18, 2024

Place: India  
Date : January 18, 2024

Place: Malaysia  
Date : January 18, 2024

**Persistent Systems Malaysia Sdn. Bhd.****CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023**

	For the nine months ended		For the year ended
	December 31, 2023 (In ₹ '000)	December 31, 2022 (In ₹ '000)	March 31, 2023 (In ₹ '000)
<b>Cash flow from operating activities</b>			
<b>Profit before tax</b>	<b>(4,156.72)</b>	<b>33,663.00</b>	<b>91,632.62</b>
Adjustments for:			
Depreciation and amortization expense	8,179.30	7,507.85	10,273.18
Unrealised exchange (gain) / loss (net)	1,799.68	3,101.14	2,935.32
Change in foreign currency translation reserve	(8,264.49)	(15,318.18)	8,110.49
Bad debts	-	-	-
Provision for doubtful receivables	-	-	-
Interest Income	(974.41)	(584.22)	(971.95)
Excess provision written back	(511.62)	(414.26)	(420.52)
Finance cost	435.28	114.00	292.24
<b>Operating profit before working capital changes</b>	<b>(3,492.98)</b>	<b>28,069.33</b>	<b>111,851.38</b>
<b>Movements in working capital :</b>			
Decrease / (increase) in trade receivables	103,310.70	(47,807.94)	(115,636.21)
Decrease / (increase) in other current assets	95,525.23	(23,335.06)	(81,757.24)
Increase / (Decrease) in loans and advances	660.84	(18,688.22)	(18,511.28)
Increase / (Decrease) in other non-current liabilities	-	13,108.95	-
Increase / (Decrease) in trade payables and current liabilities	(50,322.34)	35,964.70	90,688.84
Increase / (Decrease) in provisions	(10,060.41)	(8,401.09)	(764.60)
<b>Operating profit after working capital changes</b>	<b>135,621.04</b>	<b>(21,089.33)</b>	<b>(14,129.11)</b>
Direct taxes paid (net of refunds)	(21,686.24)	19,634.42	(16,353.18)
<b>Net cash generated from / (used in) operating</b>	<b>(A) 113,934.80</b>	<b>(1,454.91)</b>	<b>(30,482.29)</b>
<b>Cash flows from investing activities</b>			
Payment towards capital expenditure	(4,508.66)	(24,233.47)	(3,633.22)
Interest Income	974.41	584.22	971.95
<b>Net cash (used in) investing activities</b>	<b>(B) (3,534.25)</b>	<b>(23,649.25)</b>	<b>(2,661.27)</b>
<b>Cash flows from financing activities</b>			
Dividend paid	-	-	-
Lease liability paid	(5,370.76)	-	(7,080.88)
Interest paid	(435.28)	(114.00)	(292.24)
<b>Net cash (used in) financing activities</b>	<b>(C) (5,806.04)</b>	<b>(114.00)</b>	<b>(7,373.12)</b>
<b>Net increase / (decrease) in cash and cash equivalents (A + B + C)</b>			
	<b>104,594.51</b>	<b>(25,218.16)</b>	<b>(40,516.68)</b>
Cash and cash equivalents at the beginning of the quarter/period/year	93,769.79	134,286.47	134,286.47
<b>Cash and cash equivalents at the end of the quarter/period/year</b>	<b>198,364.30</b>	<b>109,068.31</b>	<b>93,769.79</b>
<b>Components of cash and cash equivalents</b>			
Cash on hand	-	-	-
Balances with banks			
On current accounts	7,638.83	15,139.73	6,079.68
On short term deposits (less than three months (net of interest))	190,725.47	93,928.58	87,690.11
<b>Cash and cash equivalents as per note 8</b>	<b>198,364.30</b>	<b>109,068.31</b>	<b>93,769.79</b>

Summary of significant accounting policies - Refer note 3

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

As per our report of even date

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

**For and on behalf of the Board of Directors of**  
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per Tejashree Joshi  
Partner  
Membership no. 139807

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Director

Azlin Ghazali  
Director

Place: India  
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Date : January 18, 2024

