Persistent

NSE & BSE / 2023-24 / 060

June 21, 2023

The Manager
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

Ref: Symbol: PERSISTENT

The Manager
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400 001

Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub: Submission of the Annual Report 2022-23 of the Company

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report 2022-23.

Today, the Company, through the electronic mode has initiated the process to send the Annual Report along with the Notice of the 33rd Annual General Meeting to be held on Tuesday, July 18, 2023; to those Members whose name was recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as of Friday, June 16, 2023.

The Company has also uploaded the Annual Report 2022-23 on its website at persistent-annual-report-2023.pdf and Notice of the 33rd Annual General Meeting is available at agm-notice-2023.pdf (persistent.com)

We request you to take the same on your records.

Please acknowledge the receipt.

Thanking you,
Yours Sincerely,
For **Persistent Systems Limited**

Amit Murari Atre
Digitally signed by Amit Murari Atre
Date: 2023.06.21 19:30:59 +05'30'

Amit Atre
Company Secretary
ICSI Membership No.: A20507

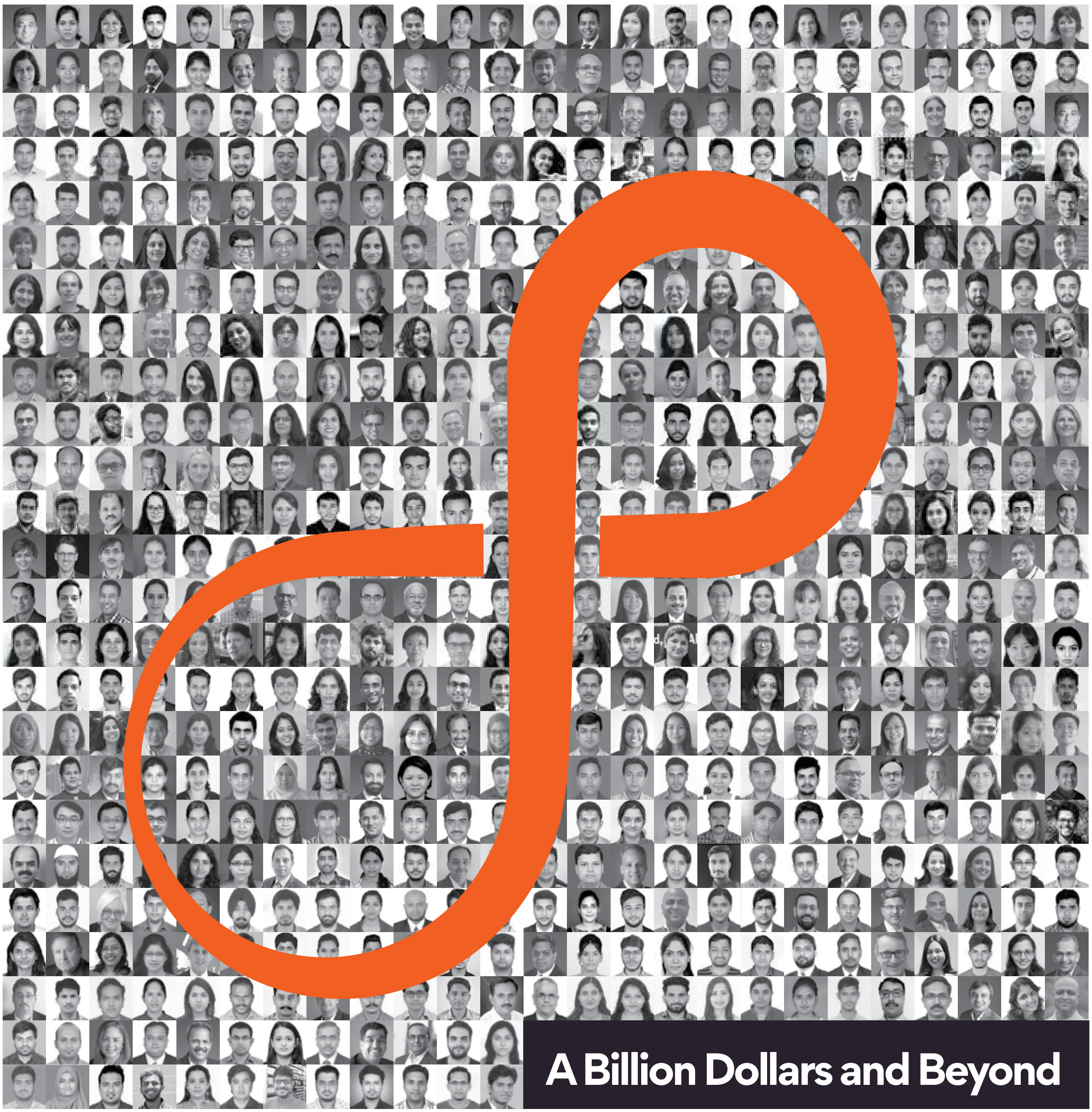
Encl.: As above

2023
33rd Annual Report

Persistent

Engineering Success, Delivering Value

The Persistent Way



33rd Annual General Meeting

Tuesday, July 18, 2023
16:00 IST

Venue for Physical Meeting

Persistent Systems Limited
Dewang Mehta Auditorium
'Bhageerath', 402 Senapati Bapat Road
Pune 411 016

Video Conferencing and e-Voting
persys.co/agm2023

Members are requested to follow the instructions provided in the Notice of 33rd Annual General Meeting in order to attend the AGM in person or via video conferencing and to e-vote.

Remote e-Voting Period

1\ 12:01 AM IST on Saturday, July 15, 2023 —
05:00 PM IST on Monday, July 17, 2023

2\ During the AGM

Read this Annual Report online:
persys.co/ar2023

Contents

First Orbit
1990 – 2001

\ **Company inception**
\ Targeting database-centric clients
\ 2000 - Intel IA 64 investment

Second Orbit
2001 – 2008

\ Category leadership for **outsourced product development**
\ 2005 - Investment by Norwest & Gabriel Ventures

Third Orbit
2008 – 2016

\ Offering expansion to full product lifecycle
\ 2010 - Persistent IPO; **93x oversubscribed**

Fourth Orbit
2016 – 2019

\ Catching the early wave of Digital Transformation
\ **Rapid expansion** into enterprise customer segment

Fifth Orbit
2019 – 2023

\ Strong positioning as a Global Digital Engineering leader
\ Industry-leading **sequential growth for 12 quarters**

Engineering Success, Delivering Value
The Persistent Way

The Persistent Way allowed us to grow on our own terms, by our own design, through deliberate investments and decisions made as we forged our own unique path.

We initiated strategic acquisitions in cloud, security and hyperscalers to build upon our Digital Engineering expertise, enhanced our partner ecosystem to leverage its vast wealth of experience and expanded our global delivery footprint to be closer to our clients.

We engineered success for our clients as they searched for new avenues of growth, innovation and competitive advantage. We delivered value with solutions that had real-life human impact across the world. Perhaps most critically, we also created an environment that encourages our 22,750+ employees to strive for excellence as they apply their unique skills to solve customer challenges and produce meaningful outcomes for our clients.

All these characteristics make us one of the top-performing companies in our sector, exceptionally well-prepared to face and overcome any economic and business challenge.

The Persistent Way is never-ending. Looking ahead, we continue our journey with a renewed sense of commitment to grow our business far beyond $1 billion and generate additional shareowner value. We will reach this goal only if we continue to focus on areas that create lasting results, beginning with investments in our people so that they feel valued for their talents and empowered to grow professionally and personally. We will enable them to give back and make a difference in the communities and countries in which they work and live. And we will collaborate with clients on new transformation and modernization initiatives anchored in our innovative IP and premier service delivery.

We are entering a new phase of our growth strategy and Digital Engineering leadership where we will continue engineering success and delivering value through The Persistent Way.

Message from the Chairman

Over these 33 years, we have formed a bond that goes beyond mere transactions. Together, we have built a thriving community that has weathered storms and celebrated triumphs. We have forged a collective commitment to our clients, employees, partners and each other built on a foundation that engenders excellence. We are committed to being responsible corporate citizens and playing an active role in preserving the planet through environmental and health initiatives based on an intrinsic desire to nurture growth in our communities and society at large.

Dear Fellow Shareowners,

It is an honor and privilege to present our 33rd Annual Report for the Financial Year (FY) 2022-23 as we achieve an important milestone of becoming a Billion Dollar Company.

The 33-year journey from taking an initial idea to a Billion Dollar business has been exhilarating, challenging and immensely satisfying. This journey has been possible only because of the unwavering support we received from employees, customers, partners and thousands of well-wishers. I remain eternally grateful to all of them.

As we celebrate this milestone, I feel nostalgic as I reflect upon our incredible journey together. Growth in a business is not linear but a sequence of S-Curves. Some defining actions set you on a gradient, and after a few good years of growth, business seems to flatten down. At this point, you must change orbits. Each orbit shift is hard and challenging but necessary. We have seen five of these orbits at Persistent, and in our 33rd year, we are entering our Sixth Orbit.

Our First Orbit was difficult and infrastructure challenges in India were the primary constraint. During this period, we built teams with a culture of supporting our customers, choosing to focus on hard problems and building engineering partnerships with market leaders. Most of our early customers have continued to be our customers for nearly three decades. This strong foundation of The Persistent Way has helped us on our journey over the years.

Our shift to the Second Orbit was defined by Intel Capital investing in Persistent as the first Asian Investment as part of the Intel 64 Fund. At this time, just after Y2K and the dot-com burst, we created a new category by focusing on Outsourced Product Development. We have always believed in the importance of leadership, and in 2005, we secured funding from Silicon Valley VCs when Norwest Venture Partners and Gabriel Venture Partners invested in the Company.

In the Third Orbit, as we moved beyond the Global Financial Crisis, we focused on full product development, focusing on technologies in cloud, analytics, collaboration and mobility as our driving force. Soon after the markets recovered, in 2010, we listed the shares of the Company on BSE and NSE.

Entering our Fourth Orbit from 2016 to 2019, we defined enterprise Digital Transformation and finally, in the Fifth Orbit, under the leadership of our new CEO and ED Sandeep Kalra, we achieved the remarkable feat of a $1 billion in revenue for FY 2023.

As Henry Ford once said, "Coming together is a beginning; keeping together is progress; working together is success." This quote perfectly embodies the essence of our journey together. Over these 33 years, we have formed a bond that goes beyond mere transactions. Together, we have built a thriving community that has weathered storms and celebrated triumphs. We have forged a collective commitment to our clients, employees, partners and each other built on a foundation that engenders excellence. We are committed to being responsible corporate citizens and playing an active role in preserving the planet through environmental and health initiatives based on an intrinsic desire to nurture growth in our communities and society at large.

As I look ahead to the new challenges in our journey to the next Billion, let me thank all our supporters, customers, employees, vendors and numerous well-wishers and their families. We seek your continued support as we continue to See Beyond and Rise Above!

With Best Regards,

—

Anand Deshpande
Founder, Chairman and Managing Director

Message from the CEO

We could not have achieved this success without our clients who continue to turn to us as a trusted partner in their digital transformation journeys. We want to sincerely thank all our clients, members of our partner ecosystem, and every member of our 22,750+ Persistent family for their support and collaboration which enabled us to reach our $1 billion milestone.

Dear Valued Shareowners,

I am pleased to present to you the Annual Report for the Financial Year 2022-23 as your Company achieved $1 billion in annual revenue, a testament of how **The Persistent Way** enables resiliency, focus and growth for us and for our clients in a challenging global macroeconomic environment.

We delivered 35.3% year-on-year (YoY) growth, with $1.036 billion in FY revenue on the back of 12 quarters of industry-leading sequential growth. Our operational discipline generated strong Earnings Before Interest and Taxes (EBIT) margin, ending the year with +58.5% YoY.

The Persistent family expanded to more than 22,750 colleagues across 21 countries as we navigated through challenging times and created ongoing opportunities for our employees' learning and growth, ultimately paving the way for our prosperous future.

Building on the 30+ years of our storied heritage, we have emerged as the top performer in our sector over the last several years. I extend my sincere gratitude to our clients who continue to turn to us as a trusted partner in their digital transformation journeys and to each member of our team for their dedication and contributions that have driven our success. I am also very thankful to all our investors who have continuously entrusted us and shouldered us with the responsibility to unlock value for their extended ecosystems.

Franklin Roosevelt famously said, "A smooth sea never made a skilled sailor." The onset of the COVID-19 pandemic left us uncertain about the future while hindering our ability to gaze beyond visible horizons. Instead of accepting circumstances as is, we made the bold choice to discover silver linings that would fuel our growth amidst uncertainty. To set the stage for success, we huddled together to design our unique way — **The Persistent Way** — and chart our course to continued growth.

With a resolute spirit, we organized ourselves into vertical segments and strengthened our service line capabilities. We recognized the importance of a strong leadership team and invested in attracting the industry's best to join our ranks. We changed our incentive models to recognize large deals and long-range thinking. By forging enduring partnerships, we engaged in ecosystem collaborations that truly mattered. Our capital allocation of more than $200 million for strategic tuck-in acquisitions played a pivotal role in bolstering our capabilities in hyperscaler clouds, integration, Salesforce and digital payments — the high growth vectors in our market. By efficiently investing in such opportunities, we enhanced our offerings and cemented our position as a trusted client partner.

Additionally, our identity underwent a metamorphosis, building on our past laurels while embracing the new. We unveiled a rebranding that breathed life into our purpose, capturing the essence of our growth and unleashing the next chapter of our transformation.

These collective efforts yielded impressive results. We experienced consistent growth while earning the trust of our customers and investors alike. Our endeavors for excellence were noticed by industry-leading analysts (such as Gartner, ISG, Everest Group, Zinnov and Constellation Research amongst others) and we proudly accepted numerous accolades, such as the inclusion in three key indices of the National Stock Exchange of India, further validating our commitment to delivering exceptional value.

Throughout our ascent to $1 billion in revenue, we have remained steadfast in our commitment to caring for our people and communities. The implementation of an industry-leading Employee Stock Ownership Plan (ESOP) in FY22 resulted in an impressive 80% coverage, allowing our team members to partake in the success they helped create. Additionally, even when dealing with the pandemic and macro uncertainties, we contributed upwards of $3.0 million toward our community support initiatives, demonstrating our dedication to making a positive impact far beyond our organization.

The Persistent Way gives us the ability to demonstrate consistent and quality growth that sets us apart from any competitor. It also positions us to quickly capitalize on the latest industry technology trends, providing client solutions that solve critical business challenges and turbocharging our Company's future growth. Nowhere is our market advantage clearer than with our investments in Generative AI. We recently launched a suite of GenAI-led offerings for software engineering and legacy modernization, next-generation digital assistants, and vertical specific solutions. With our decades of data and systems experience and our extensive partnerships with AI powerhouses AWS, Google, IBM, Microsoft and Salesforce, we are uniquely qualified to stake out a market-leading position in Generative AI and create fully secure offerings for clients that can increase productivity, drive growth, and improve efficiency.

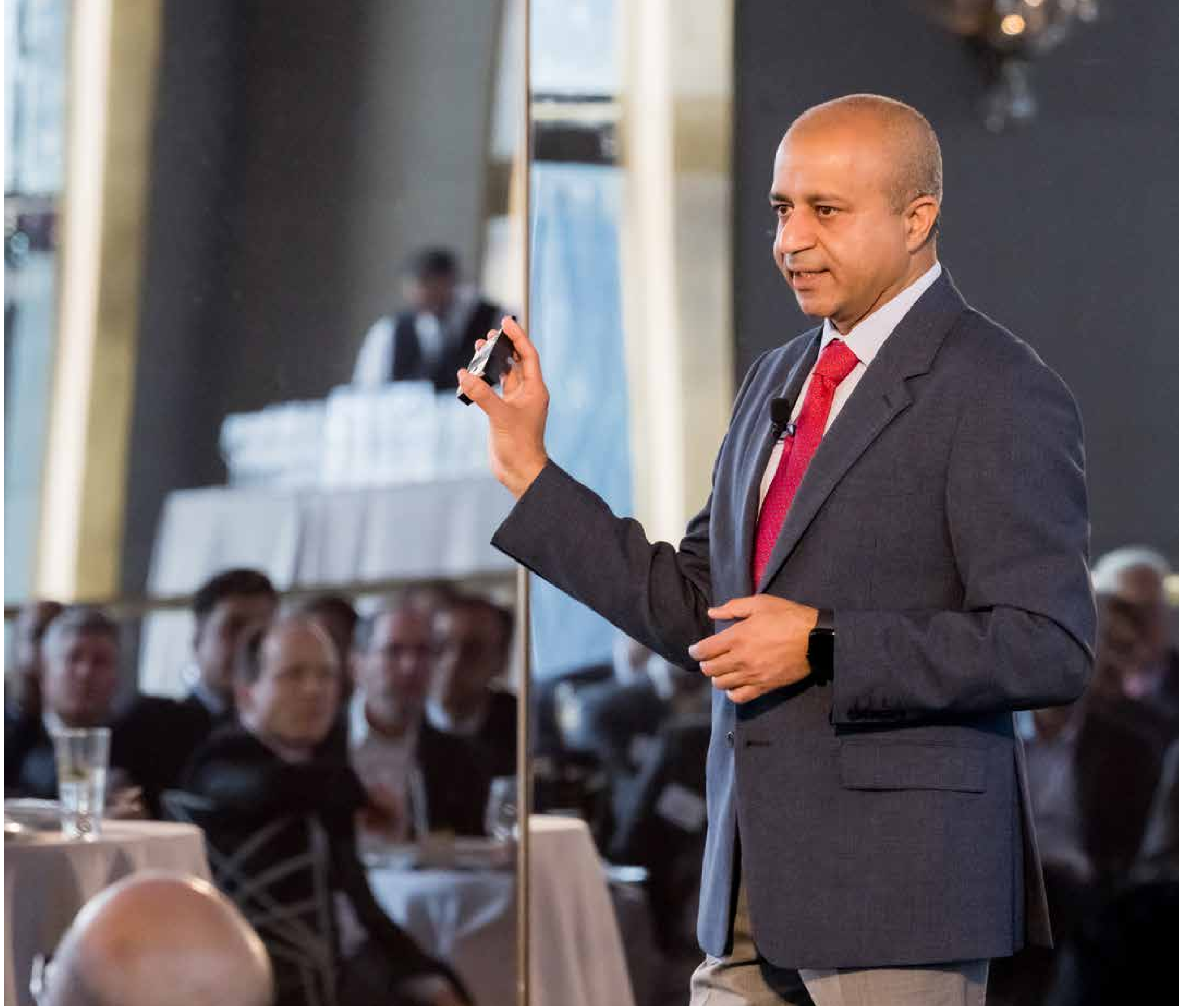
Our swift actions in the Generative AI space highlight how the pursuit of profitable growth is deeply ingrained in our culture. We have set our sights on our next milestone and are already paving the way to reach $2 billion in annual revenue and beyond. With our successful track record, collective efforts and unwavering determination, I am confident that we are on the right path to achieving this ambitious milestone while maintaining our cultural values and social responsibilities.

As we enter our Sixth Orbit, as mentioned by Anand, we will continue to embrace our growth mindset, capitalize on our strengths, and remain focused on our pursuit of resiliency and excellence. The journey ahead contains immense possibilities, and we are excited to embark on it through **The Persistent Way** and to continue Engineering Success and Delivering Value for our clients, partners, employees and shareowners, as we have always done in the last 33+ years of our history.

Thank you all for your relentless support and with this I present to you the Annual Report for FY23.

—

Sandeep Kalra
Chief Executive Officer and Executive Director



CEO Sandeep Kalra addresses clients, partners, and employees at our $1 billion celebration.