**Persistent Systems Malaysia Sdn. Bhd.****CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2023****A. Equity share capital (Refer note 4)****(In ₹ '000)**

<b>Balance as at April 1, 2023</b>	<b>Changes in equity share capital during the period</b>	<b>Balance as at December 31, 2023</b>
102,247.08	-	102,247.08

**(In ₹ '000)**

<b>Balance as at April 1, 2022</b>	<b>Changes in equity share capital during the period</b>	<b>Balance as at December 31, 2022</b>
102,247.08	-	102,247.08

**(In ₹ '000)**

<b>Balance as at April 1, 2022</b>	<b>Changes in equity share capital during the year</b>	<b>Balance as at March 31, 2023</b>
102,247.08	-	102,247.08

*(This space is intentionally left blank)*

**B. Other equity****(In ₹ '000)**

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
<b>Balance as at April 1, 2023</b>	137,593.14	20,978.64	158,571.78
Net profit for the period	(4,360.21)	-	(4,360.21)
Interim Dividend	-	-	-
Other comprehensive income for the period	-	(7,275.43)	(7,275.43)
<b>Balance at December 31, 2023</b>	<b>133,232.93</b>	<b>13,703.21</b>	<b>146,936.14</b>

**(In ₹ '000)**

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
<b>Balance as at April 1, 2022</b>	67,137.81	12,564.59	79,702.40
Net profit for the period	25,930.39	-	25,930.39
Interim Dividend	-	-	-
Other comprehensive income for the period	-	9,155.23	9,155.23
<b>Balance at December 31, 2022</b>	<b>93,068.20</b>	<b>21,719.82</b>	<b>114,788.02</b>

**(In ₹ '000)**

Particulars	Reserves and surplus	Items of other comprehensive income	Total
	Retained earnings	Exchange differences on translating the financial statements	
<b>Balance as at April 1, 2022</b>	67,137.81	12,564.59	79,702.40
Net profit for the year	70,455.33	-	70,455.33
Interim Dividend	-	-	-
Other comprehensive income for the year	-	8,414.05	8,414.05
<b>Balance at March 31, 2023</b>	<b>137,593.14</b>	<b>20,978.64</b>	<b>158,571.78</b>

Summary of significant accounting policies

3

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

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

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As per our report of even date

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Chartered Accountants

**For and on behalf of the Board of Directors of**  
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per Tejashree Joshi  
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**1. Nature of operations**

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

**2. Basis of preparation**

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

**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, 2023 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 Malaysian Ringgit (MYR)

**(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 period / 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.

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

In respect of the contracts where the transaction price is payable as royalty at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from royalty on the basis of historical trends of customer revenue. In cases where company acts as an agent, the revenue is recognised in form of a commission on delivery of the software licenses.

**ii) Income taxes**

The Company's tax jurisdictions is Malaysia. 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 Property, Plant and Equipment that are not ready to be put to use.

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

<b>Assets</b>	<b>Useful lives</b>
Computers	3 years
Computers - Servers and networks*	3 years
Office equipment	5 years
Plant and equipment*	5 years
Furniture and fixtures*	5 years

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

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

**(g) Financial instruments****i) Financial assets***Initial recognition and measurement*

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

*Subsequent measurement*

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

**- Financial assets at amortized cost**

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

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

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

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

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



*Derecognition*

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss.

**ii) Financial liabilities**

*Initial recognition and measurement*

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to issue of financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are deducted from the fair value of the financial liabilities on initial recognition. Transaction costs directly attributable to the issue of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

*Subsequent measurement*

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

- **Financial liabilities at amortized cost**

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

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

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

*Derecognition*

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

**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.

**(h) Borrowing costs**

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

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

**(i) Leases**

The Company assesses at the inception of contract whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

the Company has the right to direct the use of the asset

**Where the Company is a lessee**

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of use assets are determined on the same basis as those of property, plant and equipment.

Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the

commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

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

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease expenses associated with these leases are recognized in the statement of profit and loss on accrual basis.

### **Company as a lessor**

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income over the lease term on a straight line basis.