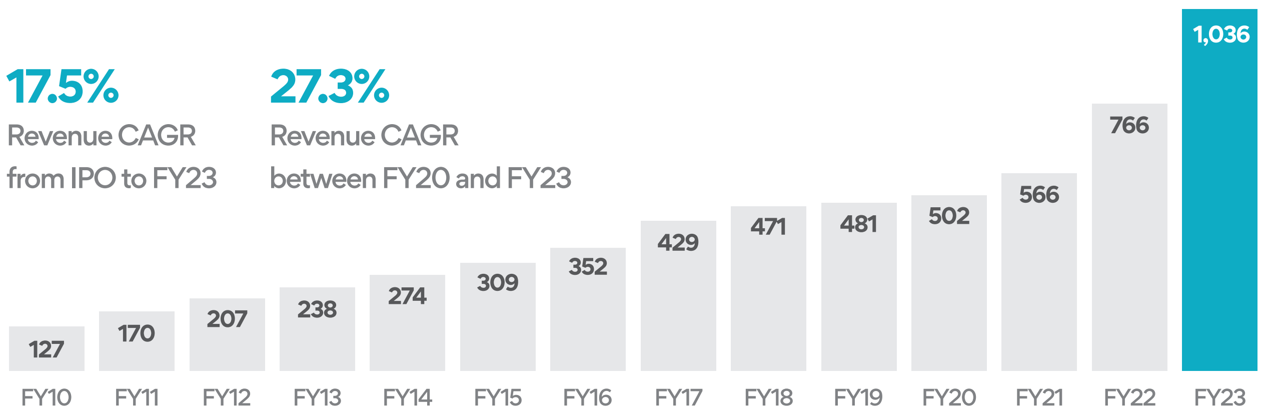
FY23 Performance Highlights

$274.6M FY23 Q4 Revenue +26.3% YoY	**$1,098.2M** Annualized Revenue Run Rate based on Q4FY23	**$1,036.0M** Trailing Twelve Months (TTM) Revenue +35.3% YoY	**₹2.5B** FY23 Q4 PAT +25.1% YoY
$421.6M FY23 Q4 Total Contract Value (TCV) Booking	**₹123.73** TTM EPS +37.0% YoY	**$4.3B** Market Cap**	**22,889** Employees +23.1% YoY

*1 USD = INR 82.18 **Market cap as on March 31, 2023

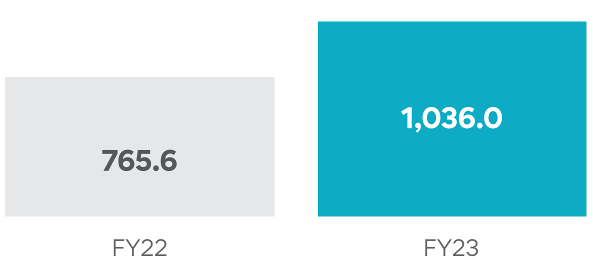
17.5% Revenue CAGR from IPO to FY23

27.3% Revenue CAGR between FY20 and FY23

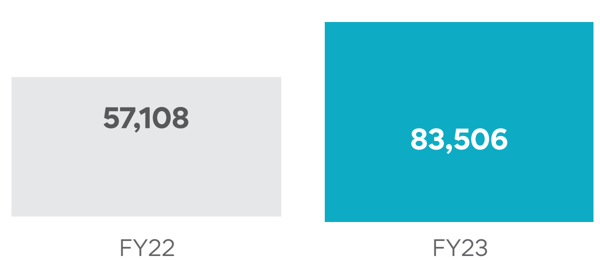


*In USD Million

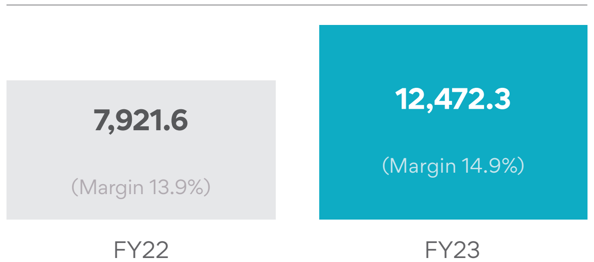
Revenue ($ Million) +35.3%



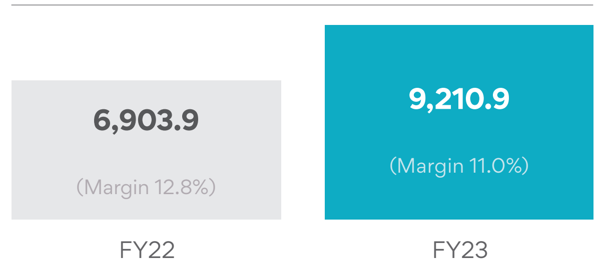
Revenue (₹ Million) +46.2%



EBIT (₹ Million) +57.4%

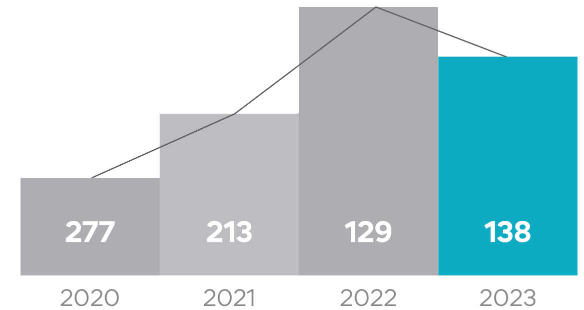


PAT (₹ Million) +33.4%



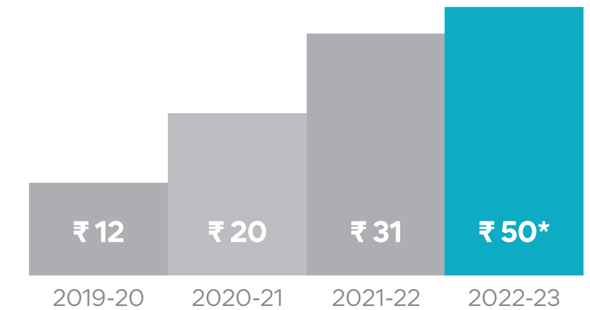
Persistent

Ranking based on Market Capitalization



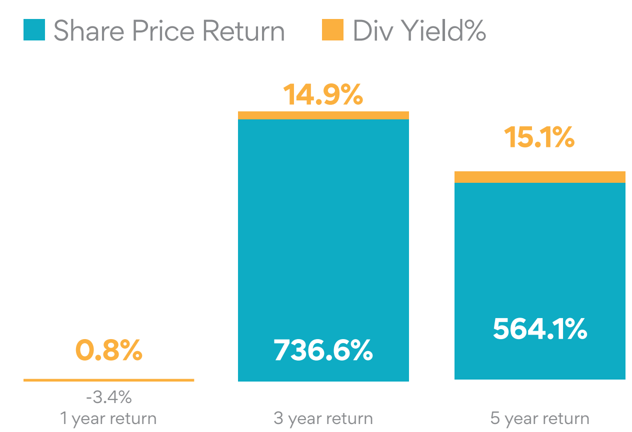
Dividend per Share

Dividend proposed for this financial year has increased by **61%** over the last year.



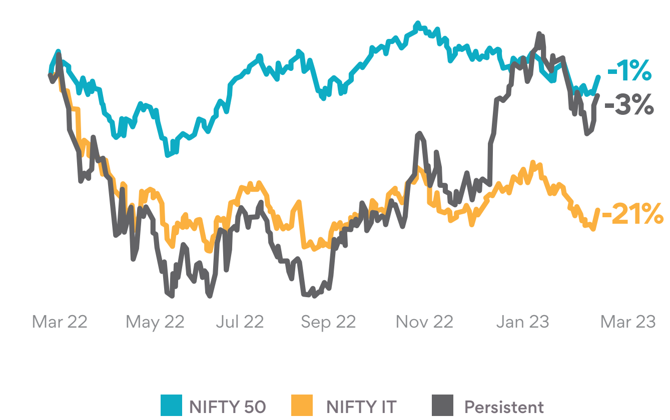
*Subject to Members' approval

Total Shareholder Return



One Year Stock Performance

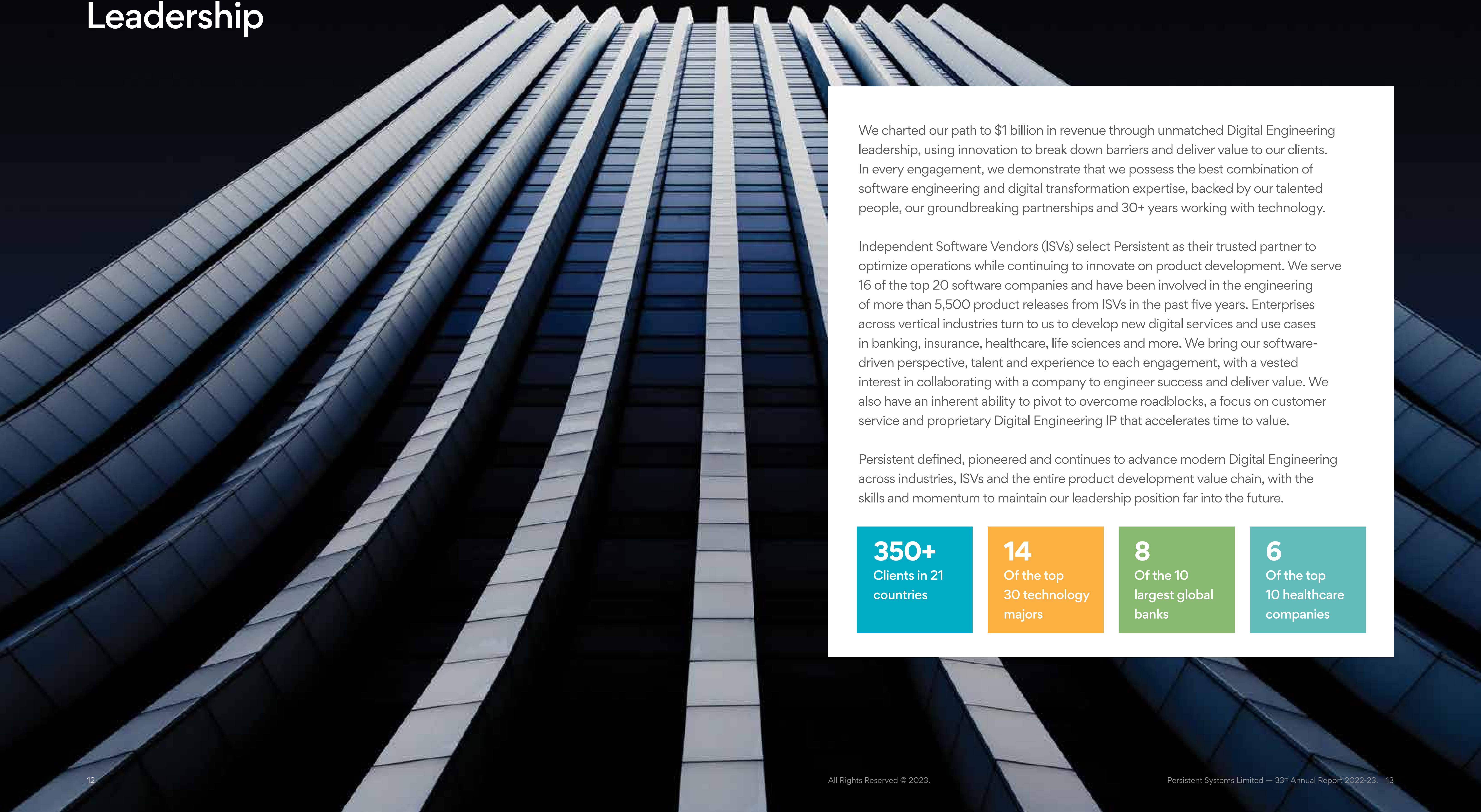
vs NIFTY 50 & NIFTY IT Index



Revenue Growth by Industry

+48.5% Software, Hi-Tech and Emerging Industries	**+26%** Banking, Financial Services and Insurance	**+20.1%** Healthcare and Life Sciences

Delivering Digital Engineering **Leadership**



We charted our path to $1 billion in revenue through unmatched Digital Engineering leadership, using innovation to break down barriers and deliver value to our clients. In every engagement, we demonstrate that we possess the best combination of software engineering and digital transformation expertise, backed by our talented people, our groundbreaking partnerships and 30+ years working with technology.

Independent Software Vendors (ISVs) select Persistent as their trusted partner to optimize operations while continuing to innovate on product development. We serve 16 of the top 20 software companies and have been involved in the engineering of more than 5,500 product releases from ISVs in the past five years. Enterprises across vertical industries turn to us to develop new digital services and use cases in banking, insurance, healthcare, life sciences and more. We bring our software-driven perspective, talent and experience to each engagement, with a vested interest in collaborating with a company to engineer success and deliver value. We also have an inherent ability to pivot to overcome roadblocks, a focus on customer service and proprietary Digital Engineering IP that accelerates time to value.

Persistent defined, pioneered and continues to advance modern Digital Engineering across industries, ISVs and the entire product development value chain, with the skills and momentum to maintain our leadership position far into the future.

350+
Clients in 21 countries

14
Of the top 30 technology majors

8
Of the 10 largest global banks

6
Of the top 10 healthcare companies

Unleashing the Power of **Generative AI**

Generative AI (GenAI) presents a significant opportunity to transform the way we engage with our customers today and far into the future. With our Digital Engineering leadership and deep experience with data and systems, we are at the forefront of developing secure Generative AI solutions that drive client value and growth. Our expertise with global AI partners — Microsoft, AWS, Google, IBM and Salesforce — combined with our deep domain knowledge uniquely positions us to serve as a trusted strategic advisor for Generative AI deployments.

Our GenAI Mission

We have been working with transformer models for more than two years and in the GenAI space since the end of last year, building our capabilities, accelerators and client engagements. Our mission is to leverage GenAI across four major solution themes to deliver value to our clients.

Re-imagining Digital Engineering powered by AI
Boosting every stage of software engineering with GenAI — design, coding, testing, infrastructure, documentation and maintenance

Turbo-charging legacy modernization
Assisting in understanding legacy code, creating missing documentation and generating modern application code

Vertical solutions powered by GenAI
Workflows in mission-critical vertical use cases transformed to be more productive, intuitive, and engaging with GenAI models

Democratizing enterprise data and insights
Conversational interfaces enable insights across enterprise data and systems of records without needing to write code or pre-canned dashboards. Moving from search results to answers and agents that perform actions via simple natural language commands.

Responsible AI Principles

Persistent is committed to maintaining data security, privacy, governance and transparency in all of our client engagements. Our new Generative AI offerings are built on five foundational Responsible AI principles:

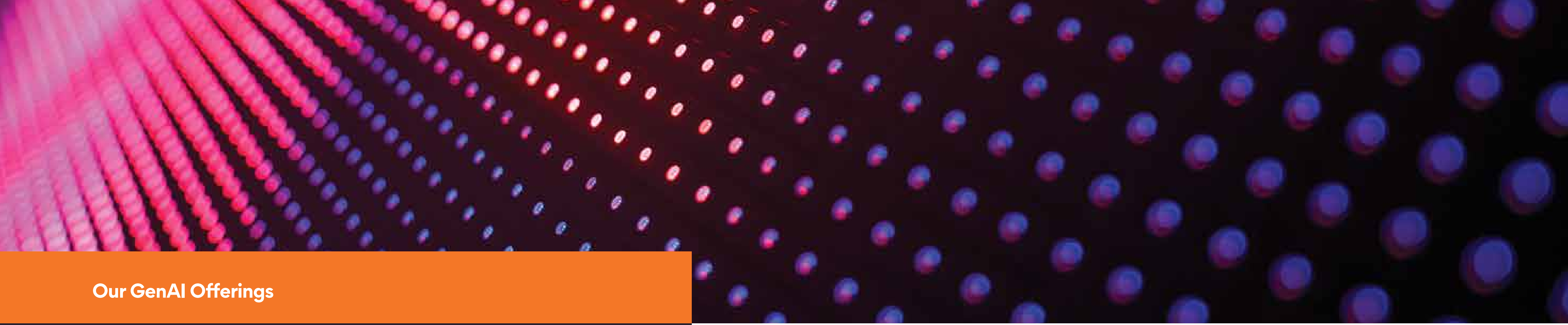
Accountability
Ensure that use cases are fair and free of errors and bias

Reproducibility
Build solutions that produce consistent results from the same data sets

Transparency
Enable thorough explanations of Generative AI models and outcomes

Security
Build guardrails that protect data and detect the introduction of errors

Privacy
Secure proprietary and personal data from data models



Our GenAI Offerings

We've created a suite of Generative AI offerings and solutions to enable clients to bring the power of Generative AI to their businesses. The platform-agnostic suite, built on top of Persistent's curated partner ecosystem, allows enterprises to safely adopt Generative AI while preventing data leakage and protecting their IP.

Our suite is predictable, while also understanding business context and data to ensure seamless integration with existing processes and applications. The suite includes solutions for AI-led software engineering and legacy modernization, as well as next-generation AI-powered digital assistants that can quickly build process efficiency with integration to data systems.

Custom Solutions

Persistent has created foundational building blocks that can power vertical solutions and use cases in Healthcare and Life Sciences, Banking, Financial Services, Insurance, ISVs, Hi-Tech firms and emerging verticals:

- A GenAI-powered Smart Virtual Assistant delivering outcomes across on-demand business intelligence, omnichannel experience and customer service
- Transforming natural language instructions to a cloud-agnostic infrastructure setup
- Legacy test case migration and test case conversion to new frameworks
- AI-powered Pair Programmer within IDE and delivering millisecond performance
- Legacy codebase migration, code documentation and framework version upgrade
- Harmonizing disparate data/ software sources by intelligently integrating code

The Persistent Advantage

We help clients navigate the complexity of Generative AI.

Digital Engineering Leadership

Software is core to our business and Generative AI allows us to extend our unmatched software engineering leadership into new Generative AI engagements. We work with clients across industries to use the technology to turbocharge software development, employee and customer services, and workplace processes.

AI Requires Data, and We're Data Experts

Our Company's beginnings are rooted in data systems. With decades of experience, we are the ideal partner for companies looking to utilize Generative AI through connections to a variety of enterprise data sets for scalable solutions that adhere to all security, privacy and governance requirements.

Deep Domain Knowledge

We work with premier brands across financial services, life sciences and software. Working with our clients, we apply our industry expertise to develop Generative AI use cases to harness new data insights, create industry buyer personas, test new models, and provide employee- and customer-facing digital agents.

IP, Accelerators and Investments

We're ambitious about the efficiencies, outcomes and value that Generative AI can generate for clients. It's reflected in our ongoing IP investments, our extensive staff training on partner platforms, and our suite of Generative AI accelerators to improve workforce productivity, streamline app modernization and accelerate software engineering.

For more information, visit: https://www.persistent.com/services/generative-ai/

Engineering Growth for **Our People**

People are the heart of any great business — and a company thrives when it encourages its employees to continuously grow, achieve their goals and aspire to greatness.

This is one of our core beliefs, and it was a key driver of our success this past year. When our employees feel inspired to apply not only their acquired technical and business knowledge but also their unique skills and abilities to their work, our clients reap the rewards — generating results that ultimately have real human impact for consumers, communities and society at large.

We've established the kind of environment that engenders trust and collaboration between our people, our growing roster of global clients and our expanding partner ecosystem, all focused on delivering innovation, service delivery excellence and positive outcomes. It's one reason why we've been able to attract and hire more than 4,000 employees this past year (a 23% year-over-year increase), creating a workforce of 22,750+ talented individuals focused on creating value together.

Through our people, we have a rock-solid foundation that will propel us beyond this year's $1 billion revenue achievement toward even greater future success. As we celebrate last year's milestones and move into the next phase of our Digital Engineering leadership, we're looking ahead with a commitment to be the most valued provider, partner and employer for those pursuing meaningful growth, both personal and professional, in the era of digital transformation.

We will deliver on this promise by inspiring our employees to lead by example, with a desire to always innovate, recognize success, embrace new challenges, celebrate differences and create meaningful connections with our clients, partners and one another.

That's engineering growth for our people through The Persistent Way.

North & Central America	Europe	India	Rest of the world
2,132 Employees	**377** Employees	**20,206** Employees	**174** Employees

Overall increase in global headcount from FY 22

Of our workforce are women


Indore


Ahmedabad


New Jersey

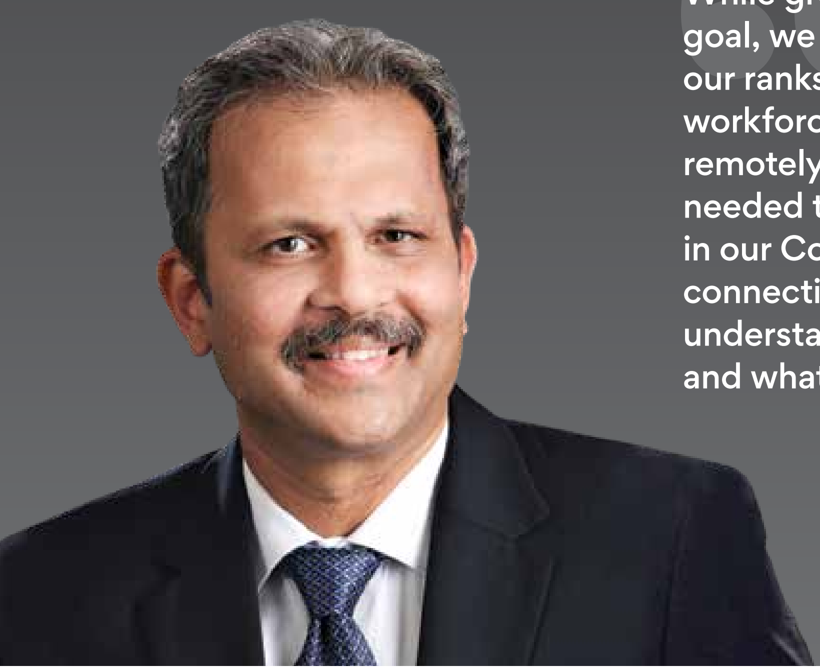

London


Bengaluru


Poland


Gurugram

Message from the Chief People Officer



> While growth is always our Company's goal, we wanted to ensure that we grow our ranks The Persistent Way. With the workforce doubling and most working remotely for a good part of the year, we needed to ensure that people felt invested in our Company's goals and a sense of connection to our culture, and had a clear understanding about The Persistent Way and what it means for them.

Persistent has always been a people-oriented organization, focused on engineering success and delivering value through our human capital. Our innovative technology point of view and leadership, coupled with our people's strong convictions to execute, has produced rich dividends over the years.

As Chief People Officer, I've witnessed first-hand how The Persistent Way inspires our workforce to excel through the application of their unique skills to company operations and client projects. The last few years presented our team with new types of challenges. While the world was dealing with the pandemic and the 'Great Resignation' across the technology sector, Persistent experienced stellar growth in terms of revenue as well as our overall global workforce. While growth is always our Company's goal, we wanted to ensure that we grow our ranks The Persistent Way. With the workforce doubling and most working remotely for a good part of the year, we needed to ensure that people felt invested in our Company's goals and a sense of connection to our culture, and had a clear understanding about The Persistent Way and what it means for them.

Just as Persistent excels by partnering with industry and technology leaders to co-develop solutions, we took a similar approach when dealing with people-and culture-related issues. We partnered with world-renowned author and transformation expert Martin Lindstrom and his team to develop our point of view on how our culture is a differentiator. Martin and his colleagues were given free access to our clients, partners and employees globally. Based on a pre-determined sampling criterion, they interviewed 30 of our clients/partners and 130 of our employees worldwide. Most of these meetings were on-site and in-person, providing a wealth of insights and a great starting point. Being a globally diverse organization, we involved people from all geographies, with large-scale interactive workshops in the US, Europe and India. These workshops created tremendous energy where people openly debated and brainstormed on what steps must be taken to guarantee that culture continues to be one of the Company's core strengths. From this comprehensive effort, we designed three broad themes to encourage employee connections to our culture: onboarding as a differentiator, diversity as a team strength, and universal behaviors to foster The Persistent Way. We are excited as we have embarked on specific projects related to each of these themes that we are bringing to our global workforce.

While hybrid working is the new reality, we are determined to strengthen connections between our people and invest in people development. We continued our efforts through cluster meets hosted by leaders at various locations, and by opening offices near our talent hubs to ensure that we provide platforms for people to build their own social trust networks. With the pandemic receding, all our major in-person events last year, such as the Annual Awards, Persistent Run and PULSE were back in full swing and generated a tremendous response from all employees, tenured as well as new. In addition, Persistent University, which has already received many awards and accolades, won a major boost with the inauguration of Ramanujan, our state-of-the-art learning and development infrastructure that can host a large number of learners for in-person as well as virtual learning.

Even with all of these significant accomplishments, our work is always ongoing, and projects and programs must be tied to four guiding principles to be implemented: Simplicity, Transparency, Accountability and Care. We're proud that this past year's milestones helped improve our retention rate and move the needle on employee satisfaction once again this year. Our journey continues as we work on our vision to make Persistent a phenomenal place to build a life and a fulfilling career.

—

Yogesh Patgaonkar
Chief People Officer

MyLife@Persistent

Physical Well-Being

\ Wellness Talks
\ Health Program
\ Annual Health Checkup
\ Persistent Run
\ One-on-One Sessions
\ Yoga Day

Social Well-Being

\ Hakuna Matata
\ Pulse
\ Art Fest
\ Voice of Persistent
\ Communities
\ Clusters
\ Milestone Celebrations

Emotional Well-Being

\ One-on-One Counseling Sessions
\ Vibrant Minds
Workshops to help employees handle various phases of life, covering topics like parenting, belief systems, and relationships

Financial Well-Being

\ Make your Money Work
Webinars and discussions on financial topics such as savings, investments, and wealth management

Persistent

Culture Workshop held in London, UK

Delivering Value Through Our Culture

Our tremendous growth during the past three years is even more extraordinary considering we've only recently emerged from a global pandemic. It forced all companies to contend with a massive pivot to hybrid working models, waves of attrition, and disrupted business models. All of this created a massive impact on corporate cultures everywhere, including Persistent.

As we often do at Persistent, we decided to take advantage of this disruption to take a deep introspective look at our company's culture, what makes it unique, and how we can ensure that all our 22,750+ employees around the world, feel a connection to it. We commenced an internal Culture Initiative, working with industry thought-leader Martin Lindstrom, focused on several objectives:

- **Craft our future-purpose statement, aligning veteran employees and new joiners, and local and international cultures.**
- **Create a high degree of pride and sense of belonging among our team.**
- **Adapt to the global nature of our business, ensuring that all team members feel included no matter their nationality, age, grade, or seniority.**
- **Improve Persistent's current culture, creating a psychologically safe environment where all employees want to belong.**

As part of this initiative, we interviewed more than 30 clients and partners to get their views of Persistent's global culture, as well as a cross section of more than 130 employees in face-to-face conversations. The goal was to surface various insights about how we could elevate Persistent's core culture and make it one of the most admired in the industry. The discoveries from that exercise led to three action-oriented internal workshops featuring more than 150 Persistent employees who worked together to define what actions the company should take, and how the impact could be delivered across the workforce. The common theme that emerged was clear — growth. Not just growth for the company, but personal and professional growth that could, in turn, engender growth for all our clients, partners and stakeholders.

This is only the beginning of our intent to deliver value through our culture. Moving into this year, we're developing several priority workstreams that will continue our focus on culture enhancements, as well as other Diversity, Equity, Inclusion and Belonging initiatives. The work of the past year provides us with a strong foundation to continue company-wide conversations on the importance of culture in creating a global team committed to growth for themselves and each other.

Culture Workshop held in London, UK

Message from the Head of ESG

At Persistent Systems, we recognize that sustainable growth is only possible through responsible business practices. Our commitment to UNGC principles is a testament to our values and commitment to create a more sustainable future. By integrating UNGC principles into our operations, we are driving positive change and contributing to a more sustainable world.

At Persistent, we are deeply committed to integrating sustainability and ethical practices into every aspect of our business. Our overarching goal is not only to achieve profitable growth but also to create a positive impact on both society and the environment.

We fully recognize the pressing urgency to address environmental challenges as a responsible corporate entity. We are actively optimizing energy consumption, minimizing waste generation, embracing eco-friendly technologies and emphasizing responsible supply chain management. Through these actions, we are dedicated to reducing our ecological footprint and contributing to the well-being of our planet.

Equally important is our commitment to our people. Our employees are our greatest asset, and we are fully devoted to their growth and well-being in an environment that fosters innovation, creativity and inclusivity. We have implemented various initiatives such as skill development programs, mentorship opportunities and employee resource groups to nurture their talents and provide equal opportunities for all.

Furthermore, we understand the significance of addressing societal challenges and creating a beneficial impact on local communities. We actively engage in philanthropic endeavors and community outreach programs, and collaborate with non-profit organizations.

By actively contributing to a more sustainable future, we aim to build trust and long-term partnerships with our stakeholders. We firmly believe that our collective efforts deliver lasting value and make meaningful and significant contributions to the world we live in.

—

Chitra Byregowda
Head of Environmental, Social and Governance

Environmental, Social and Governance

This year, we strengthened our core belief in "One Persistent, One Family" and our fundamental values. We collaborate with both our internal and external stakeholders to leverage technology, thus engineering a more sustainable and healthier world. Our ESG pursuit is ongoing and adaptable, with progress measured through our ESG roadmap and objectives to provide long-term value to stakeholders. We aim at achieving carbon neutral targets by optimizing our environmental footprint. We strive to further our in-house capacities in response to the rapid advancement of technology to empower all our beneficiaries. By aligning our sustainability agenda with our business and technological transitions and growth, we aim to become a more accountable, sustainable, and well-managed organization.

Learn more about our ESG commitment:
https://www.persistent.com/company-overview/environmental-social-and-governance/

Environment

2 MW
solar rooftop
1,362 tCO_2e
Emission reduction
in FY23

2 windmills
(2.1 MW each)
2,611 tCO_2e

46%
Electricity sourced
from renewable
energy

30%
Of treated waste water
in owned campuses is
used within our facilities

13,420
Trees planted and nurtured taking overall total to
96,035

Social

₹117.6M
Spent on
CSR activities

23,423
Lives impacted through
CSR programs

33
Nationalities

30.8%
Women in workforce

432 events
Around fitness, health, women in tech,
work-life balance

Governance

7/10
Number of Independent
Directors on the Board

2/7
Women Directors
on the Board

99%
Code of Conduct
training coverage

Persistent Foundation
Let us be the 'Agents of Change'

Message from the Chairperson

The Foundation has decided to spread its wings to Indore and Gurugram for increasing CSR activities.
We have also decided to venture into a new area of Wildlife Conservation and Restoration of Heritage. This would include the preservation of wildlife and restoration of museums and heritage sites.

This past year has been fulfilling and rewarding as always. With COVID as a nightmare to be kept firmly buried in the past, the Foundation efforts were in full swing. We grew and expanded as Persistent blossomed into a billion-dollar Company. Our funds have increased significantly and we are looking forward to amplifying some existing partnerships as well as inculcating new ones.

In the Education sector, we onboarded our new batch of Kiran Scholars and successfully bade adieu to the graduating batch, having secured good jobs. We were able to help 2,000 children with meals through Akshaya Patra. Our funds helped improve infrastructure in schools by building rooftop solar plants, constructing a hostel building and setting up a science lab. Our Study Centres and Support Classes helped the students with extra coaching in the school curriculum. In skill development, we have girls undergoing training in nursing, beauty salons, call center operations, goat rearing and other such activities. In Hyderabad, we work with Ashray Akruti which is a school for children with hearing impairment. We have helped fund cochlear implant surgeries along with speech therapy, computer training, art craft exposure and similar activities.

In the Health sector, we were able to fund 800 cleft lip and palate surgeries through ABMSS across the state of Maharashtra along with Hyderabad and Bengaluru. We also provided dental treatment, nutrition, speech therapy and nasal correction surgeries. Almost 700 cataract surgeries were performed through the Foundation funds across Pune, Nagpur, Hyderabad and Bangalore.

Close to 300 pediatric surgeries with Swami Vivekananda Medical Mission and 15 supra specialized pediatric surgeries through the Balshalyakriya camp in association with the Gaud Saraswat Brahmin Sabha in Nagpur were conducted through the Foundation funds. The nutrition program in Hyderabad and Bangalore implemented through Annapoorna showed fantastic improvement in the health of 996 children who went through the process. It was so heartening to see these little babies gradually grow healthy and strong.

In the Community Development sector, we planted 8,000+ trees and nurtured 5,000+ more. We helped to construct two wells, covering a cluster of four villages and helping 280 people with drinking water issues. Some small rooftop solar plants and solar water heaters have significantly impacted the rural community. The Impact Assessment Report showed a 66% increase in the annual income of farmers in our areas of intervention. These projects were executed with the help of BAIF. These also included artificial insemination centers for cattle, silage making, farmer training, capacity building, health camps in the villages and many more. The support for livelihood provided to more than 1,250 individuals helped them to use their skills and become financially independent. The interventions were for bamboo farming, soft skills, food production, marketing and sales to name a few. The waste management project with Econplast was a big success. They created paving blocks from collected garbage by recycling it for road construction purposes.

The ACM India Early Career Research Award for 2022 was presented to Dr. Partha Pratim Talukdar. This is a very prestigious award in India which is sponsored by the Persistent Foundation.

We look forward to the new year with great excitement and anticipation. The Foundation has decided to spread its wings to Indore and Gurugram for increasing CSR activities. We have also decided to venture into a new area of Wildlife Conservation and Restoration of Heritage. This would include the preservation of wildlife and restoration of museums and heritage sites. We look forward to working in this new genre of activities.

I would like to thank the Persistent Systems Board and the CSR Committee for their continued faith in our work. The Foundation Board is always encouraging and guiding us in our journey of constant learning and development through the years. The Foundation team is an amazing combination of dedication, perseverance and enthusiasm. I have great pride, respect and admiration for their commitment to the Foundation.

The year ended on a great high! Persistent reached $1 billion in revenue. We are so proud of the employees, the leadership and the Board, who all have worked very hard to make this happen. Congratulations to each of the 22,750+ stars for their passion and aspirations to achieve this significant milestone. We wish them all the very best for a shining future and look forward to more participation and collaboration with the Foundation initiatives.

—

Sonali Deshpande
Chairperson, Persistent Foundation

Learn more about Persistent Foundation:
https://www.persistent.com/company-overview/community/

The Persistent Foundation remains committed to making positive contributions and life-changing impacts in the areas of Health, Education and Community Development.

When the COVID pandemic began to subside, the needs of the communities and stakeholders that are associated with the Foundation took on new dimensions. It was optimistic to see schools reopening, families gathering together after extended times apart, and a renewed focus on environmental activities. It strengthened the Foundation's resolve to execute on its mission, goals and projects to enhance community experiences and enrich people's lives.

From supporting girls in their pursuit of education and career opportunities, to providing comprehensive education and rehabilitation services to students with hearing and visual impairments, to empowering young men and women in urban and rural areas through skill development programs, to providing care to individuals with facial clefts and cleft palates, the Persistent Foundation impacts thousands of people each year with its innovative approach to Corporate Social Responsibility.

Total Lives impacted in FY23 **23,423**

3,993 employees spent **6,623** hours by volunteering in ISR activities organized by Persistent Foundation

Education

The daughter of a **PSL security guard** has become eligible for the **Kiran Girls Scholarship Program**

45 girls passed out from **Kiran Girls Scholarship Program**, and **38** are placed with highest package of **₹ 2.8 million**

Skill Development Five courses for 453 candidates, placement ratio **80%.** Average income **₹ 9,000 - 12,000** per month

Six previously closed Nagpur Municipal Corporation schools have been restarted as per the New Education Policy and teaching methods

Life skill education reduces instances of addiction, and students become vocal about the challenges they faced. Child cabinets are established in schools to ensure the sustainability of hygiene conditions in the school

Kiran Scholar Alumnae

We had an amazing meet on that day. Thank you Persistent Family for it. This scholarship has given me all the confidence and made me believe in myself. This is helping me in my career, too. I would certainly like to give back by guiding a girl to excel in her future.

Diksha Pache, Nagpur, 2012 graduate

Integrated School Development

There has been good improvement in the behavior of the students. They now understand the importance of good hygiene practices. The student cabinet formed in the school is monitoring the hygiene standard regularly. Since students come from the tribal areas, they were addicted to kharra, tobacco and misri. However, due to sessions of TARANG program by CYDA, many students have pledged that they will give up the addiction.

Vilas Wasankar, Principal - Gurukul Ashram Shala

Health

Facial Cleft
No. of CCCs – **4**. No. of services offred in CCC – **4:** Nutrition, Dental, Speech therapy, Nasoalveolar molding (NAM).
No. of Beneficiaries – **629**
No of Patients supported for surgery - **795**

Nutrition Program
83% of children have shown improvement in height. **92%** of children have shown improvement in weight. **66%** have shown improvement in mid-arm circumference

Pediatric Care
292 surgeries supported which were life-changing for individuals

Geriatric Care
Supported **702** for cataract surgery and **1,633** with mobile medical van serving medicine at doorstep

Community Development

13,420 trees planted and nurtured, taking overall count to **96,035**

Soil and Water Conservation
Excavation work done in **3,033.80 cum** to conserve **3.03 million** liters in a single rain fill-up. We have also completed our Plantation Program of 500 plants.

Silage Making
Training was provided to **70 families** and **92 tonnes** of silage were prepared and stored by the farmers ensuring yearlong fodder availability for cattle.

Drainage Line Treatment
Reduced water runoff velocity, reduced soil erosion, elongated water storage and availability of **0.75 million** liters of water year round.

Support for Livelihood — Eklavya Bamboo Artisanship
2 trades, **220** individuals,
₹ 5.1 million turnover, **₹ 2.0 million** profit.

Farm Pond
13 structures with **10,816.56 Cum** excavation enabling **1,081.66 million** liter water recharge in a single filling.

Renewable Energy Support
Solar Rooftop of **148 kWp** installed in **2 schools, 1 hospital** and **1 training institute.**

Recharge Pits
5 structures with **1,210 cum** excavation work enabling recharge of **1.21 million** liters of water covering **10 ha** of land.

Crop Diversification
70 beneficiaries showed an increase in income of **₹ 10-20,000** per farmer and reduced water usage.

Persistent University
For Learning and Development

Persistent University is a centralized strategic function focused on "scaling talent at speed" across the organization. We promote an active learning culture that emphasizes continuous learning and skill development to stay competitive in today's rapidly evolving market. We continuously facilitate employee upskilling in line with the organization, project requirements and individual aspirations.

As a one-stop learning destination, Persistent University provides a comprehensive learning experience with courses to improve technical, domain, leadership skills, business communication management, and behavioral skills.

350
Technical and power skill courses

100+
Digital tech courses

60%
Formal training

40%
Hands-on training

Our Achievements

Persistent Digital Engineering Academy (PDEA)

Launched Java, DevOps, SDET, MEAN / MERN and .Net clusters
1,000+ employees have signed up

1.19 million
Hours of learning across the Organization

8.3
Average learning days at par with industry-standard

M.Tech Program
With COEP rolled out for India employees in Data Science and Cyber Security

10,377
Hyperscaler and 4,289 non-hyperscaler partner-led certifications

Ramanujan

Our New Learning and Development Facility: Opened January 2023

Located in Hinjawadi, Pune, Ramanujan is a state-of-the-art new Learning and Development facility. The ground floor dedicated to the Persistent University accommodates approximately 300 learners at a time. It is yet another demonstration of how The Persistent Way includes a commitment to empower our workforce with the skills and knowledge they need to attain professional excellence and personal growth.

Fully customizable training halls with 40 to 55 seats each

6 broadcast rooms for hybrid learning

Flexible auditorium-style learning rooms

Top-notch AV infrastructure

Awards

In August 2022, Persistent won the title of Coding Powerhouse in the 9th edition of Code Gladiators — the world's biggest coding competition.

The modern workspaces are designed to promote comfort, focus and collaboration, featuring standing desks, huddle and focus zones. The center also includes a futsal area, providing opportunities for physical activity, team building and overall well-being.

Single hub for all learning needs

Custom learning experiences tailored to client needs

Courses available to client employees

AI-powered learning recommendations through the learning experience platform

Digital communities for innovative learning




Message from the CMO

Our messaging and proven brand around The Persistent Way clearly resonates with our clients, employees, prospects, influencers, analyst firms and third-party organizations. Along with multiple analyst recognitions last year from firms such as Gartner and ISG, Brand Finance rated us as the fastest growing brand in India, allowing us to secure new customer wins and attract top talent.

With a remarkable growth of 52.4%, Persistent jumped 25 places — the most by any Indian brand — and is also the fastest organically growing IT services brand in India, according to the Brand Finance India 100 2023 Report.

2023 Brand Finance® Awards
FASTEST ORGANICALLY GROWING IT SERVICES BRAND IN INDIA

2023 Brand Finance® Awards
FASTEST-GROWING INDIAN IT SERVICES BRAND IN BRAND VALUE SINCE 2020

Source: © Brand Finance India 100 2023

As Persistent's Chief Marketing Officer and the newest member of the leadership team, I am honored to be leading our outstanding Marketing organization and collaborating with colleagues worldwide to drive our company beyond $1 billion in revenue to new levels of growth.

We celebrate client and partner success in our marketing efforts through clear, consistent and distinct messages focused on our Digital Engineering leadership, enhanced by our rock-solid positioning as a trusted provider that challenges the status quo. We evangelize our commitment to our people with Persistent University and learning and development programs, and to our communities with our expansive ESG program. We also showcase internal initiatives to build Persistent's unique culture and create an environment where our employees feel empowered to excel every day.

Our messaging and proven brand around The Persistent Way clearly resonates with our clients, employees, prospects, influencers, analyst firms and third-party organizations. Along with multiple analyst recognitions last year from firms such as Gartner and ISG, Brand Finance rated us as the fastest growing brand in India, allowing us to secure new customer wins and attract top talent.

We've earned coverage in premier media outlets such as Forbes and expanded our relationship with Harvard Business Review. In marketing operations, Momentum ITSMA cited us for ABM program excellence and for building the most holistic marketing tech ecosystem, demonstrating that we're executing at levels far above our competitors. As we look to our next growth phase, our marketing strategy will be built around several guiding principles: increasing brand awareness with targeted investments in regions and vertical industries; improving customer satisfaction and celebrating customer advocacy; driving lead generation in collaboration with our sales operation; and driving revenue growth by increasing share-of-wallet at existing clients and new client acquisitions.

This strategy will manifest itself most clearly in how we message around Persistent's leadership and innovation in top-of-mind technologies, particularly Generative AI, a technology that is impacting every corner of all industries. Our clients are eager to utilize Generative AI for competitive advantage and growth and are turning to our trusted expertise for guidance and practical solutions. We will be driving Thought Leadership, fresh marketing content and dedicated campaigns that highlight our growing Generative AI prowess and co-innovation with our hyperscaler partners, demonstrating our readiness to navigate clients through this new technology frontier.

Persistent's brand, reputation and recognition in the market have never been stronger, with our world-class client roster, a premier partner ecosystem, and a workforce committed to excellence. We will continue to build on this momentum through creative and impactful marketing efforts that demonstrate why clients view Persistent as the best company to drive transformation, innovation and growth within their organizations.

—

Gurvinder Sahni
Chief Marketing Officer

Awards and Analyst Recognitions

Technology Awards

ISG

- Recognized as a Rising Star for Patient Engagement Digital Transformation Services by ISG Provider Lens
- Persistent won the 2022 ISG Digital Case Study Awards™ for its Federated Learning solution
- Recognized as a Rising Star in ISG Provider Lens™ for AWS Ecosystem Partners: U.S. Quadrants 2022
- Named a Rising Star in ISG Provider Lens™ U.S. 2022 for Google Cloud Partner Ecosystem
- Recognized as a Top 15 Sourcing Standout for Managed Services in the Q4 2022 ISG Global Index™ "The Booming 15" category
- Recognized as a Top 15 Sourcing Standout for Managed Services in the Q3 2022 ISG Global Index™ "Booming 15" category
- Named a Product Challenger in ISG Provider Lens™ Digital Engineering Services Quadrants U.S. 2022
- Named a Leader in Agile Application Development Projects in ISG Provider Lens™ Next-Gen ADM Services U.S. 2022

Everest Group

- Recognized as a Leader in Everest Group's Software Product Engineering Services PEAK Matrix®
- Recognized as a Major Contender in Everest Group's Data and Analytics (D&A) Services PEAK Matrix® 2022
- Recognized as a Major Contender in Everest Group's System Integration (SI) Capabilities on AWS PEAK Matrix® 2022
- Recognized by Everest Group as the 3rd fastest growing Engineering Services provider of 2022
- Recognized as a Major Contender in Everest Group's System Integration (SI) Capabilities on Microsoft Azure Services PEAK Matrix® 2022
- Recognized as a Major Contender in Everest Group's Healthcare Payer Digital Services PEAK Matrix® 2022

Gartner

MediaAgility, Recently Acquired by Persistent, Named as a Niche Player in the 2022 Gartner® Magic Quadrant for Public Cloud IT Transformation Services

momentum itsma

Won two awards at the prestigious 25th Annual Marketing Excellence Awards from Momentum ITSMA: Diamond award for "Embedding ABM Programs" and Gold award for "Advancing Marketing's Digital Transformation"

constellation research

- Appeared on the Constellation Shortlist™ for Innovation Services and Engineering for the 5th year in a row
- Recognized in the 2022 Constellation ShortList™ for Public Cloud Transformation Services: Global

zinnov ZONES

- Named a Leader in the 2023 Zinnov Zones Intelligent Automation (IA) Services ratings
- Marks a Decade as a Leader in Zinnov Zones Engineering Research and Development Services ratings

dun & bradstreet

Identified by Dun & Bradstreet as the Top Performer in the Growth Performance categories in Software and BPM sectors in their 22nd edition of the India Top 500 companies publication

FORRESTER

Recognized in the Salesforce Consulting Services Landscape, Q1 2023

appian

Won the Appian APJ Innovation Award 2022

TechGig CODE GLADIATORS 2022

Won the title of 'Coding Powerhouse' at the TechGig Code Gladiators 2022, world's biggest coding competition

THE CHANNEL CO. CRN MSP 500

Acknowledged on CRN's Managed Service Provider (MSP) 500 list in the Elite 150 category for 2023

Corporate Awards

8th Annual Facility & Workplace Management India Summit & Awards 2023	Won FM Excellence Award in Emergency Preparedness and Business Continuity category at the 8th Annual Facility and Workplace Management India Summit and Awards 2023
CII	Recognized for adopting Renewable Energy at its Goa office premises by the Confederation of Indian Industry, Goa
CE Worldwide	Won seven Leadership Awards for Facilities Management, Security Management, Environment, Health and Safety, Energy Conservation Initiative, and Infrastructure Management at CEWorldwide's 149th Procurement, Project Management, Corporate Real Estate, Facilities Management, and 2023 Pune Leadership Award Conference
SAC-ACCP	Won the Prof. Ashok Vaidya Award for artificial intelligence-generated Knowledge Graphs for post-hoc analysis of failed clinical trials
ICSI	Awarded a Certificate of Recognition for innovative efforts in promoting CSR in the medium category at the 7th edition of the ICSI CSR Excellence Awards
iNFHRA	Won the Best Corporate Project award for its Bhageerath office renovation and was named a runner-up in Sustainability at the iNFHRA Awards
	Recognized by iNFHRA with awards in 2 categories - Corporate Vaccination and Hygiene at Workplace
mcci	Won an award for Green Initiatives in Maharashtra under the IT Services - Large Scale Company category at the MCCIA Annual Awards 2022
MEDA महाऊर्जा	Won the Energy Conservation and Management award from the Maharashtra Energy Development Agency (MEDA)

https://www.persistent.com/awards-and-recognitions/

Brand Finance	**Entered Brand Finance Top 10 India IT Brands for the first time and is the 3rd fastest growing Indian brand overall.**
Indian Green Building Council	Bhageerath office in Pune, India received the Platinum certification for Green Interiors from the Indian Green Building Council (IGBC)
INVENTICON BUSINESS INTELLIGENCE	Awarded by Inventicon Business Intelligence Pvt. Ltd. in the Sustainability and Emergency Preparedness and Business Continuity categories