## **(j) Revenue recognition**

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

### **(i) Income from software services and products**

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

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration expected to receive in exchange for those products or services. Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognized as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from licenses where the customer obtains a "right to use" the licenses is recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized over the access period.

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

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such

contracts are allocated to each performance obligation of the contract based on their relative selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

Revenue from royalty is recognized in accordance with the terms of the relevant agreements.

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the proportionate allocation of the discounts amount to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount. Also, when the level of discount varies with increases in levels of revenue transactions, the Company recognizes the liability based on its estimate of the customer's future purchases. If it is probable that the criteria for the discount will not be met, or if the amount thereof cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the 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 (SST) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

**(ii) Interest**

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

**(iii) Dividend**

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

**(k) Foreign currency translation**

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

***Initial recognition***

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

***Conversion***

The transactions are in MYR, which are converted for reporting in Indian currency on the following basis. The equity share capital is translated on the date of transaction and fixed assets are translated at the closing rate as at the date of the balance sheet. All current assets and current liabilities are translated at the closing rate as at the date of the balance sheet. All Income and Expense items are converted at weighted average of Inter Bank Selling Rate for the period.

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

***Exchange difference***

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

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

**(l) Retirement and other employee benefits****(i) Leave encashment**

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

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

The company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

**(m) Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with Malaysian Income tax Act, 1967. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

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

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

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

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

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

**(n) Earnings per share (EPS)**

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

For the purpose of calculating diluted earnings per share, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

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

**(o) Provisions**

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

**(p) Contingent liabilities**

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

**(q) Cash and cash equivalents**

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

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**4. Share capital**

	As at December 31, 2023 (In ₹ thousand)	As at December 31, 2022 (In ₹ thousand)	As at March 31, 2023 (In ₹ thousand)
<b>Authorized shares (No.)</b>			
10,000,000 Equity shares of MYR 1 each (previous period / year 10,000,000 of MYR 1 each)	MYR 10,000.00	MYR 10,000.00	MYR 10,000.00
	<b>MYR 10,000,000</b>	<b>MYR 10,000,000</b>	<b>MYR 10,000,000</b>
<b>Issued, subscribed and fully paid-up shares (No.)</b>			
5,450,000 Equity shares of 1 MYR each fully paid (Previous period / year 5,450,000 Equity shares of MYR 1 each)	102,247.08	102,247.08	102,247.08
<b>Issued, subscribed and fully paid-up share capital</b>	102,247.08	102,247.08	102,247.08

**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:

	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No of shares (full)	Amount	No of shares (full)	Amount	No of shares (full)	Amount
Number of shares at the beginning of the period/year	5,450,000	102,247,080	5,450,000	102,247,080	5,450,000	102,247,080
Add : Issued during the year	-	-	-	-	-	-
<b>Number of shares at the end of the period/year</b>	<b>5,450,000</b>	<b>102,247,080</b>	<b>5,450,000</b>	<b>102,247,080</b>	<b>5,450,000</b>	<b>102,247,080</b>

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**Persistent Systems Malaysia Sdn. Bhd.**