People Awards

ZEE २४ तास	Dr. Anand Deshpande, Founder, Chairman, and Managing Director of Persistent, has been honored with the "Ananya Sanman" award by Zee 24 Taas for his outstanding contributions to the IT industry and for supporting entrepreneurs in India through the deAsra Foundation
bt BEST CEO AWARDS	Sandeep Kalra, CEO and Executive Director of Persistent, wins the prestigious Business Today Best CEO Award under the IT and ITeS category

Persistent, in partnership with StackRoute, won "Gold" at the Brandon Hall Awards under the category of "Best Unique or Innovative Learning and Development Program" for Enabling Architect Competencies program

Mr. Sunil Sapre, Executive Director and Chief Financial Officer of your Company has been recognized in the list of Top 200 CFOs in India

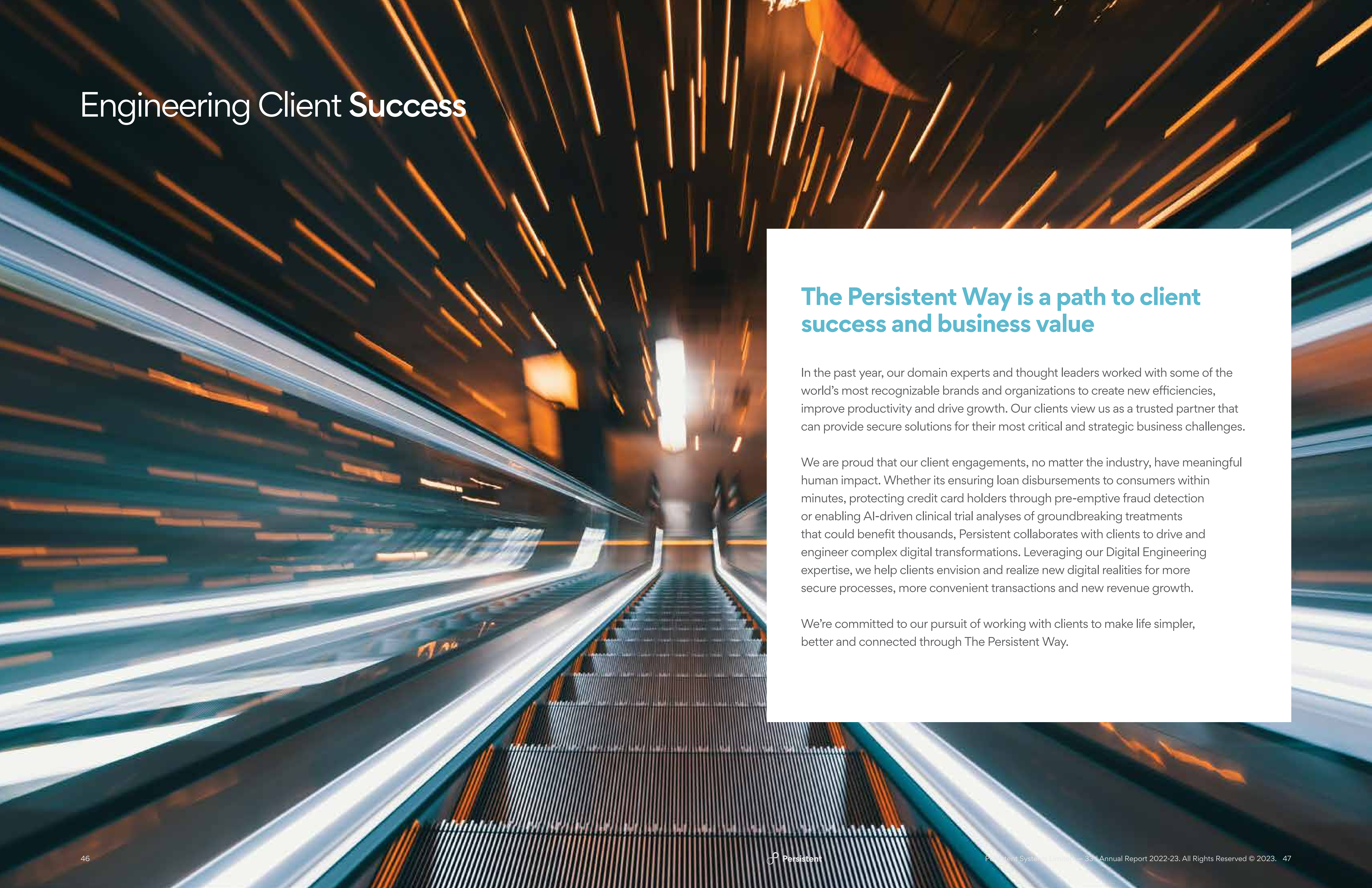
Received two awards at the prestigious SHRM HR Awards: 2nd runner-up under the "Excellence in HR Analytics" category and special recognition in "Excellence in Learning and Development"

Recognized at the SEAP Star Awards 2023 under the Strategic Academia Partnership category.

TISS Leap Vault Chief Learning Officers (CLO) Awards 2022.

- Best Corporate University
- Best Virtual Learning Program
- Best Blended Learning Program
- Learning initiatives in Employee Health, Wellness and Welfare

Engineering Client **Success**



The Persistent Way is a path to client success and business value

In the past year, our domain experts and thought leaders worked with some of the world's most recognizable brands and organizations to create new efficiencies, improve productivity and drive growth. Our clients view us as a trusted partner that can provide secure solutions for their most critical and strategic business challenges.

We are proud that our client engagements, no matter the industry, have meaningful human impact. Whether its ensuring loan disbursements to consumers within minutes, protecting credit card holders through pre-emptive fraud detection or enabling AI-driven clinical trial analyses of groundbreaking treatments that could benefit thousands, Persistent collaborates with clients to drive and engineer complex digital transformations. Leveraging our Digital Engineering expertise, we help clients envision and realize new digital realities for more secure processes, more convenient transactions and new revenue growth.

We're committed to our pursuit of working with clients to make life simpler, better and connected through The Persistent Way.

MONUMENT

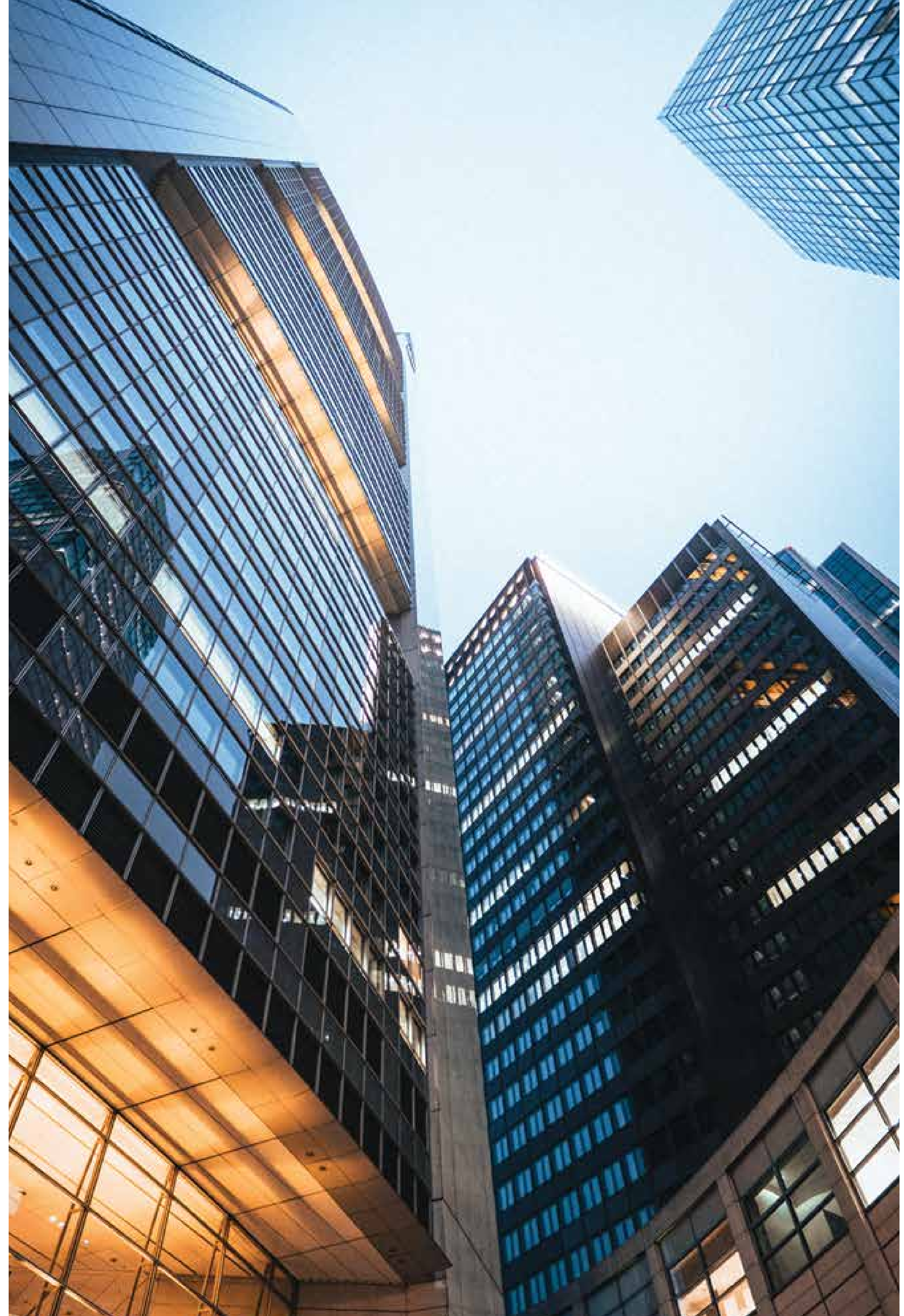
Banking, Financial Services & Insurance

Empowering Digital Banking Through Cloud and Automation

Neo banks, or digitally-born banks, design their banking services like pre-approved loans, single-click accounts and tap-and-transfer funds with an eye toward speed, convenience and enhanced customer experiences in an omnichannel environment. With no technical debt, neo banks want to pivot as quickly as possible to satisfy customer requirements.

Monument, a neo bank catering to the UK's mass affluents, was looking for a strategic partner to launch integrated, faster and more seamless digital banking services powered by automation, the cloud and third-party SaaS (Software as a Service) services. Our decades of experience working with leading banks and Digital Engineering capabilities made us Monument's trusted partner of choice to co-drive this transformation.

We started by creating a platform backed by Mambu, a cloud-based API-driven, SaaS platform for digital financial services. We built in rule-based process automation to streamline functions such as account openings, deposits and loan origination (including underwriting and Know Your Customer functions). We integrated third-party SaaS offerings for fin-crime checks (Trunarrative), direct debit setup and maintenance (Bottomline), valuations (PropertyData) and document management (S3). All of these services were designed for omnichannel experiences including via mobile app. A data lake on AWS supports report requirements, with an ETL layer that identifies tools to extract data from different source systems such as Mambu or Salesforce. We also leveraged a tool-driven automated framework to orchestrate quality assurance for faster releases. All of this provides Monument the ability to provide the kind of high-quality banking experiences that its customers desire.



- Delivered the first digital product to market within six months
- Lowered turnaround time for banking services such as loans, account openings and more
- Ensured compliance with digital proofs of audit trails

We wanted a solutions partner to help us bring Monument to life and it was evident from our discussions with the Persistent team that they not only had a very strong understanding of the banking ecosystem, but were willing to build a strong partnership with us from the get-go. As a result, we have built an integrated ecosystem and platform that not only supports Monument, but also has the potential to power other banks in the future and with a partner like Persistent, we can rapidly enable that.

Steve Britain
Chief Operating Officer, Monument

Banking, Financial Services & Insurance

Capturing New Business with Digital Transformation

When a natural catastrophe strikes, the time to respond is critical for minimizing the loss to human lives and property. For a global claims management leader managing $18B+ insurance claims across 70 countries annually, response time is directly proportional to business growth.

Challenged by disparate claims systems across various lines of business resulting from multiple acquisitions, the claims management company selected Persistent as their strategic partner. We developed a mobile application that would allow the client to decrease the amount of time from expecting damage from an event (such as flooding) to deploying independent catastrophe adjusters on-site. This allowed the company to save time, effort and money and provide much-needed agility to accelerate the claims management process. We also worked with the client to deploy a collaboration-focused claims management system built on a unified data model that enabled the client to deliver best-in-class customer experience.

With improved efficiencies, the claims management leader was able to drive digital transformation and expedite claims settlements through a highly efficient virtual workforce that is well integrated with its claims management system. When another catastrophic event occurs, the company will be able to fulfill their customers' needs more quickly and efficiently, giving those customers a new level of comfort during a difficult time.

Generated
$2 million
in new business

Influenced
$3 million
in new annual revenue

60%

Reduced the response time to catastrophic events by **60%**

PerkinElmer

Healthcare & Life Sciences

Accelerating Decision-Making in Laboratories

Speed and accuracy are critical in lab research, but the sheer wealth of data and processes can be overwhelming for the clinicians, scientists and researchers who are working in new scientific frontiers. PerkinElmer, a leading provider of laboratory equipment for sample data analysis, wanted to launch an integrated solution to aid those stakeholders with automated workloads, and intelligent data sourcing analysis and report generation. It partnered with Persistent to develop an intelligent platform that abstracts data analysis and helps end users make more precise and faster decisions.

With our three decades of experience working with leading life sciences firms to leverage digital technologies for meaningful impact, Persistent worked with scientists at PerkinElmer to design the Gas Chromatography solution (GC 2400™ Platform) and build a chromatography data system to optimize workflow management and minimize human errors.

We mapped laboratory workflows end-to-end to understand opportunity areas for automation and the application of AI and Machine Learning. This helped us build enhanced compliance and accountability with data trails. The platform is backed by a portfolio of separation chemistries and solutions that offer laboratories an efficient workflow experience – bringing the same smart technology we use in everyday life into the laboratory environment for the betterment of all.

- Enables users to efficiently control instruments, process data and generate results
- Connects multiple instruments with cloud enablement and mobile platform access
- Offers intuitive and easy-to-use instrument software with built-in intelligence
- Provides mobility to the user through a tablet interface that can control multiple instruments
- Drives excellence across Gas Chromatography laboratory equipment with data and AI/ML as the core
- Reduces laboratory complexity to minimize errors

Customer experience and agility to continuously innovate on software solutions is fundamental to our business. With Persistent, we are able to truly excel and strengthen our leadership position and build a partnership that I anticipate will continue to grow across our business.

Suneet Chadha
Chief Product Officer, PerkinElmer

Healthcare & Life Sciences

Streamlining Drug Discovery and Clinical Trials

Clinical trials are rays of hope for patients with life-threatening and debilitating conditions, leading to new medicines and better interventions. However, due to complex infrastructure, standalone applications, and siloed data lakes that pose scalability and reliability challenges, clinical trials are complex and time-consuming.

Our client — the world's second-largest clinical research organization (CRO) — wanted to improve the turnaround time of clinical trials and ensure faster time to market for new drugs. Our client's legacy systems hindered interoperability across applications and data, requiring multiple interfaces and substantial manual effort to execute workloads. Given the pressure to accelerate time to value, the client wanted to digitally transform its legacy systems with a nimble, automated and integrated platform that orchestrated data, applications and workloads.

Persistent's digital engineers worked with domain experts to map the client's current application landscape and identify opportunity areas for automation. We developed technical design documents to build new services in MuleSoft, an automation platform, with improved architecture and design. Our integration platform supports data management to promote automated transformation lookups. We also developed a messaging solution that leveraged Kafka streams and a DevOps pipeline to manage a deployment model based on Runtime Fabric, a container-based service that provides an environment for all client-managed infrastructure. By working together, we accelerated the company's clinical trials, which could potentially impact an untold number of patients in need of life-saving medicines and therapies.

150+
New services created with 10 digital applications

Faster turnaround times with reduced data latency

50%
Reduction in interfaces for simplified workflows

Software, Hi-Tech & Emerging Industries

Reduced Infrastructure Costs for Enhanced Loyalty Management

Just one engaged stakeholder — be it an employee, a sales leader or a channel partner — can make an exceptional impact. Our client helps Fortune 500 companies keep their stakeholders engaged with bespoke products focused on performance-based incentives, rewards and recognition programs.

The client operated with a traditional software licensing approach, deploying and customizing multiple software versions on-premises to design products for fostering loyalty and engagement. This approach, however, hindered scale and was untenable long-term in terms of managing operating costs and providing the IT resources required to respond to changing customer needs. It was time to modernize the client's legacy IT landscape with a scalable, agile and flexible cloud-based SaaS-enabled platform that could accelerate the adoption of new technologies, without undue pressures on IT budgets or resources. It would also ensure that the company's clients were able to serve their stakeholders with the most engaging programs possible.

We've been the company's strategic Digital Engineering partner since 2013. We helped optimize its IT spending with an API-first architecture, backed by Azure-native capabilities, and the latest technologies such as .NET6.0, React and Next.JS. We allowed the client to save incrementally on infrastructure costs, capital that could be dedicated to new product development suited to customer needs. We also freed up resource bandwidth so staff could focus on more value-added tasks. The client was able to reduce turnaround times for new products and enable advanced collaboration with its customers to further align their products with their objectives.

25% Delivered **25%** y-o-y growth for end-customers with improved stakeholder engagement

55% Reduction on infrastructure OpEx

89% Improvement in Net Promoter Score

Software, Hi-Tech & Emerging Industries

Enabling Cloud Migration for US-Based Financial Services Provider

Financial services providers are focused on modernizing their IT landscape to drive agility in scale and product development, reach new clients and ultimately grow their revenue base. Our client, one of the largest US-based providers, serves 100 million customers globally with tax filing, money management, credit eligibility and account offerings through automated, easy-to-use financial products. It was looking to scale up and innovate its product portfolio, but its legacy IT systems hosted on a traditional data infrastructure were holding it back. The client needed to modernize and accelerate time to market, as well as equip its product engineering teams with current technology capabilities to drive innovation at scale and speed.

The provider turned to Persistent to co-drive digital transformation by moving 70+ enterprise-critical applications to AWS. Persistent regularly partners with AWS to help enterprises migrate to cloud, streamlining business priorities with cloud-native capabilities.

We devised a three-pronged approach to help the client move to the cloud. In the first phase, we assessed the current application landscape and evaluated the operational relevance of each application. This helped us identify applications that had to be re-factored to a cloud environment to optimally utilize cloud benefits, while always keeping security and compliance requirements in view. In the second phase, we migrated these cloud-ready applications to AWS with the required tests for application performance and security. We also deployed capabilities such as CodePipeline and CodeBuild to help the client's engineering teams reduce time to market. In the third phase, we focused on containerization to help the client deploy cloud-native changes/upgrades to applications.

We ran Amazon CloudWatch to help them monitor application performance and security benchmarks and enabled a reporting dashboard to analyze data and glean business-critical insights. Working with the client in this three-pronged plan, we automated the client's infrastructure provisioning end-to-end, with a DevSecOps-enabled approach that prioritized application security with each new update. What's more, all of this was accomplished with zero downtime, so the provider's clients never experienced any interruptions in services.

Migrated
70+
applications to AWS with zero downtime

Reduced infrastructure costs by decommissioning of on-premises data center

Improved time to market and enhanced ability to innovate

Software, Hi-Tech & Emerging Industries

Accelerating Clinical Trial Approvals for Positive Patient Outcomes

Approvals play a crucial role in determining time-to-market in the development of life-saving medicines that could benefit a wide range of patient populations. When clinical trial data results are housed in scattered data silos, approvals are delayed, slowing the entire development process.

Persistent leveraged the power of AWS to create a robust data lake for a leading US-based biotechnology company, helping them to save time and costs in developing new medicines. As the client wanted to access critical data from more than 200 trial programs, the solution was designed to ingest, process, store and analyze the client's structured and unstructured data using several AWS-managed services. The AWS architecture helped streamline the data ingestion process, enabling Persistent to move an extensive volume of data quickly and easily from the source system into the client's data lake built on Amazon Simple Storage Service (Amazon S3).

Performing ad-hoc analysis is critical for new drug development. Persistent used AWS Database Migration Service (AWS DMS) to help researchers and scientists access ready-to-use data integrated from various external sources and developed an advanced analytics platform using AWS Athena and RedShift spectrum services. The platform provided an easy, secure and cost-effective method to integrate the existing research data lake and advanced analytics data mart, enabling the client to make quicker and better-informed decisions that ultimately impact patients' lives.

Enables data access to more than **200** clinical trials

Client can now locate **20%–30%** of earlier missing data.

Software, Hi-Tech & Emerging Industries

Protecting and Supporting Children and Families

For parents, nothing is more important than the well-being of their children. With millions of children under 18 years of age being raised by single mothers, the client wanted to facilitate a self-service, on-demand model to provide the kind of consistent and readily available support that custodial parents require. Challenged by aging legacy IT, outdated hardware and complex infrastructure, the client wanted to improve its agility and ensure that support was provided as swiftly as possible.

The client searched for a trusted partner with a clear understanding of the critical and time-sensitive nature of its services. Modernizing its support delivery required migrating legacy Unix workloads to the Azure Cloud. Our partner Microsoft reached out to DataGlove, now part of Persistent, based on its broad Azure expertise and experience leading legacy migration and modernization projects for various clients.

The Persistent team performed a discovery of the customer environment and built a detailed inventory and configuration report on the Unix-based custom and COTS applications. This was followed by an applications assessment to identify compatibility and migration methods needed for a successful Azure Cloud migration. We also assessed on-prem DB2 databases and built an Azure cloud migration roadmap, which the team followed as it successfully re-platformed workloads. We continue to support the client in its mission to protect children, as our team is currently providing application support and enhancement on the client's cloud as a managed service delivery.

Moving to Azure Cloud helped the client:

- Achieve significant cost savings
- Reduce operational complexities
- Enable scale-on-demand
- Create higher levels of agility in response to changing business needs

LungLifeAI™

Intelligent Automation

Accelerating Early-Stage Lung Cancer Detection with AI and ML

Lung cancer is the leading cause of cancer-related death worldwide, affecting almost 400 lives per day in the US alone. However, one commonality among all cancer survivors is early-stage detection. It can mean all the difference in determining the best treatment options and providing better chances of survival.

Today it is possible to significantly impact patient outcomes and clinical decision-making by detecting lung cancer in the early stage with AI and ML, thanks to LungLife AI, an American diagnostics company focused on lung cancer detection.

It was challenging for LungLife AI to analyze massive volumes of data of up to 15,000 microscopic images per patient. Manual analysis was time-consuming, leading to delayed cancer detection and other negative impacts. Persistent helped LungLife AI in its mission by developing a deep learning-based segmentation model. While this was done for accurate probe detection, the classification of cells was done through rapid analysis of detected probes. We deployed annotation tools to ensure enhanced model accuracy of microscopic images and developed UI-based solutions to help LungLife AI with efficient cell verification and classification. Persistent's ML algorithm helped LungLife AI accelerate analysis time, improve accuracy rates and assist with early lung cancer detection among patients.

70% Reduction in analysis time, or time to test result

62% Reduction in false detection of Circulating Tumor Cell (CTC)

Having the opportunity to work with Persistent Systems on developing a machine learning algorithm to help us with our studies and understand the biology behind this disease has really spearheaded this effort and it's really accelerated our work here.

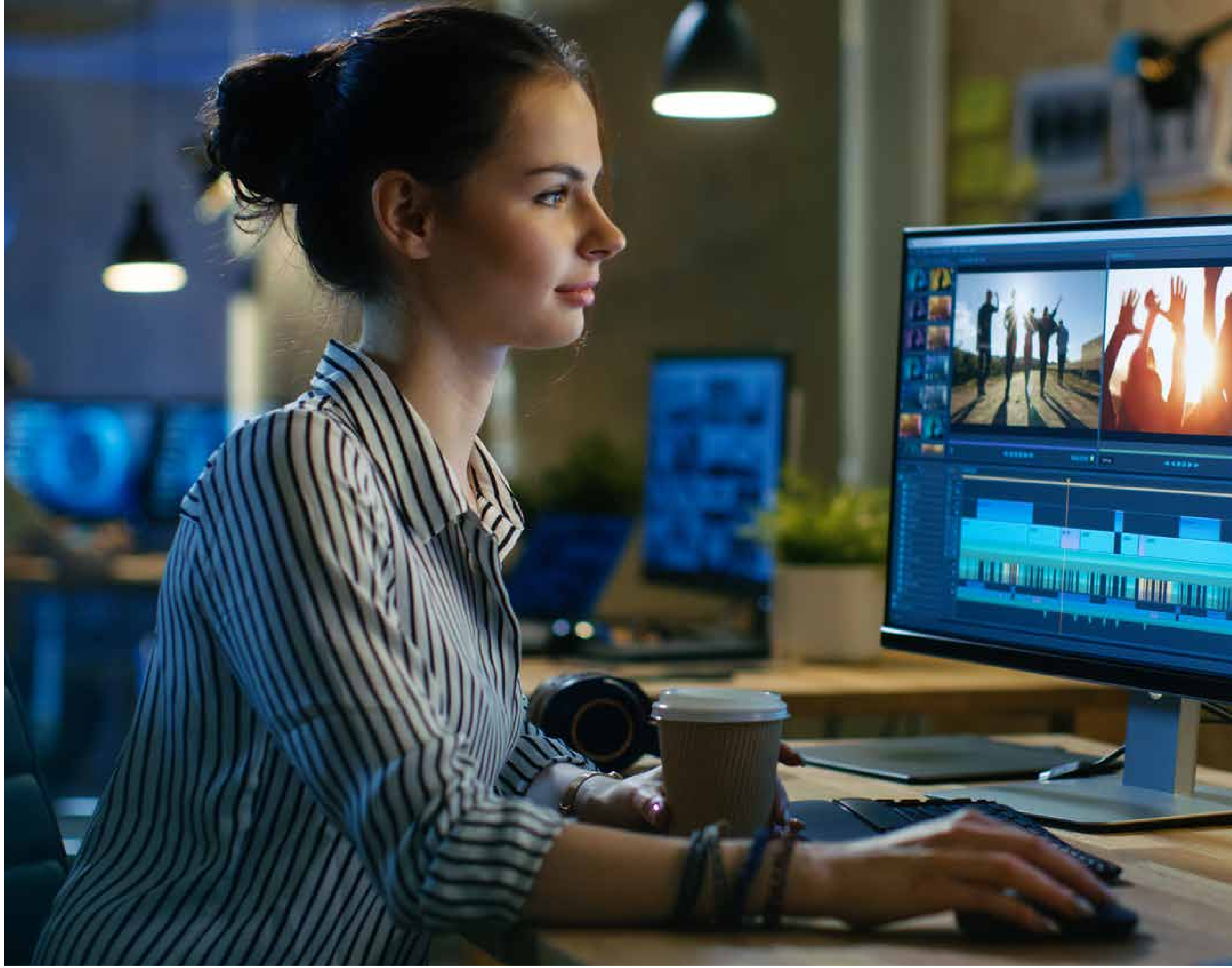
Paul Pagano
CEO, LungLife AI

Salesforce

Enhancing Customer Experiences for Content Creators

Customer experience is critical in digital commerce to build brand equity and user loyalty. A leading provider of tools and solutions for video and audio creators was looking to enhance experiences by making customer journeys seamless, from product discovery to delivery. The company wanted to provide a cart-like experience for customers and customize recommendations based on customer data and historical buying preferences. With these features, the client wanted to minimize decision fatigue and provide content creators with product choices best aligned to their creative needs.

Persistent worked with the company to visualize a platform for scalable, reliable omnichannel customer experiences. We leveraged Salesforce Commerce Cloud and Community Cloud to architect a new responsive user interface across touchpoints with commerce functionalities such as storefronts, product bundles, promotions, payment gateways, checkout and more. The platform supported a 360-degree view of customer data with integrated processes to aid in guided selling. With flexible configurations, such as multi-storefronts, multi-language translations and multi-currencies, the Persistent team was able to simplify processes, personalize buying experiences and drive revenue conversions. Working with our client, we've helped countless content creators get the tools they need to enable their artistic and creative visions.



Increase in strategic revenue

25% Reduction in customer service channels such as phone/e-mails

Accelerated time to market for new products with SKUs

Delivering Value with **Partners**

aws | Microsoft | Google | salesforce | IBM | software AG
acoustic | actifio | acuant | Adobe | awakege | ARAVO
Automation Anywhere | BeyondTrust | blueprism | celonis | CiBO Technologies | Cloud Genius
ClearDATA | cleareye.ai | Confluent | conga | CoreStack | CrowdStrike
DataStax | DOMO | Finxact | functionize | GenRocket | innovaccer
Katalon | Klera | LeanIX | LogicMonitor | Matillion | mendix
Nacha | nCino | OneTrust | okta | ORACLE | PingIdentity
PKWARE | pyze | RAPID7 | Remediant | RESOLVE | SailPoint
SauceLabs | SecurView | Saviynt | Spirion | Symphony SummitAI | tableau
ThoughtSpot | unqork | ValidSoft | Vlocity | workato

Our Partner Ecosystem

The Persistent Way is built on a philosophy of partnership, teamwork and collaboration — not just with our clients but with key ecosystem partners across a variety of platforms and industries. We've deliberately built out our ecosystem over the past several years to ensure that we have the depth, breadth and scale our clients require for their software engineering and enterprise modernization strategies.

Persistent partners with all the major hyperscalers and leading technology providers to orchestrate the best-fit technology stack for our clients. Our in-house subject matter experts work closely with partners to develop solutions based on emerging technologies and changing trends in cloud, data and automation, Generative AI and cybersecurity. We have dedicated task forces comprised of thousands of certified platform experts who gain early access to new partner technology, which they use to devise customized client strategies that are primed for success. By working together, we bring the best that our partners have to offer within our client engagements, driving new efficiencies, increased productivity and opportunities for growth.

As recommended premier partners for AWS, Azure, Google, IBM and Salesforce, our partnerships help clients navigate digital shifts and create future-ready solutions. We continue to invest in strategic partnerships and tap into our collective intelligence for exciting new client solutions.

aws

For more than a decade, Persistent has worked with AWS to reimagine business models for leading enterprises and ISVs, and we continue to expand our relationship by leveraging new technologies. Together we create cloud services and cloud migration solutions underpinned by AWS' proven scalability and our unique codeveloped accelerators, with projects tailored to clients' unique needs. We were one of the first APN partners to achieve AWS SaaS competency status in both the Design and Builders categories. We have been repeatedly recognized as leaders in the AWS partner ecosystem for our migration and consulting services, and this past year we achieved Rising Star status in ISG Provider Lens™ Quadrant Reports for AWS Partner Ecosystem.

Offerings & Managed Services

- Application Migration and Modernization
- AI and Machine Learning
- Data & Analytics
- Managed Operations
- Cloud Native Development
- Security and Identity Access Management

Capability Summary

11 Years AWS Advanced Consulting Partner	**7** Competencies and Service Delivery Designations	**120+** Active AWS Customer Engagements	**2,500+** AWS Practitioners and Delivery Professionals	**850+** Certifications AWS Professional, Specialty, Associate, and Cloud Practitioner

For more information, visit: https://www.persistent.com/partner-ecosystem/aws/

Google

Persistent is one of Google Cloud's most active partners among providers in our sector, as we share a unique engineering focus and a strong commitment to creating client value through technology. We've built upon last year's acquisition of MediaAgility by consolidating our Google-focused offerings into a dedicated business unit, driving better synergies for our clients and fostering even deeper connections with Google. We often gain early access to Google's roadmaps and technologies so we can apply our technical expertise and domain knowledge toward solving clients' most complex business challenges. We have continued to deliver cutting-edge services across Google Cloud, Google Workplace and location-based intelligence, enabling clients to unleash productivity, profitability and potential. In addition, we added more than 1,200 Google certifications among our staff in less than a year, with plans to grow that number next year.

Offerings & Managed Services

- Hybrid Multi-Cloud Transformation
- AI and Machine Learning
- API Management
- Data Analytics
- Container Orchestration
- Security and Identity

Capability Summary

30 Google Cloud Partner Expertise	**5** Partner Specializations	**1,160+** Google Cloud Certifications	**550+** Google Cloud Client Engagements	**500+** Team Size

For more information, visit: https://www.persistent.com/partner-ecosystem/google/

IBM

Platinum Partner

With a relationship that spans two decades, Persistent is IBM's leading development partner, successfully applying the latest IBM products and services to help our clients create new efficiencies and increase productivity. As a Platinum Business Partner for IBM, we have more than 2,300 IBM-focused engineers ready to help our clients unlock the power of IBM's analytics, cloud, IoT, IT infrastructure and security offerings. Each year, our engineering projects extend across 50 IBM brands and more than 125 products. Few solution providers on the planet can match our knowledge and experience with IBM, and it's a partnership that we'll continue to expand with IBM's focus on WatsonX, its enterprise-ready AI and data platform designed to multiply the impact of AI across businesses.

IBM's collaboration with Persistent provides important skills to help enterprise businesses accelerate the migration of their critical workloads to the IBM public cloud.

Cameron Clayton
General Manager
Cloud Ecosystem & Weather, IBM

Offerings & Managed Services

- Product Engineering
- AI and Machine Learning
- Multicloud Saasification
- Managed Services & Operations
- Cloud Native Development
- Security and Identity Access Management

Capability Summary

20+ years Partnership	**2,000+** Engineers dedicated to IBM work	**400+** Shared customers	**115** Active engagements annually

For more information, visit: https://www.persistent.com/partner-ecosystem/ibm/

Microsoft

This past year, we brought our partnership momentum with Microsoft to new heights. Following our 2022 acquisition of Data Glove, a Microsoft Cloud Modernization Services Partner with Gold-Level competencies in the Azure Cloud Platform, we launched a dedicated Microsoft business unit to help clients navigate their transformation and cloud journeys with confidence. We expanded our partnership with a dedicated Microsoft VIVA practice to enhance employee experiences with Generative AI.
In addition to client sales and service delivery, we also focused our partnership on training and certifications, working closely with community colleges and regional universities to foster new talent.

We are excited about further strengthening our association with Persistent – to accelerate its digital transformation journey with Microsoft technologies. The collaboration will enable both companies to build newer capabilities for the cloud-native and the AI-first world. We see tremendous opportunity for this association to grow on the back of Microsoft's industry-leading technology solutions and Persistent's proven capabilities in Digital Engineering and enterprise modernization.

Sangita Singh
General Manager, IT & ITES, Microsoft India

Offerings & Managed Services

- Azure Cloud & Infrastructure Transformation
- Digital and Application Innovation
- Cloud and Enterprise Security
- Data and AI
- Intelligent Business Applications
- Modern Workplace Services

Capability Summary

11 Gold & Silver Competencies	**6 OCP & CSP** Partner Program Designations	**3,500+** Microsoft and Azure Certified Professionals	**100,000+** Workloads Migrated

For more information, visit: https://www.persistent.com/partner-ecosystem/microsoft/

salesforce

Salesforce recognizes Persistent as a Top 10 partner worldwide with more than 18 years of implementation and consulting experience on its products and platforms. Together we have delivered custom, enterprise-wide digital transformation projects that set our clients ahead of their competition, generate new revenues and enhance customer experiences. Persistent remains uniquely positioned to offer end-to-end capabilities across the Salesforce cloud portfolio, and we're also creating new industry use cases with Salesforce's Einstein GPT platform. We have been recognized as a Leader in the Salesforce Ecosystem Partners 2023 ISG Provider Lens™ Study, and we recorded a 30% year-over-year increase in Salesforce certifications this past year.

49% Y-o-Y Certified headcount growth

39% Y-o-Y Certifications increased

Offerings & Managed Services

- CX Strategy
- Salesforce Cloud Implementation
- Customer Analytics and Insights
- CX Platform Integration
- Industry Solutions and Accelerators

Capability Summary

5,500+	4.9/5	1,500+	150,000	18 years
Certifications	CSAT score	Joint projects	Trailhead badges	Partnership

For more information, visit: https://www.persistent.com/partner-ecosystem/salesforce/

Delivering Value Through Innovation

At Persistent, our innovation shines through in many ways — and always with client success as the focus

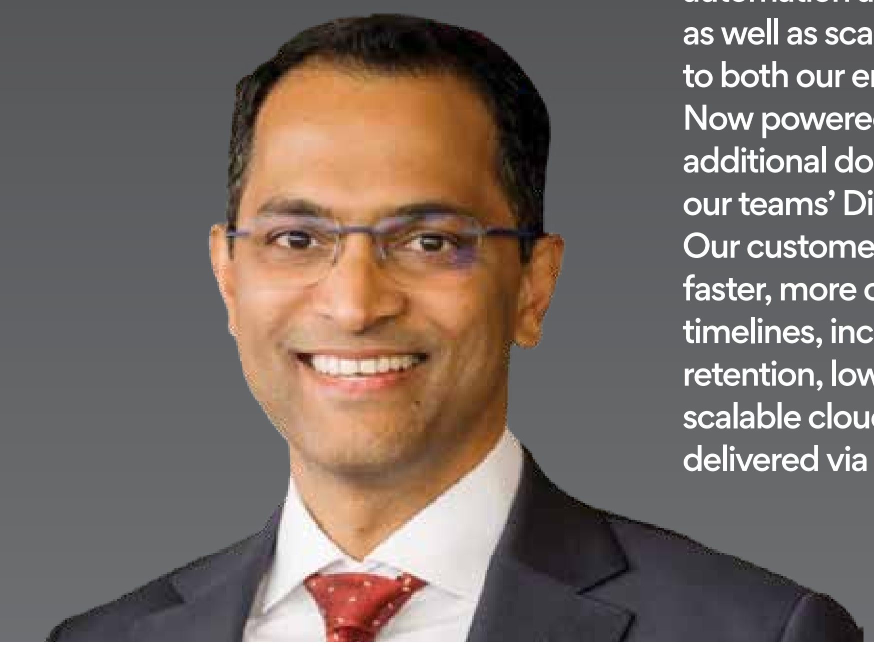
We lean on Design Thinking when we engage with clients for Digital Engineering, leveraging our ExtenSURE platform for a data-driven approach across all phases of enterprise modernization, including application portfolio rationalization, cloud readiness assessments, modernization planning and DevSecOps automation.

Our multicloud investments with hyperscalers and our dedicated cloud business units allow us to bring competencies, specializations and operational rigor into clients' cloud migration and optimization projects. We help clients build on those cloud investments by assessing their security readiness, integrating and managing disparate security solutions, and providing guidance on strengthening their overall security resilience and recovery plans.

We create software-driven industry-specific use cases ranging from creating new customer experiences and digital services in personal and commercial banking, to digital lab operations in life sciences to clinical trial analyses in healthcare.

We bring our innovation heritage into every client engagement and tailor it to the culture and goals of each customer so they can apply the power of our IP and R&D to their business challenges for maximum benefit.

Message from the CTO



Our Digital Engineering pedigree means we bring agile execution, user-centric and low-friction UX, shift-left security, and intelligent automation across the development cycle, as well as scalable and resilient architectures to both our enterprise and ISV customers. Now powered by AI, we are generating additional double-digit percentage gains in our teams' Digital Engineering productivity. Our customers realize the value of this through faster, more cost-effective go-to-market timelines, increased end-user delight and retention, lower cost of operations through scalable cloud deployments and 24x7 support delivered via our global footprint.

It's a thrilling time to be in technology, and I'm proud to lead the CTO office team that works tirelessly to keep Persistent and our clients ahead of the latest technology trends.

We study new and emerging technologies in software engineering, product development, intelligent automation and AI, cybersecurity and cloud and determine how they can be applied to improve our clients' operations and accelerate their digital transformation. We also look at how these technologies can be leveraged within our own solutions, internal processes and workflows so our portfolio remains cutting-edge and focused on client growth.

This past year, we engaged with clients on cybersecurity as they worked to build cyber resiliency and recovery plans into their company-wide operations. There was also a great deal of activity in cloud migration and rationalization, as clients analyzed their data systems to gain insights into cloud usage, and right-sized their public and multi-cloud investments for greater cost effectiveness and scale. All this work with our clients influenced new capabilities in our frameworks and accelerators, and the creation of new ones, as clients play a critical role in our IP development lifecycle.

The most exciting advancements are occurring with Generative AI, which uses Foundation Models to create text, video, images, software code and other assets with incredible speed, often in ways that are indistinguishable from human-created material. We're actively keeping pace and staying ahead of the Generative AI trend, and we're ambitious about its potential benefits for our own portfolio and our clients' growth strategies. We're co-innovating with our hyperscaler and AI partners to embed Generative AI into accelerated software engineering and legacy code modernization, build enterprise-ready digital assistants to take on rote and repetitive tasks, and improve workplace processes through data analysis and insights.

The Persistent Way engenders a culture of innovation, with the CTO office team at its core. We will continue working together with our clients to build new innovations and breakthroughs that can uncover new efficiencies, business value and paths to growth.

—

Dr. Pandurang Kamat
Chief Technology Officer

Engineering Delivery Excellence for Our Clients

Each digital transformation has its unique challenges. Persistent, with its engineering-first, client-centric mindset, helps enterprises navigate these challenges and unlock their digital potential. Our product engineering DNA enables us to continuously innovate on our clients' behalf to create bespoke, future-ready products that deliver unique business value.

We take these products to our clients with a model that pivots on delivery predictability, engineering excellence and ensuring client satisfaction. We offer our clients end-to-end visibility into project progression, embedding risk governance, metrics management, and audits and reviews across the delivery fabric. Enabling this is PiQ (Persistent Integrated Quality platform), an in-house SaaS-based platform to proactively track project health, manage risks and dependencies, and gauge client satisfaction at every stage of the delivery lifecycle.

The Persistent Intelligent Quality Management System (PiQMS) brings three decades of product engineering expertise to a few keystrokes, helping our developers work smarter, faster and better. We cross-pollinate resources across projects per capabilities and business requirements and continue standardizing evolving best practices.

Our Engineering Excellence framework enables delivery teams to adapt to an ever-changing technology landscape. We leverage delivery best practices, such as DevOps, continuous integration continuous delivery, hyper-automation, cloud, cybersecurity and observability as pillars to drive complex projects. The framework also helps Persistent teams add significant value to client's software and Digital Engineering practices, while reducing costs and improving time to market. The strides made by our CTO team and our technology partners come to fruition through our engineering excellence framework that seamlessly implements these solutions for our clients.

Over the last 12 months, our client satisfaction has significantly improved to achieve an industry-best Net Promoter Score of 52, with a phenomenal response rate of 70%. These metrics demonstrate the ongoing service delivery value that we bring to our client engagements, and that we're committed to maintaining and exceeding clients' needs in the future.

80% Improvement in response rates

27% Improvement in Net Promoter Score

Delivering predictability and engineering excellence is a way of life for every engineer at Persistent. Our investments in various engineering frameworks and platforms, embedding technology through our delivery life cycle, a robust learning and development engine and our partnerships have resulted in great software products and business outcomes for our clients.

Merlyn Mathew
Head, Delivery Excellence and Talent Management

Generative AI The Persistent Way

Generative AI is a technology that has captured the zeitgeist of the current market — it seems to be everywhere. Generative AI's ability to create text, images and other media which are indistinguishable from human-created material is prompting enterprises and ISVs to consider how to apply the technology for cost savings, enhanced productivity and revenue growth.

Companies diving head-first into this new trend are already encountering challenges. Many enterprises lack the technical know-how to take advantage of the technology, or don't know how to build viable use cases. Others are quickly realizing that there are daunting security and data privacy issues that must be addressed when utilizing Large Language Models such as Generative AI. Still others don't understand how the technology can be right-sized and scaled for their business to make it cost-effective and sustainable over the long term.

With our software experience, industry domain expertise and extensive partnerships with the market's AI powerhouses, Generative AI presents Persistent with an opportunity to extend our unmatched software engineering leadership into new client engagements. We're proactive and ambitious about Generative AI's future, not only for enhancing our own processes and capabilities, but for addressing clients' most pressing business challenges as well.

We've created a dedicated strike team that is working with our major AI partners — AWS, Google, IBM, Microsoft and Salesforce — to create unique Generative AI IP, accelerators and solutions that can be applied across industries. Through this work, we've built out a portfolio of Generative AI offerings that include our WingMate suite to turbocharge software engineering and product development, enterprise digital assistants for areas such as HR, and workplace productivity and industry-specific solutions.

Persistent is building on its data heritage to further enhance our extensive AI experience and create personalized Generative AI client solutions. We have partnerships with dominant AI players, ongoing investments and staff training, a suite of accelerators, and industry-focused use cases for financial services, healthcare and life sciences. Most importantly, we're committed to maintaining data security, privacy, governance and transparency in all of our client engagements. All this activity gives us confidence in our ability to quickly emerge as one of the vanguards in the Generative AI solutions market.