Notes forming part of condensed interim financial statements

**5.1 Property, Plant and Equipment**

						(In ₹ '000)
	Computers	Office equipments	Plant and Equipment - Freehold	Leasehold improvements	Furniture and fixtures	Total
<b>Gross block (At cost)</b>						
As at April 1, 2023	45,641.55	215.33	9,147.56	2,564.37	8,510.58	66,079.39
Additions	1,211.43	-	-	-	-	1,211.43
Effect of foreign currency translation from functional currency to reporting currency	(1,252.30)	(4.20)	(254.07)	(71.23)	(236.33)	(1,818.13)
<b>As at December 31, 2023</b>	<b>45,600.68</b>	<b>211.13</b>	<b>8,893.49</b>	<b>2,493.14</b>	<b>8,274.25</b>	<b>65,472.69</b>
<b>Depreciation and amortization</b>						
As at April 1, 2023	39,961.83	209.46	8,580.57	2,564.37	8,510.58	59,826.81
Charge for the period	2,862.88	5.80	225.41	-	-	3,094.09
Effect of foreign currency translation from functional currency to reporting currency	(1,089.43)	(4.13)	(236.80)	(71.23)	(236.33)	(1,637.92)
<b>As at December 31, 2023</b>	<b>41,735.28</b>	<b>211.13</b>	<b>8,569.18</b>	<b>2,493.14</b>	<b>8,274.25</b>	<b>61,282.98</b>
<b>Net block</b>						
<b>As at December 31, 2023</b>	<b>3,865.40</b>	<b>-</b>	<b>324.31</b>	<b>-</b>	<b>-</b>	<b>4,189.71</b>
<b>As at March 31, 2023</b>	<b>5,679.72</b>	<b>5.87</b>	<b>566.99</b>	<b>-</b>	<b>-</b>	<b>6,252.58</b>
(In ₹ '000)						
	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Total
<b>Gross block (At cost)</b>						
As at April 1, 2022	40,593.76	209.32	8,845.56	2,479.71	8,228.51	60,356.86
Additions	3,450.93	-	-	-	-	3,450.93
Disposals	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,947.65	7.47	375.46	105.25	350.66	2,786.49
<b>As at December 31, 2022</b>	<b>45,992.34</b>	<b>216.79</b>	<b>9,221.02</b>	<b>2,584.96</b>	<b>8,579.17</b>	<b>66,594.28</b>
<b>Depreciation and amortization</b>						
As at April 1, 2022	35,184.41	193.77	7,996.76	2,479.71	8,228.51	54,083.16
Charge for the period	2,536.35	7.35	223.68	-	-	2,767.38
Disposals	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,633.50	7.20	351.80	105.25	350.66	2,448.41
<b>As at December 31, 2022</b>	<b>39,354.26</b>	<b>208.32</b>	<b>8,572.24</b>	<b>2,584.96</b>	<b>8,579.17</b>	<b>59,298.95</b>
<b>Net block</b>						
<b>As at December 31, 2022</b>	<b>6,638.08</b>	<b>8.47</b>	<b>648.78</b>	<b>-</b>	<b>-</b>	<b>7,295.33</b>
<b>As at March 31, 2022</b>	<b>5,409.35</b>	<b>15.55</b>	<b>848.80</b>	<b>-</b>	<b>-</b>	<b>6,273.70</b>
(In ₹ '000)						
	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Total
<b>Gross block (At cost)</b>						
As at April 1, 2022	40,593.76	209.32	8,845.56	2,479.71	8,228.51	60,356.86
Additions	3,466.16	-	-	-	-	3,466.16
Effect of foreign currency translation from functional currency to reporting currency	1,581.63	6.01	302.00	84.66	282.07	2,256.37
<b>As at March 31, 2023</b>	<b>45,641.55</b>	<b>215.33</b>	<b>9,147.56</b>	<b>2,564.37</b>	<b>8,510.58</b>	<b>66,079.39</b>
<b>Depreciation and amortization</b>						
As at April 1, 2022	35,184.41	193.77	7,996.76	2,479.71	8,228.51	54,083.16
Charge for the year	3,467.78	9.90	301.37	-	-	3,779.05
Disposals	-	-	-	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	1,309.64	5.79	282.44	84.66	282.07	1,964.60
<b>As at March 31, 2023</b>	<b>39,961.83</b>	<b>209.46</b>	<b>8,580.57</b>	<b>2,564.37</b>	<b>8,510.58</b>	<b>59,826.81</b>
<b>Net block</b>						
<b>As at March 31, 2023</b>	<b>5,679.72</b>	<b>5.87</b>	<b>566.99</b>	<b>-</b>	<b>-</b>	<b>6,252.58</b>
<b>As at March 31, 2022</b>	<b>5,409.35</b>	<b>15.55</b>	<b>848.80</b>	<b>-</b>	<b>-</b>	<b>6,273.70</b>



**Persistent Systems Malaysia Sdn. Bhd.****Notes forming part of condensed interim financial statements****5.2. Other Intangible assets**