"Today, every Customer is asking us about Generative AI. Persistent continues to make strategic investments in this technology, giving us market-leading positioning. Our innovative enterprise-grade Generative AI offerings are making substantial impact and every customer conversation is unlocking new possibilities, breathing life into creativity, and driving unparalleled progress. Despite all the hype, we ensure that we stick to our Responsible AI strategy and build these solutions with world-class security and privacy.

Dattaraj Rao
Chief Data Scientist

Message from the CIO

As technology continues to evolve around cloud, hybrid workspace and borderless networks, so does the need for every enterprise to focus on proactive threat-hunting and adapt advanced technologies to enhance real-time incident response and remediation capabilities. At Persistent, we have taken the necessary steps to strengthen our Cyber Resilience approach with best of technologies for proactive defense. What's more, our robust policies, employee awareness programs and detailed incident response playbook add to our preparedness for navigating any cybersecurity threat and providing required assurance to all our stakeholders.

Cybersecurity, Resiliency and Recovery

Businesses today orchestrate their operations and IT systems across distributed, integrated and multi-partner ecosystems, increasing their threat exposure. Cybersecurity must be an organization-wide strategic mandate to have real business impact with zero-trust architectures and application-embedded security modules. However, to be truly prepared, enterprises must match a cybersecurity plan with a culture of cyber resiliency and recovery, establishing remediation and recovery processes in case of an attack or data breach.

Without a comprehensive plan for managing cybersecurity, most companies invest in heterogeneous sets of tools and isolated point solutions that are costly to purchase, difficult to integrate, time-consuming to manage and ultimately ineffective at providing the necessary resiliency and recovery. Hence it is extremely critical to take a holistic view and make strategic investments to acquire the best protection, increase defensive capability and implement an assured recovery solution.

Enterprises need to reduce the complexity of their security profile with holistic solutions that are manageable and cost-effective. Security platforms must be properly configured and tightly integrated to protect infrastructure, data and systems at all potential points of attack. Companies must leverage predictive analytics to look beyond traditional reactive security methods and alerts to a more proactive posture. Organizations also must create and test a complete incident response and recovery plan in the unfortunate case that a cyberattack is successful.

The Persistent Way is built on 30 years of experience as a trusted partner for enterprises and ISVs in engineering secure software solutions. We've developed comprehensive cyber resilience and recovery programs, based on our own robust internal security practices, that can update or improve clients' older technology, reduce the number of security tools in use and enhance their existing security ecosystems. We proactively assess clients' cybersecurity plans against sophisticated threats and update them with forward-looking, strategic controls to preempt risks. Our approach is backed by more than 60 alliances across seven leading cybersecurity providers such as IBM, Microsoft, AWS and ZScaler. Our team of 800-plus cybersecurity experts conducted more than 300 engagements this year across identity access management, cloud and infrastructure security and data security.

We help organizations as they work to prepare for potential cyberattacks and improve their security outcomes with smart investments, innovative thinking and experienced guidance.

—

Debashis Singh
Chief Information Officer

Leadership in Cloud

Cloud has become the foundation of digital transformation. It provides modern businesses with levels of flexibility, efficiency, scalability and security that traditional physical IT infrastructure simply can't and that clients require to grow, particularly in uncertain economic times.

Although cloud provides greater degrees of flexibility, it is not without complexity on multiple levels. There's the matter of cloud choice: Deciding whether to move from private cloud to hybrid or multi-cloud environments, selecting which applications and data should be migrated and modernized, and determining the best way to deploy and optimize cloud are major decisions facing enterprises. Then there are complexities related to cloud implementation at scale and ongoing management, both of which require experience with software engineering and software-based infrastructure, skills that many enterprises don't possess. In addition, securing cloud environments 24/7 against an onslaught of new and existing threats is a massive undertaking that must cover all cloud services.

With all these complexities, moving to cloud demands collaborating with a trusted partner to develop a strategic long-term vision. Any cloud initiative must align with a company's strategic priorities, such as improving scale and availability, enhancing customer service with new cloud-based services, increased organizational agility and boosting innovation investments to take advantage of other technology trends in analytics, Generative AI and Machine Learning.

Leading enterprises and global brands depend on The Persistent Way to navigate cloud complexity, leverage cloud for competitive advantage and achieve their IT and business goals. We meet enterprises wherever they are in their transformation journeys and work together to architect and implement cloud migration and modernization strategies. We've capitalized on our recent acquisitions (DataGlove and Media Agility) to provide best-in-class engineering, industry-leading IP assets and accelerators, specialized multi-cloud expertise and deep domain knowledge. We leverage our deep partnerships with the market's leading hyperscalers — AWS, Google, IBM, and Microsoft — to attract and serve clients across geographies and vertical industries.

Our longstanding reputation in the marketplace gives us a distinct advantage, unlike any other provider in our sector. It's one reason we can recruit the world's best engineering talent. We have more than 10,000 skilled professionals with top certifications across the leading cloud platforms to engineer and drive transformation and growth for our clients.

We continue to invest in our people, methodologies, tools and accelerators so clients can navigate cloud complexities and harness the benefits of our deep cloud expertise, with capabilities in every aspect of cloud development, migration, modernization and operations.

Our Poland location

Nitha Puthran
Senior Vice President, Cloud, Infrastructure & Security

"This past year, Persistent solidified its position as a trusted transformational partner for cloud, with a substantial number of clients engaging us to accelerate their cloud migrations and modernization. Our engineering DNA continues to provide us with a competitive edge through our ability to optimize operations and create business value utilizing our IP, assets and accelerators. Through our partnerships and enhanced collaboration with hyperscalers, we have been recognized by third-party analysts for our cloud transformation capabilities, underscoring our commitment to excellence.

Persistent IP

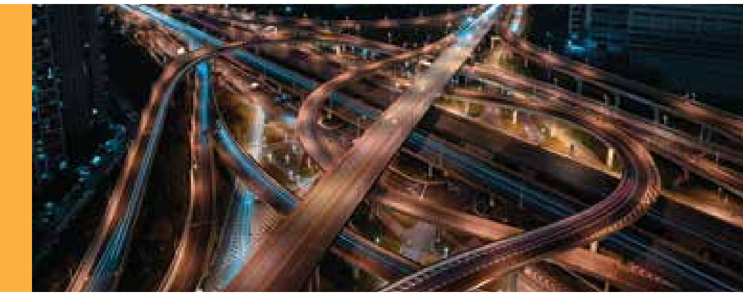
Frameworks & Accelerators

Speed and time-to-market are critical success factors for our clients, and Persistent is constantly developing IP to help clients accelerate cloud migration, enterprise modernization and product development initiatives. Every client engagement for us is an opportunity to leverage our software engineering expertise, collaborate with our clients and create new IP that can have an impact across our customer base.

We provide an extensive catalog of hundreds of Frameworks and Accelerators that our experts leverage in client engagements to speed delivery and uncover value across all our service lines, technologies and industries. Offerings include cloud migration and orchestration offerings with our hyperscaler partners, data and analytics frameworks for gaining new insights from vast data repositories, and a wide range of use cases across banking, insurance, healthcare, life sciences and other industries.

Clients leverage our Frameworks and Accelerators to grow revenue streams, reduce cost and operating expenses, enhance productivity and achieve accelerated ROI, and are a prime example of how we engineer success and deliver value to our clients every day.

Persistent Marketplace



When making technology choices, enterprises and ISVs often turn to Persistent, with our decades of experience, for guidance on which technologies, products and providers are best suited for their strategic goals and IT initiatives. This past year, we leveraged our vast expertise in the software vendor landscape to launch the Persistent Marketplace, a live repository of tested and ready-to-use APIs, products, solutions, accelerators, automations, tools and more.

Available through our website, consumers can search, discover and purchase digital assets to drive business transformation, and developers can find the right API to build new applications and innovations. In addition, partners and publishers can work with Persistent to publish their digital assets on the marketplace and reach new customer segments and vertical industries.

The Persistent Marketplace demonstrates how clients view Persistent as a trusted partner that can guide them to make the best technology and business choices as they work to grow their business.

Digital Innovation Labs

Applied innovation, where teams of industry, technology and design experts work together to locate and capitalize on potential digital initiatives, is one way that Persistent engineers success for our clients. Our Digital Innovation Labs allows our clients to take advantage of this approach for their own benefit, utilizing our innovation frameworks and deep technology expertise to accelerate their digital transformation journeys.

We collaborate with our customers to develop new solutions and build prototypes in engineering lab settings and workshops, leveraging frameworks focused on rapid prototyping, hackathons and technology research. With our Innovation as a Service offering, customers create innovative experiments tailored to their product, company and industry. Through our Accelerated Research and Emerging Technology service, clients leverage Persistent's 30+ years of engineering experience to tap into our collective expertise and extend their own R&D initiatives.




The Persistent Way **Forward**

With decades of experience, we are a trusted product development and business transformation partner that challenges the status quo by driving a software-based mindset for business value and client growth.

Through our investments and partnerships, we possess the scale of a large global firm, yet we're small enough to care and provide personalized service.

We drive Digital Engineering outcomes as both a market leader and an industry challenger that welcomes new ideas and technology breakthroughs for advanced enterprise modernization.

And we're one of the fastest-growing providers in our sector, reaching $1 billion in revenue with growth that outpaces competitors.

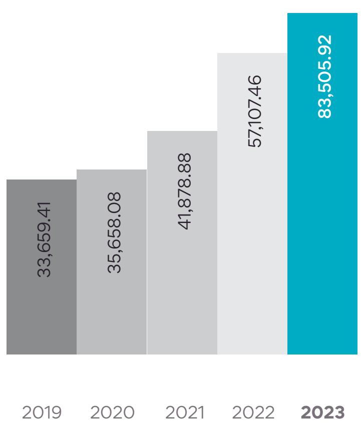
After such a momentous and successful year, we're more confident than ever in the power of The Persistent Way and where it will lead us in the future.

Corporate **Information**

Financial Highlights

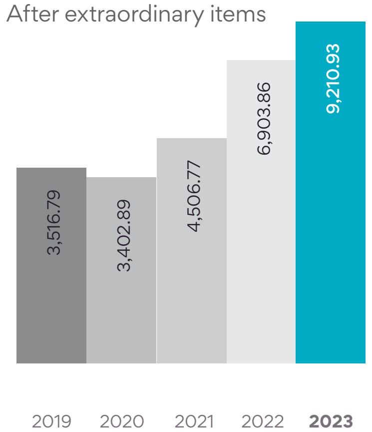
Financial Year ending on March 31

Total Revenue In ₹ Million

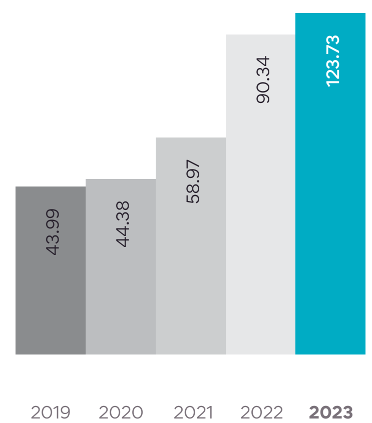


Profit After Tax In ₹ Million

After extraordinary items



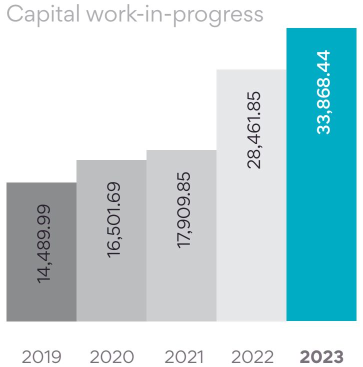
Earnings Per Equity Share (Basic)@ In ₹



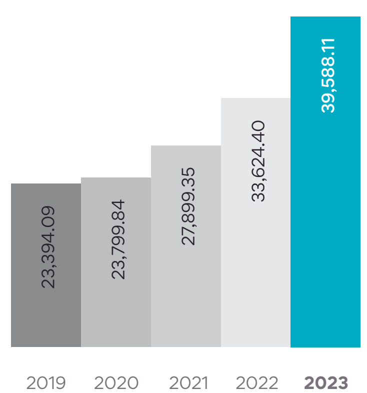
Fixed Assets* In ₹ Million

Gross block, including

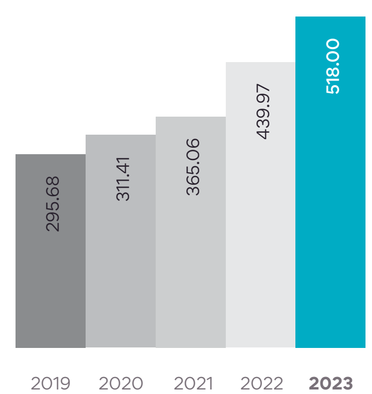
Capital work-in-progress



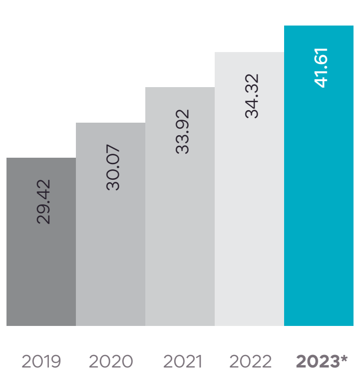
Net Worth# In ₹ Million



Book Value per Share# In ₹



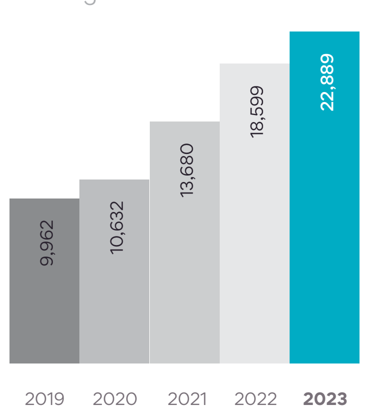
Dividend Payout Ratio^ In %



* Subject to Shareholders' approval.

Persistent Team In Numbers

Including trainees and associates



@ EPS is computed after considering the impact of exceptional item.

Equity Share Capital, Reserves and Surplus (excluding Gain on bargain purchase) and other comprehensive income are considered for the purpose of computing Net Worth and Book Value per share.

^ Considering aggregate payout of dividend and dividend distribution tax (including proposed dividend and tax thereon).

Financial Performance

Based on consolidated figures

Profit and Loss Statement

In ₹ Million

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Income					
Revenue	83,505.92	57,107.46	41,878.88	35,658.08	33,659.41
Other Income	706.17	1,439.55	1,077.72	1,323.77	876.55
Total	84,212.09	58,547.01	42,956.60	36,981.85	34,535.96
Personnel expenses (including cost of professionals)	60,121.66	42,567.28	30,721.67	25,475.34	22,739.98
Operating and other expenses	8,193.01	4,958.47	4,327.06	5,260.15	5,357.03
Profit before interest, depreciation and amortization, exceptional item and tax	15,897.42	11,021.26	7,907.87	6,246.36	6,438.95
Interest*	473.40	118.35	57.94	63.32	3.05
Depreciation and amortization	2,718.95	1,660.12	1,755.50	1,659.62	1,572.51
Exceptional item (expense)	(296.55)	-	-	-	-
Provision for taxation	3,197.59	2,338.93	1,587.66	1,120.53	1,346.60
Profit After Tax (PAT)	9,210.93	6,903.86	4,506.77	3,402.89	3,516.79
Dividend (including proposed dividend) and tax thereon*	3,832.25	2,369.18	1,528.50	1,023.25	1,034.50

@ The minor variation in figure as compared to the last year is due to change in outstanding number of equity shares post Buyback.

* Subject to Shareholders' approval.

Profit and Loss Account (Ratios)

In ₹ Million

Particulars	2022-23	2021-22	2020-21	2019-20	2018-19
Personnel expenses/Revenue (%)	72.00	74.54	73.36	71.44	67.56
Operating and other expenses/Revenue (%)	9.81	8.68	10.33	14.75	15.92
Profit before interest, depreciation and amortization, exceptional item and tax/Revenue (%)	19.04	19.30	18.88	17.52	19.13
Interest/Revenue (%)	0.567	0.207	0.138	0.178	0.009
Depreciation and amortization/Revenue (%)	3.26	2.91	4.19	4.65	4.67
Exceptional item/Revenue (%)	(0.36)	-	-	-	-
Tax/Revenue (%)	3.83	4.10	3.79	3.14	4.00
PAT/Revenue (%)	11.03	12.09	10.76	9.54	10.45
ROCE (%)**	23.64	21.28	17.59	14.63	15.73

* Finance costs include interest on lease liability of ₹ 137.86 million under finance costs (Previous year ₹ 84.06 million) and notional interest on amounts due to selling shareholders ₹ 112.76 million (Previous year ₹ 15.73 million)

** ROCE calculation is based on post tax return and average of opening and closing capital employed.

Committees of the Board

As on June 6, 2023

Committee	Member	Designation
Audit Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Roshini Bakshi	Independent Director
	Avani Davda	Independent Director
Risk Management Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Arvind Goel	Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
	Sunil Sapre	Executive Director and Chief Financial Officer
	Debashis Singh	Chief Information Officer
Nomination and Remuneration Committee	Roshini Bakshi	Chairperson of the Committee and Independent Director
	Dr. Ambuj Goyal	Independent Director
	Dan'l Lewin	Independent Director
Stakeholders Relationship and ESG Committee	Arvind Goel	Chairman of the Committee and Independent Director
	Avani Davda	Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Sunil Sapre	Executive Director and Chief Financial Officer
Corporate Social Responsibility Committee	Avani Davda	Chairperson of the Committee and Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Arvind Goel	Independent Director
Executive Committee	Roshini Bakshi	Chairperson of the Committee and Independent Director
	Praveen Kadle	Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
	Sunil Sapre	Executive Director and Chief Financial Officer
	Avani Davda	Independent Director
	Dr. Ambuj Goyal	Independent Director
Investment Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Roshini Bakshi	Independent Director
	Dr. Ambuj Goyal	Independent Director

Directors' Profiles

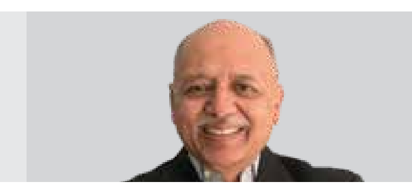
Dr. Anand Deshpande
Founder, Chairman and Managing Director

Sandeep Kalra
Chief Executive Officer and Executive Director

Sunil Sapre
Executive Director and Chief Financial Officer

Roshini Bakshi
Independent Director

Avani Davda
Independent Director



Dr. Ambuj Goyal
Independent Director

Arvind Goel
Independent Director

Praveen Kadle
Independent Director

Dan'l Lewin
Independent Director

Dr. Ajit Ranade
Additional Director (Independent Member)

Dr. Anand Deshpande
Founder, Chairman and Managing Director

Dr. Anand Deshpande is the Founder, Chairman, and Managing Director of Persistent Systems since inception and is responsible for the overall leadership of the Company.

Anand holds a Bachelor of Technology (B. Tech.) with Honours (Hons.) in Computer Science and Engineering from the Indian Institute of Technology (IIT), Kharagpur, and an M.S. and a Ph.D. in Computer Science from Indiana University, Bloomington, Indiana, USA. He has been recognized by both his alma maters — as a Distinguished Alumnus in 2012 by IIT Kharagpur and by the School of Informatics of Indiana University with the Career Achievement Award in 2007.

Anand is a true technology visionary and has been the driving force in growing Persistent Systems from its inception in 1990 to the publicly traded global Company of today.

Prior to founding Persistent Systems, Anand began his professional career at Hewlett-Packard Laboratories in Palo Alto, California, where he worked as a Member of Technical Staff from May 1989 to October 1990.

He is a founding trustee of Persistent Foundation and has served numerous positions at various professional and non-profit organizations — NASSCOM's Executive Council, founding President of Association for Computing Machinery (ACM) India, Software Exporters' Association of Pune (SEAP), Pune Chapter of Computer Society of India (CSI), CII's Pune Zonal Council, Trustee in the Computer History Museum, founding member of Indian Software Products Industry Round Table (iSPIRT), founding member of I4C, a member of the Dean's Advisory Council in the School of Informatics, Computing and Engineering of Indiana University.

After transitioning from the role of CEO at Persistent, Anand is committed to making a broader impact and is focused on data, higher education, and entrepreneurship.

He is a trustee of the VLDB Foundation, and is actively working on projects to create a data platform for Indian patients suffering from cancer and diabetes. He is an honorary Adjunct Professor of Practice at the Desai Sethi School of Entrepreneurship at IIT Bombay, Chairman of the Board of Governors of IIT Patna and the Chairman of the Board of Governors at IIIT Allahabad. In addition, he is on the Governing Board of the College of Engineering, Pune, Chairman of the Board of Governors of Veermata Jijabai Technological Institute (VJTI), Mumbai and on the board of Gokhale Institute of Politics and Economics, Pune.

With his family members, Anand has established deAsra Foundation. This non-profit entity focuses on creating self-employment at scale and through the Second Orbit program, in collaboration with Dr. Ashok Korwar, has helped hundreds of entrepreneurs scale their businesses.

Anand is married to Sonali, and they have a daughter and a son.

Sandeep Kalra
Chief Executive Officer and Executive Director

Sandeep Kalra serves as the CEO and Executive Director on the Board of Persistent Systems.

Sandeep brings a wealth of experience in the IT services industry and a track record of revitalizing businesses to boost growth and profitability. A graduate of the Indian Institute of Management Calcutta, Sandeep spent over 16 years at HCL, holding various leadership positions, such as Outsourced Product Engineering, extending HCL Technologies' presence in LATAM and Canada, and leading the Pharma industry vertical.

After leaving HCL Technologies, Sandeep joined Symphony Teleca, where he was instrumental in its growth and successful acquisition by HARMAN. Subsequently, he led a 7,000+ member services business unit for HARMAN (now a Samsung company), providing digital transformation solutions to technology firms and enterprises.

Highly regarded for his passion, dedication, and growth-oriented mindset, Sandeep aspires to make Persistent Systems an industry leader that retains its impressive legacy while fostering creativity, collaboration, and diversity. Under his guidance, Persistent is evolving from a specialized technology provider into a dynamic, cutting-edge digital transformation partner and a strong global brand.

Over the past three years, Persistent has achieved significant recognition from renowned industry analysts such as ISG, Zinnov, Everest, and Constellation Research, fortified its capabilities across industry verticals and service lines, more than doubled its revenue, and was acknowledged as a 2021 Forbes Best Under a Billion company. Additionally, Persistent has been included in prestigious indices on the National Stock Exchange of India, such as the Nifty IT Index, Nifty Midcap 50, and Nifty Midcap Liquid 15. Forbes recently spotlighted Persistent as one of four midcap firms reshaping the Indian IT landscape.

Persistent Systems has also been acknowledged as an 'Honored Company' in the 2022 Asia Executive Team - Small and Mid-Cap rankings (excluding Japan) for the Technology IT Services and Software industry. This distinction, conferred by esteemed sell-side analysts, placed Persistent among just seven such companies throughout Asia (excluding Japan). Moreover, as CEO and Executive Director of Persistent, Sandeep ranked second among his peers.

Sandeep was recently awarded the "Best CEO in IT/ITES Industry" amongst India's Best CEO's for 2023 by the respected business magazine Business Today.

Sandeep is based out of our New Jersey office.

Sandeep is married to Jyotika and they have three daughters.

Sunil Sapre

Executive Director and Chief Financial Officer

As Chief Financial Officer of the Company, Sunil Sapre is responsible for corporate finance, treasury, financial reporting, taxation and investor relations. He also oversees the people and admin functions.

Sunil has more than 30 years of experience in the areas of corporate finance, accounting, tax, financial planning and analysis, risk management and merger and acquisition diligence, and integration. Prior to joining Persistent in June 2015, he worked with L&T Group in various functions and his most recent role was with L&T Infotech where he spent 14 years as the head of finance and accounts for global operations.

Sunil is associated as a Board Member with MCCIA Electronic Cluster Foundation, group entity of Mahratta Chamber of Commerce Industries and Agriculture, Pune. He holds a bachelor's degree in Commerce and is a member of the Institute of Chartered Accountants of India.

Sunil is married to Dr. Asha and they have a son.

Roshini Bakshi

Independent Director

Roshini Bakshi is a Managing Director, Private Equity at Everstone Capital Asia Pte based out of Singapore. Her role includes driving value creation in investee companies in all sectors in the areas of Impact and Responsible Investing, human capital management, and brand transformation. Roshini also heads Diversity and Inclusion for the firm and its investments.

Roshini serves on the boards of 2 public companies –Persistent Systems Ltd. and JM Financial (https://jmfl.com/). She was earlier on the board of Max Healthcare, the largest hospital network in India.

Roshini has more than 30 years of general management and marketing experience and strong track record in consumer industries, setting strategy and improving operational effectiveness to deliver greater financial returns.

Prior to Everstone, she was the CEO and Managing Director for the Walt Disney Company's consumer, media and retail business for South Asia, where she set up and grew the business to more than $400 million in revenue. Some of her earlier roles were with Unilever, American Express, Mattel, and Polaris.

She believes very strongly in entrepreneurship as the future for innovation and growth and works pro bono with Endeavor.org as their global ambassador and panelist helping shortlist the next generation of growth businesses from emerging markets across the world. She also supports Enterprise Singapore, A Govt of Singapore enterprise as a mentor to some of the tech and consumer startups based in Singapore. Roshini holds an MBA from the Indian Institute of Management (Ahmedabad, India) and an undergraduate degree from St Stephens College (Delhi, India) majoring in Economics (Hons).

She is a keen marathoner and passionate about running, and loves exploring new places during her runs.

Roshini is married to Hemant and they have two sons.

Avani Davda

Independent Director

Ms. Avani Davda is an eminent Business leader with diverse experience in operating and leadership roles across consumer, retail and hospitality industries. She has successfully demonstrated skill in creating a premium brand experience in the consumer and retail space.

Currently, she is a strategic advisor at Bain Advisory Network. Prior to joining Bain, she has played multiple leadership roles in various industry segments.

Her professional career took off when she started her career with Tata Group as a recruit into the Group's flagship leadership program 'TAS' (Tata Administrative Services) in 2002. Thereafter she worked at Tata companies, including TAJ Luxury Hotels (IHCL) and Tata Consumer Products Ltd.

She was the Chief Executive officer of Tata Starbucks Private Limited, the 50/50 joint venture between Starbucks Coffee Company and Tata Global Beverages Limited (TGBL). As the founding CEO, she successfully set up the JV Company and created the right leadership and cultural environment that resulted in the aggressive expansion of over 85 Starbucks stores in India in 3 years. The brand was established in 6 key metropolitan cities in India and is recognized for its unmatched coffee house experience in India. Subsequently, she played the role of MD and CEO at Godrej Nature's Basket from May 2016 to November 2019. In Godrej, she led the transformation and turnaround of the business with a focus on delivering store-level profitability culminating in the Strategic Sale of the Business.

She featured in Fortune US's annual global list of '40 under 40 leaders' in 2013 and ranked 13 on Fortune and Food & Wine's list of '25 Most Innovative Women in Food and Drink' in 2014 – the only Indian woman on the list. She was nominated as a Young Global Leader in 2014 by the World Economic Forum, Geneva, Switzerland. Avani was also named in "ET & Spencer Stuart Women Ahead" 2019.

Avani grew up in Mumbai, India, and holds a bachelor's degree in Commerce with Honors (Advertising & Media) from the University of Mumbai and a Master of Management Studies (MMS) from the Narsee Monjee Institute of Management Studies, University of Mumbai (Gold Medalist).

Avani is married to Vishal and they have a son.

Dr. Ambuj Goyal

Independent Director

Dr. Ambuj Goyal joined the board as an Independent Director of Persistent Systems in June 2022.

Dr. Ambuj holds a Bachelor's degree in Technology from IIT Kanpur and a Ph.D. from the University of Texas, Austin. He is a Fellow of Institute of Electrical and Electronics Engineers (IEEE) and Association for Computing Machinery (ACM) and has received multiple industry awards.

Dr. Ambuj is currently an advisor to multiple start-ups and private equity firms. Earlier, he was the Chief Executive Officer of Magine, a Stockholm-based start-up. He started his career with IBM Research and served in several leadership positions across various divisions for two decades, including leading Computer Science Research with over 1500 scientists, creating a multibillion-dollar software and services portfolio as General Manager for Information Management and Analytics, and transforming products worth $20 billion as General Manager for Development, IBM Systems & Microelectronics.

Dr. Ambuj has extensive experience with highly innovative systems and software businesses, which require deep understanding of technology and critical business drivers in multiple markets and industries. He has led and motivated worldwide research and large business teams across the globe and managed P&L for businesses generating revenue of over $10 billion.

Dr. Ambuj is married to Barbara and they have two daughters.

Arvind Goel

Independent Director

Arvind Goel is the Chairman of Tata AutoComp Systems Limited, a leading global auto component conglomerate. With his passion for automotive technology, he has been serving the automotive industry for more than 4 decades.

Arvind was appointed as Chairman of Tata AutoComp Systems Limited in January 2023 after having served as MD & CEO of Tata AutoComp Systems since 2018. In his career span of over 15 years at Tata AutoComp, he has held several leadership positions as COO and President of Tata AutoComp.

He has been instrumental in creating and expanding Tata AutoComp Systems' Global footprint. Under his leadership Tata AutoComp has entered into 6 Joint Ventures, 3 Technology Agreements and acquisition of TitanX - a global leader in engine cooling system based in Sweden which helped in boosting Tata AutoComp Systems' global footprint beyond China. Mr. Goel has fortified Tata AutoComp's growth by constantly aiming to be future-ready and has realigned its focus on Electric Vehicles components. With his relentless efforts Tata AutoComp today offers solutions in the entire value chain of Electric Vehicles and for all segments ranging from Two Wheelers to Buses.

Arvind previous leadership roles include President and COO of Man Trucks. He was also associated with Force Motors, Bajaj Tempo and Kirloskar Oil Engines at various leadership positions.

Arvind has been an active member of various industry bodies and currently serves as Board Member of Maratha Chamber of Commerce, Industries and Agriculture (MCCIA), Chairman of Western Region Automotive Components Manufacturers Association (ACMA), Elected Member of CII National Council and CII Western Regional Council.

In addition, Arvind has been on the Board of Directors of Persistent Systems Limited, Revent Precision Engineering Limited and Revent Metalcast Limited.

Arvind's contributions to the Auto Industry have been recognized with several awards, including "India's most Inspirational Leader 2020" by White Page International, "Global Indian of the year 2020-21" by Asia one, "Auto Component Leader of the year 2021" by Auto Components India Magazine, "Economic Times Inspiring CEO 2021" by Economic Times, "An Ingenious Changemaker" at "Influential Leaders 2022" conclave by Marksmen, "Leader of the Year - Manufacturing – 2022" by World Auto Forum, among others.

Arvind has undergone several advanced leadership and management programs from institutes like Harvard, NYU Stern and Center for Creative leadership in Singapore. Mr. Goel has brought many institutes like IIM Bangalore, INSEAD, Ross School of business to develop the leadership in Company.

Arvind is married to Dr. Suniti and they have a son and a daughter.

Praveen Kadle

Independent Director

Praveen holds a bachelor's degree with Honours in Commerce and Accountancy from Bombay University in 1977. He is also a member of the Institute of Chartered Accountants of India since 1981. Apart from this, Praveen is a qualified Cost Accountant from the Institute of Cost Accountants of India and also a professionally qualified Company Secretary from the Institute of Company Secretaries of India.

Praveen was the non-executive Chairman of Tata Autocomp Systems Limited. Praveen is associated with the Tata Group for more than 30 years. He is on the boards of various Tata and non-Tata companies.

Praveen is a recipient of many recognitions and awards such as CFO of the Year Award in the years 2004, 2006, and Best CFO in Auto Sector in the year 2007. Praveen was inducted into "CFO- Hall of Fame" in 2008. Praveen was recognized as "Indian Business Leader of the Year" in 2015 by 'Horasis', a Global Leadership Institute and Best Indian CEO in Financial Services Sector by Finance Asia in 2017.

Praveen has been associated with CRY (Child Rights and You), the most respected social sector player for the last fourteen years as an Honorary Trustee and Treasurer.

Praveen is married to Chetana, an accomplished artist, and they have a son.

Dan'l Lewin

Independent Director

Dan'l Lewin has joined the Board as an Independent Director in June 2022. He holds an A.B. degree in Politics from Princeton University.

He is currently the President and Chief Executive Officer of the Computer History Museum (CHM), a US-based non-profit organization, where he is responsible for strategic planning, fundraising and operations.

Prior to CHM, Dan'l led Microsoft's work in applying technology for public good during a 17-year tenure. His portfolio included setting up Microsoft's global start-up and venture capital engagement model, campaign and civic tech engagement, affordable internet access, environmental sustainability, and partnerships with leading research universities.

Earlier, Dan'l accrued over 30 years of leadership experience in Silicon Valley. He led the initial launch of the Macintosh to higher education for Apple Computer, Inc. Dan'l was Co-founder and VP marketing and sales at NeXT, Inc. after leaving Apple. Later, he led sales and marketing for GO Corporation. Dan'l also served as Chief Executive Officer of Aurigin Systems, Inc.

Dan'l has helped organizations establish long-term competitive positioning, guide strategy and governance as well as foster growth to achieve strategic goals and scalability.
Dan'l has served on the boards of the Silicon Valley Community Foundation, UI Labs, Advanced Energy Economy, and currently serves as a Board Director at StartX. He is also on the Advisory Council for the Department of Politics at Princeton University.

Dan'l has two sons and three grandchildren.

Dr. Ajit Ranade

Additional Director
(Independent Member)

Dr. Ajit Ranade is a noted economist. He received his Ph.D. in Economics from Brown University, US. Before that, he completed Post Graduate Diploma in Management (PGDM) from the Indian Institute of Management, Ahmedabad, after completing B. Tech. in Electrical Engineering from Indian Institute of Technology, Bombay.

Dr. Ranade has been a former member of the Board of Management at the Gokhale Institute of Politics and Economics. Before joining the Institute as the Vice-Chancellor, he was the Group Executive President and Chief Economist with the Aditya Birla Group, a $50 billion diversified multinational conglomerate.

His 32-year career has spanned both academic and corporate assignments. He has taught in universities in India and the US. He has served as a member of several committees of the Reserve Bank of India and as a member of apex committees of national industry bodies such as the Confederation of Indian Industry (CII) and Federation of Indian Chambers of Commerce and Industry (FICCI). He was appointed a member of the Economic Task Force for post-Covid economic recovery by the Chief Minister of Maharashtra.

Dr. Ranade has many publications in reputed journals and is one of the authors of the recent award-winning book Rising to the China Challenge. He is also a regular columnist in leading financial newspapers and has numerous columns on different areas of the economy.

Dr. Ranade is married to Alpana and they have two daughters.

Corporate Information

As on June 6, 2023

Board of Directors

Dr. Anand Deshpande
Founder, Chairman and Managing Director

Sandeep Kalra
Chief Executive Officer and Executive Director

Sunil Sapre
Chief Financial Officer and Executive Director

Independent Directors

Roshini Bakshi
Avani Davda
Arvind Goel
Dr. Ambuj Goyal
Praveen Kadle
Dan'l Levin
Dr. Ajit Ranade

Company Secretary

Amit Atre

Auditors

M/s. Walker Chandiok & Co. LLP

Bankers

Axis Bank
Banco Nacional - Costa Rica
Banco Nacionalde Mexico S. A.
Bank of Baroda
Bank of India
Bank of Tokyo-Mitsubishi
Barclays Bank
BNP Paribas
BNY Mellon Wealth Management
Canara Bank
Citibank NA
CommonWealth Bank
Deutsche Bank
First National Bank
HDFC Bank
Hongkong and Shanghai Banking Corporation
Silicon Valley Bank
Union Bank of India
VR-Bank Ismaning Hallbergmoos Neufahrn eG
Wells Fargo Bank
Zürcher Kantonal Bank

Registered Office

'Bhageerath', 402 Senapati Bapat Road,
Pune 411 016, Maharashtra, India
CIN L72300PN1990PLC056696

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Fax: +91 20 6703 0008
Email: info@persistent.com
Website: www.persistent.com

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Global Locations

Persistent Systems Limited

Registered Office
'Bhageerath', 402 Senapati Bapat Road
Pune 411 016, India
Tel: +91-20-6746-2084
Fax: +91-20-6703-0008

Pune

Aryabhata-Pingala
9A/12, Kashibai Khilare Marg
Erandawana, Pune, Maharashtra 411 004
Tel: +91-20-6703-3000
Fax: +91-20-6703-4001

Rigveda-Yajurveda-Samaveda-Atharvaveda
Plot No. 39, Phase I
Rajiv Gandhi Information Technology Park
Hinjawadi, Pune, Maharashtra 411 057
Tel: +91-20-6798-0000

4th and 5th Floor, Building No. IT 3
Qubix Business Park Private Limited
Zone Number C-1, Special Economic Zone
Survey No. 154/6, Rajiv Gandhi Infotech Park
Hinjawadi, Pune, Maharashtra 411 057
Tel: +91-20-6798-3500

Ramanujan
B9 The Loft Commercial Building
Blue Ridge Township, S. No. 119 (part) to
125+154 (part) to 160+160/2 to 171+173
Plot No. 1, Sector R-1, Hinjawadi
Pune, Maharashtra 411 057

Ahmedabad

Persistent Systems Ltd
D-02,The First Commercial Complex B/S
Keshavbaug Party Plot, B/H ITC Hotel
Vastrapur, Ahmedabad, Gujarat 380 015

Bengaluru

5th Floor, Block 9
Primal Projects Pvt. Ltd.
SEZ (PRITECH PARK)
Survey Nos. 51 to 64/4 & 66/1
Belandur Village, Varthur Hobli,
Bengaluru East Taluk, Bengaluru Urban
Karnataka 560 103
Tel: +91-80-6135-9301

12th Floor, Crescent 1
Prestige Shantiniketan Business Precinct
Whitefield Main Road, Mahadevapura
Bengaluru, Karnataka 560 067

6th Floor, The Cube-Karle Town Centre
100 Ft. Nada Prabhu, Kempe Goda Main Road
next to Nagavara, Bengaluru, Karnataka 560 045

Goa

Bhaskar — Charak
L-44, Unit 1, Software Technology Park
Verna Industrial Estate, Verna
Salcete, Goa 403 722
Tel: +91-0832-67 53333

Gurugram

18th floor, Tower C
DLF Bldg.5, DLF Cyber City, Gurugram
Haryana 122 002

MediaAgility India Private Limited
Registered Office:
6th Floor, Paras Downtown Centre, Sector 53
Golf Course Road, Gurgaon, Haryana 122 001

https://www.persistent.com/company-overview/#companyLocation

Hyderabad

11th and 12th Floor, WaveRock Building
Survey No. 115 (part) TSIIC IT / ITES SEZ
Nanakramguda Village, Serilingampally Mandal
Hyderabad, Telangana 500 008
Tel: +91-40-6722-9555

Capiot Software Private Limited
Registered Office:
Amrutha Ville, S. No. 14 & 15, Flat No. 210
Raj Bhavan Road, Opp. Yashoda Hospital
Somajiguda, Hyderabad, Telangana 500 082

Indore

Persistent Systems Limited
4th, 5th and 6th Floor, Brilliant Centre
17 Race Course Road, Indore
Madhya Pradesh 452 003

Jaipur

5th Floor, Fort Anandan, Plot No. 3, Indira Place
Malviya Nagar, Jaipur, Rajasthan 302 017

Mumbai

12th Floor, Tower C, Times Square
Andheri – Kurla Road
Opposite Mittal Industrial Estate
Marol, Andheri – East, Mumbai
Maharashtra 400 059

Nagpur

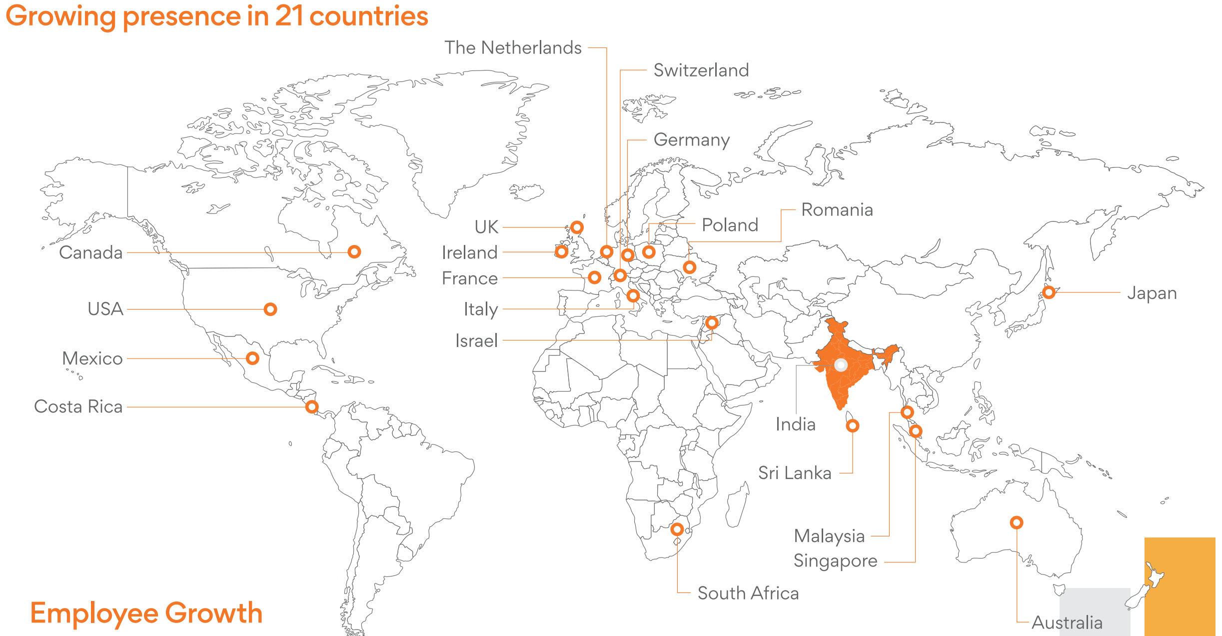
Gargi-Maitreyi
Plot No. 8 and 9, IT Park, MIDC Parsodi
Nagpur, Maharashtra - 440 022
Tel: +91-0712-6692960 | Fax: +91-0712-6691111

2nd and 3rd Floor, Infotech Tower, IT Park
MIDC Parsodi, Nagpur, Maharashtra 440 022
Tel: +91-0712-6732321

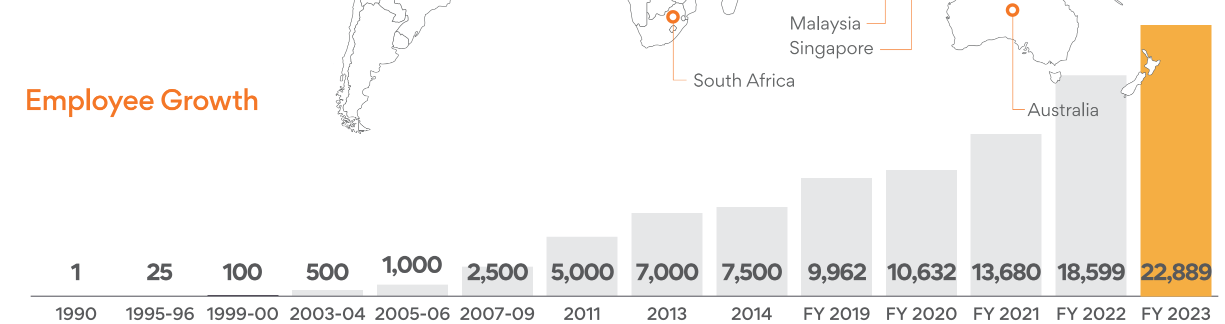
Noida

Unit 1, 9th floor, V.J. Business Towers
Plot No. A-6, Sector 125, Noida
Uttar Pradesh 201 303

Growing presence in 21 countries



Employee Growth



The map depicted is meant only to identify our global locations. No attempt is made to indicate political or geographical boundaries.