	(In ₹ '000)	
	Software	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2023	603.26	603.26
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	(16.76)	(16.76)
<b>As at December 31, 2023</b>	<b>586.50</b>	<b>586.50</b>
<b>Amortization</b>		
As at April 1, 2023	603.26	603.26
Charge for the period	-	-
Reversals / Disposals during the period	-	-
Effect of foreign currency exchange differences	(16.76)	(16.76)
<b>As at December 31, 2023</b>	<b>586.50</b>	<b>586.50</b>
<b>Net block</b>		
<b>As at December 31, 2023</b>	-	-
<b>As at March 31, 2023</b>	-	-

	(In ₹ '000)	
	Software	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2022	583.34	583.34
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	24.76	24.76
<b>As at December 31, 2022</b>	<b>608.10</b>	<b>608.10</b>
<b>Amortization</b>		
As at April 1, 2022	583.34	583.34
Charge for the period	-	-
Reversals / Disposals during the period	-	-
Effect of foreign currency exchange differences	24.76	24.76
<b>As at December 31, 2022</b>	<b>608.10</b>	<b>608.10</b>
<b>Net block</b>		
<b>As at December 31, 2022</b>	-	-
<b>As at March 31, 2022</b>	-	-

	(In ₹ '000)	
	Software	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2022	583.34	583.34
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	19.92	19.92
<b>As at March 31, 2023</b>	<b>603.26</b>	<b>603.26</b>
<b>Amortization</b>		
As at April 1, 2022	583.34	583.34
Charge for the year	-	-
Reversals/ Disposals during the year	-	-
Effect of foreign currency exchange differences	19.92	19.92
<b>As at March 31, 2023</b>	<b>603.26</b>	<b>603.26</b>
<b>Net block</b>		
<b>As at March 31, 2023</b>	-	-
<b>As at March 31, 2022</b>	-	-

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

**5.3. Right -of- use assets**

	(In ₹ '000)	
	Right -of- use assets	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2023	21,034.74	21,034.74
Additions	-	-
Disposals	-	-
Effect of foreign currency exchange differences	(584.23)	(584.23)
<b>As at December 31, 2023</b>	<b>20,450.51</b>	<b>20,450.51</b>
<b>Amortization</b>		
As at April 1, 2023	2,055.44	2,055.44
Charge for the period	5,085.21	5,085.21
Reversals/ Disposals during the period	-	-
Effect of foreign currency exchange differences	(20.35)	(20.35)
<b>As at December 31, 2023</b>	<b>7,120.30</b>	<b>7,120.30</b>
<b>Net block</b>		
<b>As at December 31, 2023</b>	<b>13,330.21</b>	<b>13,330.21</b>
<b>As at March 31, 2023</b>	<b>18,979.30</b>	<b>18,979.30</b>

	(In ₹ '000)	
	Right -of- use assets	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2022	19,596.62	19,596.62
Additions	20,782.54	20,782.54
Disposals	-	-
Effect of foreign currency exchange differences	882.75	882.75
<b>As at December 31, 2022</b>	<b>41,261.91</b>	<b>41,261.91</b>
<b>Amortization</b>		
As at April 1, 2022	15,108.21	15,108.21
Charge for the period	4,740.47	4,740.47
Reversals/ Disposals during the period	-	-
Effect of foreign currency exchange differences	903.14	903.14
<b>As at December 31, 2022</b>	<b>20,751.82</b>	<b>20,751.82</b>
<b>Net block</b>		
<b>As at December 31, 2022</b>	<b>20,510.09</b>	<b>20,510.09</b>
<b>As at March 31, 2022</b>	<b>4,488.41</b>	<b>4,488.41</b>

	(In ₹000)	
	Right -of- use assets	Total
<b>Gross block (At Cost)</b>		
As at April 1, 2022	19,596.62	19,596.62
Additions	21,149.69	21,149.69
Disposals	19,978.87	19,978.87
Effect of foreign currency exchange differences	267.30	267.30
<b>As at March 31, 2023</b>	<b>21,034.74</b>	<b>21,034.74</b>
<b>Amortization</b>		
As at April 1, 2022	15,108.21	15,108.21
Charge for the year	6,494.13	6,494.13
Reversals/ Disposals during the year	19,981.26	19,981.26
Effect of foreign currency exchange differences	434.36	434.36
<b>As at March 31, 2023</b>	<b>2,055.44</b>	<b>2,055.44</b>
<b>Net block</b>		
<b>As at March 31, 2023</b>	<b>18,979.30</b>	<b>18,979.30</b>
<b>As at March 31, 2022</b>	<b>4,488.41</b>	<b>4,488.41</b>

**Persistent Systems Malaysia Sdn. Bhd.**

Notes forming part of condensed interim financial statements

**5.4. Depreciation and amortization**

	For the Quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)
On Property, Plant and Equipment	1,077.69	982.17	3,094.09	2,767.38	3,779.05
On intangible assets	-	-	-	-	-
On Right of Use of Assets	1,687.85	1,423.43	5,085.21	4,740.47	6,494.13
	<b>2,765.54</b>	<b>2,405.60</b>	<b>8,179.30</b>	<b>7,507.85</b>	<b>10,273.18</b>

**6. Other Non-current financial assets :**

	As at	As at	As at
	December 31, 2023 (In ₹ '000)	December 31, 2022 (In ₹ '000)	March 31, 2023 (In ₹ '000)
<b>Security deposits (At amortised cost)</b>			
Unsecured, considered good	21,376.69	22,214.47	22,037.53
Unsecured, considered doubtful	-	-	-
	<b>21,376.69</b>	<b>22,214.47</b>	<b>22,037.53</b>
Less: Provision for doubtful deposits	-	-	-
	<b>21,376.69</b>	<b>22,214.47</b>	<b>22,037.53</b>

**7. Trade receivables**

	As at	As at	As at
	December 31, 2023 (In ₹ '000)	December 31, 2022 (In ₹ '000)	March 31, 2023 (In ₹ '000)
<b>Trade receivables</b>			
Unsecured, considered good	28,016.79	61,469.30	131,787.91
Unsecured, considered doubtful	-	-	-
	<b>28,016.79</b>	<b>61,469.30</b>	<b>131,787.91</b>
Less : Provision for doubtful receivables	-	-	-
	<b>28,016.79</b>	<b>61,469.30</b>	<b>131,787.91</b>
<b>Others</b>			
Unsecured, considered good	-	-	-
Unsecured, credit impaired	-	-	-
	-	-	-
Less : Allowance for credit loss	-	-	-
	<b>28,016.79</b>	<b>61,469.30</b>	<b>131,787.91</b>

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**Persistent Systems Malaysia Sdn. Bhd.****Notes forming part of condensed interim financial statements****8. Cash and cash equivalents**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Cash and cash equivalents as presented in cash flow statement</b>			
Cash in hand	-	-	-
Balances with banks			
On current accounts	7,638.83	15,139.73	6,079.68
On deposits with original maturity of less than three months	190,347.15	93,928.58	87,637.14
Add: Interest accrued on bank deposits	378.32	-	52.97
	<b>198,364.30</b>	<b>109,068.31</b>	<b>93,769.79</b>

**9. Other current financial assets**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Advance to related parties (Unsecured, considered good)</b>			
- Persistent Systems Pte. Ltd.	-	1,981.41	1,965.63
Unbilled revenue	45,397.45	78,615.56	139,127.51
	<b>45,397.45</b>	<b>80,596.97</b>	<b>141,093.14</b>

**10. Deferred tax assets / liability**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Deferred tax assets</b>			
Employee related payments	2,843.51	3,492.09	5,258.01
Difference in Book values and tax base values of ROU asset and lease liability	36.19	95.04	94.28
Others	2,520.38	-	-
	5,400.08	3,587.13	5,352.29
<b>Deferred tax liability</b>			
Accumulated Losses	-	-	-
Others	-	-	-
<b>Deferred tax asset/(liability) (net)</b>	<b>5,400.08</b>	<b>3,587.13</b>	<b>5,352.29</b>

**11. Other current assets**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Advances (Unsecured, considered good)</b>			
Advances recoverable in cash or kind or for value to be received	11,390.31	13,015.81	11,219.85
	<b>11,390.31</b>	<b>13,015.81</b>	<b>11,219.85</b>

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

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
Lease liabilities	13,335.12	20,284.86	18,829.25
Less: Current maturity of lease liabilities	(7,052.16)	(7,175.91)	(7,187.66)
	<b>6,282.96</b>	<b>13,108.95</b>	<b>11,641.59</b>

**Movement of lease liabilities**

	For the nine months ended		For the year ended
	December 31, 2023 (In ₹'000)	December 31, 2022 (In ₹'000)	March 31, 2023 (In ₹'000)
Opening balance	18,829.25	4,639.05	4,639.05
Addition during the period / year	-	20,784.98	21,152.18
Add: Interest recognised during the period / year	435.28	120.30	300.38
Less: Payments made	(5,370.76)	(5,259.47)	(7,080.88)
Exchange Difference	(558.65)	-	(181.48)
<b>Closing balance</b>	<b>13,335.12</b>	<b>20,284.86</b>	<b>18,829.25</b>

**13. Trade payables**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
Trade payables for goods and services	75,467.94	65,372.97	113,269.49
	<b>75,467.94</b>	<b>65,372.97</b>	<b>113,269.49</b>

**14. Other current financial liabilities**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Advance from related parties (Unsecured, considered good)</b>			
-Persistent Systems Limited	-	-	-
Current maturity of lease liabilities	7,052.16	7,175.91	7,187.66
	<b>7,052.16</b>	<b>7,175.91</b>	<b>7,187.66</b>

**15. Other current liabilities**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
Accrued employee liabilities	-	30.26	910.61
Statutory Liabilities (net)	1,466.28	466.12	3,307.19
VAT, Service tax and GST Payable	585.58	-	-
Unearned revenue	164.39	1,602.81	9,556.10
	<b>2,216.25</b>	<b>2,099.19</b>	<b>13,773.90</b>

**16. Current liabilities : Provisions**

	As at December 31, 2023 (In ₹ '000)	As at December 31, 2022 (In ₹ '000)	As at March 31, 2023 (In ₹ '000)
<b>Provision for employee benefits</b>			
Leave encashment	3,184.59	-	-
Other employee benefits	8,663.37	14,550.37	21,908.37
	<b>11,847.96</b>	<b>14,550.37</b>	<b>21,908.37</b>

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**Persistent Systems Malaysia Sdn. Bhd.****Notes forming part of condensed interim financial statements****17. Revenue from operations (net)**

	For the Quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)
Software services	67,029.45	77,555.62	189,003.56	274,250.25	374,378.97
Software licenses	5,941.30	42,571.12	18,971.63	55,475.22	162,760.97
	<b>72,970.75</b>	<b>120,126.74</b>	<b>207,975.19</b>	<b>329,725.47</b>	<b>537,139.94</b>

**18. Other income**

	For the Quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)
Interest income					
On bank deposits	479.58	153.65	974.41	584.22	971.95
Excess provision in respect of earlier years written back	511.62	414.26	511.62	414.26	420.52
Miscellaneous Income	-	0.32	-	98.77	138.41
	<b>991.20</b>	<b>568.23</b>	<b>1,486.03</b>	<b>1,097.25</b>	<b>1,530.88</b>

**19. Personnel expenses**

	For the Quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)
<b>19.1 Employee benefits expense</b>					
Salaries, wages and bonus	35,653.31	38,902.05	100,384.63	110,206.83	150,908.44
Defined contribution to other funds	4,305.53	5,367.01	14,513.05	15,178.11	20,527.21
Staff welfare and benefits	1,559.49	1,707.44	4,739.75	5,037.36	7,175.84
	<b>41,518.33</b>	<b>45,976.50</b>	<b>119,637.43</b>	<b>130,422.30</b>	<b>178,611.49</b>
<b>19.2 Cost of technical professionals</b>					
Technical professionals - Others	(8.20)	1,929.44	2,072.80	6,090.52	8,455.87
Technical professionals - related parties	16,805.27	20,710.78	55,187.67	66,641.30	91,317.98
	<b>16,797.07</b>	<b>22,640.22</b>	<b>57,260.47</b>	<b>72,731.82</b>	<b>99,773.85</b>
	<b>58,315.40</b>	<b>68,616.72</b>	<b>176,897.90</b>	<b>203,154.12</b>	<b>278,385.34</b>

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**20. Other expenses**

	For the Quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)	(In ₹ '000)
Travelling and conveyance	451.14	995.32	2,131.13	1,360.92	1,771.16
Electricity expenses (net)	608.74	555.05	1,969.69	1,861.31	2,564.09
Internet link expenses	1,506.25	802.95	4,146.28	2,285.40	3,093.66
Communication expenses	72.38	64.16	203.88	182.62	247.15
Recruitment expenses	2.48	0.74	243.82	229.65	233.12
Training and seminars	(0.35)	0.12	86.99	36.80	37.35
Purchase of software licenses and support expenses	3,116.30	51,039.84	8,521.67	67,458.33	132,916.97
Rent	(6.74)	115.67	333.47	267.49	405.58
Insurance	93.82	88.40	282.67	261.26	353.93
Rates and taxes	708.95	142.10	833.51	723.46	751.44
Legal and professional fees	372.24	349.72	1,207.68	1,683.86	2,197.44
Repairs and maintenance				-	
- Plant and Machinery	649.91	683.89	2,080.39	2,462.07	3,126.97
- Others	13.42	8.02	46.56	26.59	43.81
Advertisement and sponsorship fees	259.06	65.15	892.46	262.58	376.11
Discount Allowed	-	0.01	-	4.95	5.03
Computer consumables	(0.11)	18.64	28.04	33.13	62.02
Books, memberships, subscriptions	5.84	4.51	14.90	13.38	21.01
Foreign exchange loss / (gain) (net)	809.34	74.23	3,060.99	3,707.31	5,573.60
Inter corporate deposits written off	-	1,458.02	-	1,458.02	1,480.05
Miscellaneous expenses	657.66	618.81	2,021.33	2,064.62	2,826.95
	<b>9,320.33</b>	<b>57,085.35</b>	<b>28,105.46</b>	<b>86,383.75</b>	<b>158,087.44</b>

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**21. Earnings per share**

		For the Quarter ended		For the nine months ended		For the year ended
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
<b><u>Numerator for Basic and Diluted EPS</u></b>						
Net Profit after tax (In ₹000)	(A)	2,240.20	(4,675.60)	(4,360.21)	25,930.39	70,455.33
<b><u>Denominator for Basic EPS</u></b>						
Weighted average number of equity shares of MYR 1 each	(B)	5,450,000	5,450,000	5,450,000	5,450,000	5,450,000
<b><u>Denominator for Diluted EPS</u></b>						
Number of equity shares of MYR 1 each	(C)	5,450,000	5,450,000	5,450,000	5,450,000	5,450,000
<b>Basic Earnings per share of MYR 1 each (In ₹)</b>	(A/B)	0.41	(0.86)	(0.80)	4.76	12.93
<b>Diluted Earnings per share of MYR 1 each (In ₹)</b>	(A/C)	0.41	(0.86)	(0.80)	4.76	12.93

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**22. Contingent liabilities**

The Company does not have any contingent liability as on December 31, 2023 (March 31, 2023 : Nil & December 31, 2022 : Nil).

- 23.** Previous period / year's figures have been regrouped where necessary to conform to current periods' classification.

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As per our report of even date

**For Joshi Apte &Co.,  
Firm registration no. 104370W  
Chartered Accountants**

**For and on behalf of the Board of Directors of  
Persistent Systems Malaysia Sdn. Bhd.**

per Tejashree Joshi  
Partner  
Membership No.139807

Dr. Anand Deshpande  
Director

Azlin Ghazali  
Director

Place: India  
Date: January 18, 2024

Place: India  
Date: January 18, 2024

Place: Malaysia  
Date: January 18, 2024

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