Australia

Persistent Systems Limited
Registered Office
Level 12, 680 George Street
Sydney NSW 2000
Tel: +61 02 8280 7355

Melbourne
Office 212, Spaces Rialto
Level M2, 525 Collins Street
Melbourne, VIC 3000

Sydney
Persistent Systems Pty Ltd
Level 20 & 21, 201 Sussex Street
Sydney, NSW, 2000

Canada

Persistent Systems Limited
Development Centre
515 Legget Drive, Suite 920
Ottawa, ON, K2K 3G4

Domiciliation offices:

British Columbia
Pacific Centre
400 725 Granville Street
Telephone: 1.604.687.2242
Fax: 1.604.643.1200

Vancouver, BC V7Y 1G5
Canada Ontario, Scotia Plaza
40 King Street West Suite
5800, Toronto, ON M5H 3S1
Tel: +1 416 597 4398
Fax: +1 416 595 8695

Quebec
1000 De La Gauchetière
Street West, Suite 3700
Montréal, QC, H3B 4W5
Telephone: 1.514.875.5210
Fax: 1.514.875.4308

Costa Rica

Data Glove IT Solutions Limitada
Registered Office
Sigma Business Center, Republic
Tower A, second Floor, San Pedro
Montes de Oca.Post code: 11501

France

Persistent Systems France S.A.S.
Registered Office
31-35, rue de la Fédération
75015 Paris

Branch Offices
Grenoble
1 rue Hector Berlioz
38600 Fontaine
Tel: +33 (4) 7653 3580
Fax: +33 (4) 7653 3589

Paris Office
64-66, Rue des Archives
75003 Paris

Nantes
24 rue Crebillon, 44000 Nantes

Mâcon
Cité de l'entreprise –
Bâtiment MC, 200 Boulevard
de la Résistance, 71000 Mâcon

Germany

Persistent Systems Germany GmbH
Registered Office
Lyoner Straße 14
60528 Frankfurt am Main
Branch Office
Christoph-Rapparini-Bogen 25
80639, Munchen

PARX Consulting GmbH
Registered Office
An der Alster 62, 20099 Hamburg
Tel: +49 40 232 05 4000
Fax: +49 40 232 05 4001

Youperience GmbH
Christoph-Rapparini-Bogen 25
80639 München

Ireland

Aepona Group Limited
Unit 11, Burnell Court, Northern Cross
Malahide Road, Dublin D17F436

Italy

Persistent Systems S.r.l, Italy
Corso Di Porta Vittoria 9
Milano (MI) CAP 20122

Japan

Persistent Systems Limited
2-21-7-703 Kiba, Koto-ku
Tokyo 135-0042
Tel: +81 3 5809 8444

Malaysia

Persistent Systems Malaysia Sdn. Bhd.
601-602, Level 6, Uptown 1, Jalan
SS21/58, Damansara Utama, 47400
Petaling Jaya, Selangor Darul Ehsan
Tel: +603 766 38 301
Fax: +603 761 00 993

Mexico

Persistent Systems Mexico S.A. de C.V.
Development Centre
Lopez Mateos Sur 1450 Piso 2 - Plaza
LasVillas, Tlajomulco, Jalisco, 45640

Digitalagility S de RL de CV
Development Centre
Paseo de la Reforma 369, Torre
B, INT. 404, Cuauhtemoc,
CDMX 06500, México

Poland

Persistent Systems Poland Spółka ZOO
Warsaw, ul. Towarowa 28
00-839 Warsaw, Poland

Chilliflex ul. Wadowicka 7,
30-347, Krakow, Poland

Romania

Persistent Systems S.R.L.
Registered Office
Strada C. A. Rosetti, Nr. 17, Biroul
009, ResCo-Work 10, Sectorul
2, Bucuresti 020011 Romania

Singapore

Persistent Systems Pte. Ltd.
Co. Reg. No. 200706736G
7 Temasek Boulevard, #37-01 A
Suntec Tower One 038987
Tel: +65 6223 4355
Fax: +65 6223 7955

MediaAgility Pte Ltd
30 Cecil Street, #19-08,
Prudential Tower 049712

Sri Lanka

Persistent Systems
Lanka (Private) Limited
4th Floor, 123, Bauddhaloka
Mawatha, Colombo 4
Sri Lanka 400003

South Africa

Persistent Systems Limited
Spaces, Design Quarter
William Nicol cnr Leslie Road
Fourways, Johannesburg 2191
Tel: +27 0 11 513 3118
Fax: +27 0 86 646 7610

Switzerland

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Birmensdorferstrasse 108
8003 Zürich
Tel: +41 43 500 97 00
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Parx Werk AG, Av. de la
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The Netherlands

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WTC Tower B — 9th floor
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Fax: +31 20 312 1210

United Kingdom

Branch Office
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Level 1, Broadgate Tower, 20
Primrose Street, London EC2A
2EW, United Kingdom

Persistent Systems UK Limited
Forsyth House, Cromac Square
Belfast, Northern Ireland, BT2 8LA

Youperience Limited
Registered Office
Level 1, Broadgate Tower, 20
Primrose Street, London EC2A
2EW, United Kingdom

MediaAgility UK
West Link House, 981 Great West
Rd, London, Brentford TW8

USA

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Persistent Telecom Solutions Inc.
Capiot Software Inc.
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Tel: +1 408 216 7010
Fax: +1 408 451 9177

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Bridgewater Township
New Jersey , NJ 08807, USA

125 Village Boulevard, Princeton
Forrestal Village, Plainsboro
New Jersey, NJ 08540

Software Corporation International
Registered Office:
Prosperity Place III, 10150 Mallard
Creek, Suite 305, Mecklenburg
County North Carolina
Charlotte, NC 28262 USA

Fusion360 LLC
Prosperity Place III,10150 Mallard
Creek, Suite 305, Mecklenburg
County North Carolina
Charlotte, NC 28262 USA

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Washington 98007, USA

Dublin
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Suite 150, Dublin, Ohio 43016

Raleigh / Morrisville
3005 Carrington Mill, Blvd Suite 175
Morrisville, North Carolina 27560

Atlanta, GA
12600 Deerfield Parkway, Suite 100
Alpharetta, Georgia, 30004

MediaAgility Inc.
360 Wall Street, Princeton
New Jersey 08540

1475 Saratoga Ave #168
San Jose, CA 95129

Statutory

Message from the CFO

Dear Shareowners,

As we look back to a remarkably successful Financial Year 2022-23, I am happy to share with you the financial performance of the Company. In a year filled with many challenges, thanks to the invaluable support from customers and partners and the dedication of our 22,750+ committed team members, we delivered strong results. We crossed the important milestone of One Billion Dollars in revenues.

In absolute terms, Revenue in USD terms was USD 1,035.98M and in INR terms, ₹ 83,506M. This reflects YoY growth of 35.3% in dollar terms and 46.2% in INR terms. This growth was on the back of 35.2% growth in dollar terms in the previous year, resulting in a three-year CAGR of 27.3% in dollar terms and 32.8% in INR terms.

As regards the market segments we operate in, the growth was broad-based, with BFSI registering growth of 50.8%, Healthcare registering growth of 36.5% and Software & Hi-tech registering growth of 47.5%. In terms of geographic distribution of revenue, North America continued to be the dominant region contributing 78% of revenue, with Europe and Rest of the World contributing 9% and 13%, respectively.

The year commenced amid an uncertain environment in the backdrop of Russia-Ukraine conflict. Inflation which had already started rising was aggravated by increases in energy prices that led to inflation soaring to four-decade high levels of 8-9% in the US and Europe. The Federal Reserve in its battle against inflation raised interest rates seven times during CY 2022 and three times so far in CY 2023. Central banks in other countries and RBI also raised their rates. In the recent policy announcements, there is an indication that we may see a pause on rate hikes.

On the talent supply side, the strong demand environment in the first half of the year led to the high attrition levels continuing till the first half. A slowing world economy, fear of recession, higher interest rates and post-pandemic reality resulted in some of the large tech companies laying off employees. This had an impact on attrition levels in the second half of 2022 and the attrition cooled down from 25%+ to ~20% on a trailing 12-month basis by March 2023. That said, niche skills continue to be short in supply.

The above factors resulted in increased cost of operations during the year. To address the talent supply challenge and to optimize the talent base, we hired 3,000 freshers. With the addition of freshers, utilization levels in the second half were lower and we expect to get back to higher level of utilization as these freshers get deployed on projects.

These cost pressures could be largely absorbed due to strong revenue growth coupled with operating leverage in form of SG&A efficiencies. Profit before exceptional item and tax registered growth of 37.5%. This was after absorbing the increase in amortization because of the recent acquisitions, which amounted to 3.26% of revenue, as compared to 2.91% in FY22. Other Income for the year reduced due to lower treasury surplus post acquisition payouts, foreign exchange loss on hedges and elimination of interest income on the loan given to ESOP Trust on consolidation with the Company financials. Profit after tax was ₹ 9,211M as compared to ₹ 6,904M in FY22, registering growth of 33.4%.

In terms of quality of revenue and deepening of relationships with customers, we made particularly good progress, with five clients in $30M+ category as compared to two clients in FY22 and number of $5M+ clients going up from 25 to 34. Number of clients in $1-5M category went up significantly from 93 to 126. This has contributed to increase in revenue per client, which is a key metric we have been working on. In turn, this enabled us to reduce the client concentration from top 10 clients from 44.6% in FY22 to 36.7% in FY23.

We continued to register healthy new order wins. The trailing 12-month TCV (Total Contract Value) stands at $1.62B at the end of FY23, as compared to $1.22B at the end of FY22. We are working towards improving the revenue visibility and these indicators reflect steady progress on this front.

To better equip ourselves in the post-pandemic reality of hybrid working, we have invested in state-of-the-art Learning & Development facility at Hinjawadi, Pune with total outlay of ₹ 1,550M. Reskilling of talent is critical for us to stay ahead, and this facility will endeavor to provide the best learning experience to our employees. We also increased our footprint in India with new centers at Gurugram, Noida, Indore, Ahmedabad, and Kochi to enable tapping of talent in these cities.

The regional banking crisis in the US and the fall of Silicon Valley Bank in the month of March required us to get the customers to redirect collections to other banks. This resulted in certain collections spilling over to April 2023. This delay coupled with a few deals with deferred credit arrangement led to an increase in the DSO to 68 days. Our major efforts in the coming year will be to engage in activities to improve our cash conversion cycle with a view to improving asset turnaround.

The cash and cash equivalents at the end of FY23, net of borrowings, stood at ₹ 13,821M.

Coming to the key return ratios, Return on Capital Employed (ROCE) and Return on Equity (ROE) have improved to 28.8% and 25.1% respectively.

We continued our contribution to CSR activities in the field of Education, Health, and Community Development. During the year, we spent ₹ 117.60M on CSR activities. We also continue our journey on green initiatives, details of which are shared in the ESG report.

Value creation for our shareowners:

Earnings per share was ₹ 123.73, as compared to ₹ 90.34 in FY22, registering growth of 37%. The Board has recommended a final dividend of ₹ 12 per share and a special dividend of ₹ 10 per share on achieving $ 1 Billion in annual revenue. This along with the interim dividend of ₹ 28 per share, adds up to a total dividend of ₹ 50 per share, as compared to ₹ 31 per share for FY22. The total dividend payout for FY23 will be ₹ 3,832M as compared to ₹ 2,369M.

As we look ahead to the next year, the world is witnessing a recessionary environment and banking crisis in some pockets. Clients are evaluating their new program initiatives with increased focus on ROI from their investments. We are taking all the efforts to improve our sales funnel to deal with slower decision cycles.

For stable growth to continue in this environment, it is essential that we maintain and strengthen our resilience which can help overcome these economic tests. I would like to thank our employees who have shown resilience time and again in a challenging environment. As we deepen our relationships with customers and strengthen our partnerships, we must stay focused on the journey of profitable growth. While doing so, our focus would be on improving financial agility, cash conversion and consistently improving the return on capital employed.

We will continue to improve our ability to deal with risks by improving our risk management framework and practices. It will also be extremely important to adopt sustainable ESG practices to meet our social responsibility and maintain high levels of governance.

I would like to thank our investors for their continued trust, the Board members for their invaluable guidance and our customers, business partners, bankers, analysts and key advisors for their steadfast support. I would like to express once again my sincere thanks to all the employees for their resilience and dedication.

Sincerely,

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Report of the Directors

Your Directors are pleased to present the Thirty-Third Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2023.

Business Update

Reaching $1 billion in annualized revenue in FY23 is the culmination of a 33-year voyage for The Persistent Way, a reflection of our distinctive history, unique approach and differentiated delivery model that continues to earn trust from our clients around the world. We sincerely thank our customers, partners, employees and shareholders for joining us on this incredible journey.

We know that our targeted investments, focused acquisitions, intelligent capital expenditures and unmatched Digital Engineering leadership is what brought us to this moment. We understand that we must continue to reimagine our capabilities to differentiate ourselves, not just by saying things differently but also by doing them differently for our clients, partners and employees. We're also moving quickly to take advantage of top-of-mind enterprise trends so our clients can leverage these technologies and our software engineering prowess to weather uncertain economic conditions and achieve additional growth.

Our current strategy revolves around helping clients take a hard look at their traditional approaches, prioritize focus areas, improve productivity and sustain competitive advantage. We enable this pragmatic approach with a keen focus on core areas and cost management through the reprioritization of non-core operations. With this reprioritization, many clients want to focus on emerging technologies such as AI, machine learning, cybersecurity and cloud computing, but lack the necessary talent and resources — which provides us additional opportunities to support our clients in these areas through our scalable software engineering capabilities.

During the last few years, we've laid the groundwork to prepare for the next stage of your Company's growth journey. We have consistently grown for the last 12 quarters and have hired and nurtured necessary talent to respond to market demand, without any layoffs including during the pandemic. Our talent acquisition and development strategy through our award-winning Persistent University has been consistently recognized as one of the best corporate learning programs. This focus on talent development led to a 23% YoY increase in our global workforce, which now stands at 22,750+ across an expanded network of delivery centers in 21 countries.

Among all the technology trends that emerged during FY23, Generative AI quickly took center stage, and we quickly pivoted to focus on this technology, stay ahead of our competitors and stake out a leadership position. We established a dedicated task force to develop and test proof-of-concept solutions across verticals with an emphasis on cost, speed, security and privacy. We gained early access to Generative AI tools and innovation from major partners such as Microsoft, AWS, Google and Salesforce to develop digital assistants and workforce productivity tools for better user experiences.

Similarly, we started co-innovating with clients to craft customized Generative AI use cases to meet their requirements. We also rolled out a plan to educate our workforce — those using Generative AI and those creating Generative AI use cases – on utilizing the technology in their work, and provide guidance on the legal, security, regulatory and reputational risks associated with its use. All this activity forms a solid foundation on which we can build and accelerate our Generative AI solutions and market leadership going forward.

We also increased investments and co-innovation activity with our hyperscaler partners across a variety of technologies including cloud, cybersecurity, Intelligent Automation and AI. Working with AWS, we achieved Rising Star status in ISG Provider Lens™ Quadrant Reports for AWS Partner Ecosystem. We added 1,200 Google certifications among our staff in less than a year. We continued to build upon on 20-year product development and technology alliance with IBM. We announced a new expansive Microsoft partnership and a dedicated Microsoft VIVA practice to enhance employee experiences and leverage Generative AI. We were recognized as a top 10 Salesforce partner worldwide with 49% YoY Salesforce Certified headcount growth and 30% YoY increase in certifications. We added a deeper layer of domain expertise across BFSI, software and hi-tech, healthcare and all our target verticals with leaders who bring specialized industry knowledge to drive the digital transformations.

All these investments are driven by our mission to be disruptive innovators who bring clients business agility and maximize value creation and growth through enterprise modernization. We continue to be recognized for our commitment to client success and our strategic investments. Our solutions have been ranked as industry-leading by leading third-party analyst firms such as Gartner, ISG, Zinnov and Everest Group. In fact, for the tenth consecutive year, we are a leader in the Zinnov Zones™ Engineering Research and Development Services ratings, and we were listed on the Constellation ShortList™ for Innovation Services and Engineering for the fifth consecutive year.

Your Company remains focused on its differentiated go-to-market strategy, operational excellence, partner ecosystem expansion and innovative technology breakthroughs. As we embark on this next evolutionary phase, we will play to our strengths as a scalable global company that challenges the status quo, delivers personalized care to clients, and continues to engineer success and deliver value for our all our stakeholders.

A. Financial Section

Financial Results

The highlights of the financial performance on a consolidated basis for the year ended March 31, 2023, are as under:

	(Amount in USD Million except EPS and Book Value)		(Amount in ₹ Million except EPS, Book Value and Market value per share)		% Change (based on amounts in ₹)
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**	
Revenue from Operations	**1,037.88**	765.59	**83,505.92**	57,107.46	46.23%
Earnings before interest, depreciation, amortization and taxes	**185.12**	128.46	**14,894.70**	9,581.71	55.45%
Finance Cost*	**5.88**	1.59	**473.40**	118.35	300%
Depreciation and amortization	**33.79**	22.26	**2,718.95**	1,660.12	63.78%
Other income	**8.78**	19.30	**706.17**	1,439.55	-50.95
Tax expense	**39.74**	31.36	**3,197.59**	2,338.93	36.71%
Net profit	**114.48**	92.56	**9,210.93**	6,903.86	33.42%
Transfer to general reserve	**38.51**	36.78	**3,164.51**	2,743.46	15.35%
Net worth#	**481.78**	443.65	**39,588.11**	33,624.40	17.74%
Earnings per share (EPS) (Basic)	**1.54**	1.21	**123.73**	90.34	36.96%
Earnings per share (EPS) (Diluted)	**1.50**	1.21	**120.52**	90.34	33.41%
Book value per equity share	**6.30**	5.81	**518.00**	439.97	17.74%
Market value per equity share as on March 31					
BSE Limited	**-**	-	**4,609.20**	4,770.65	-3.38%
National Stock Exchange of India Limited	**-**	-	**4,609.50**	4,765.30	-3.27%

[Conversion Rate USD 1 = ₹ 80.46 for Profit and Loss items; USD 1 = ₹ 82.17 for Balance Sheet items (Financial Year 2022-23) and USD 1 = ₹ 74.59 for Profit and Loss items; USD 1 = ₹ 75.79 for Balance Sheet items (Financial Year 2021-22)]

* Includes notional interest on lease liability FY23: ₹ 137.86 Million (FY22: ₹ 84.06 Million) recognized in accordance with IND AS – 116 on Leases and notional interest on amounts due to selling shareholders ₹ 112.76 Million (Previous year: 15.73)

\# Equity Share Capital, Reserves and Surplus (excluding Gain on bargain purchase) and other comprehensive income are considered for the purpose of computing Net Worth and Book Value per share.

The highlights of the financial performance on a standalone basis for the year ended March 31, 2023, are as under:

	(Amount in USD Million except EPS and Book Value)		(Amount in ₹ Million except EPS and Book Value)		% Change (based on amounts in ₹)
Particulars	**2022-23**	**2021-22**	**2022-23**	**2021-22**	
Revenue from Operations	**636.05**	479.35	**51,175.53**	35,754.80	43.13%
Earnings before interest, depreciation, amortization and taxes	**139.70**	116.67	**11,239.85**	8,702.39	29.16%
Finance Cost*	**1.63**	0.92	**130.97**	68.78	90.42%
Depreciation and amortization	**16.72**	11.23	**1,344.87**	837.57	60.57%
Other income	**9.18**	17.76	**738.71**	1,324.57	-44.23%
Tax expense	**32.21**	30.33	**2,591.44**	2,261.95	14.57%
Net profit	**98.33**	91.95	**7,911.28**	6,858.66	15.35%
Transfer to general reserve	**38.51**	36.78	**3,164.51**	2,743.46	15.35%
Net worth#	**479.69**	437.91	**39,416.50**	33,188.85	18.76%
Earnings per share (EPS) (Basic)	**1.29**	1.20	**103.52**	89.74	15.36%
Earnings per share (EPS) (Diluted)	**1.29**	1.20	**103.52**	89.74	15.36%
Book value per equity share	**6.28**	5.73	**515.75**	434.27	18.76%

[Conversion Rate USD 1 = ₹ 80.46 for Profit and Loss items; USD 1 = ₹ 82.17 for Balance Sheet items (Financial Year 2022-23) and USD 1 = ₹ 74.59 for Profit and Loss items; USD 1 = ₹ 75.79 for Balance Sheet items (Financial Year 2021-22)]

* Includes notional interest on lease liability FY23: ₹ 119.73 Million (FY 22: ₹ 68.59 Million) recognized in accordance with IND AS – 116 on Leases and notional interest.

Equity Share Capital, Reserves and Surplus (excluding Gain on bargain purchase), and other comprehensive income are considered for the purpose of computing Net Worth and Book Value per share.

Material Events Occurring after Balance Sheet Date

The Board of Directors of your Company at its meeting held on Wednesday, March 22, 2023, approved the issuance of 500,000 (Five Hundred Thousand only) Equity Shares of ₹10 each to PSPL ESOP Management Trust ('ESOP Trust') at the allotment price of ₹ 2,789 per Equity Share, aggregating to the total consideration of ₹ 1,394.50 Million and the Board had authorized the Stakeholders Relationship and ESG Committee to allot the said Equity Shares to the ESOP Trust. The ESOP Trust made the payment of the consideration on April 5, 2023, and accordingly, 500,000 (Five Hundred Thousand only) Equity Shares of ₹ 10 each were allotted to the ESOP Trust on April 6, 2023. Consequent to this, the paid-up share capital of your Company increased from 76.43 Million Equity Shares to 76.93 Million Equity Shares. The listing of 500,000 shares on the Stock Exchanges has been completed.

Persistent Systems Inc., USA (a wholly owned subsidiary of your Company) formed its wholly-owned subsidiary in Poland on April 5, 2023. The new entity is a step-down subsidiary of your Company.

CAPIOT Software Pte. Ltd., Singapore (a wholly owned subsidiary of CAPIOT Software Inc.) has been struck off w.e.f. April 6, 2023. Your Company is yet to receive the final official letter from the concerned authorities.

SCI Fusion 360, LLC (a wholly owned subsidiary of Persistent Systems Inc.) has been dissolved w.e.f. May 31, 2023.

There were no other material changes and commitments affecting the financial position of your Company between the end of the Financial Year 2022-23 and the date of this report.

Particulars required as per Section 134 of the Companies Act, 2013

As per Section 134 of the Companies Act, 2013 (the 'Act'), your Company has provided the Consolidated Financial Statements as on March 31, 2023. Your Directors believe that the consolidated financial statements present a more comprehensive picture as compared to standalone financial statements. These financial statements are available for inspection during business hours at the Registered Office of your Company and the respective subsidiary companies. A statement showing the financial highlights of the subsidiary companies is enclosed to the Consolidated Financial Statements.

The Annual Report of your Company does not contain full financial statements of the subsidiary companies, however, your Company will make available the audited annual accounts and related information of the subsidiary companies electronically in line with the Ministry of Corporate Affair (MCA) Circular dated May 5, 2020, and its extensions from time to time upon request by any Member of your Company.

Consolidated Financial Statements

Consolidated financial statements of your Company and its subsidiaries as at March 31, 2023, are prepared in accordance with the Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' notified by the MCA and forms part of this Annual Report.

Auditors

Statutory Auditors

The Members of your Company at the 30th Annual General Meeting (AGM) held on July 24, 2020, appointed M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of your Company to hold such office for a period of 5 (Five) years i.e. up to the conclusion of the 35th AGM to be held in the calendar year 2025; on or before September 30, 2025.

Further, in terms of Regulation 33(1)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), the Statutory Auditors of your Company are subjected to the Peer Review Process of the Institute of Chartered Accountants of India (ICAI). M/s. Walker Chandiok & Co LLP have confirmed that they hold a valid certificate issued by the 'Peer Review Board' of ICAI and have provided a copy of the said certificate to your Company for reference and records.

The Auditors' Report for the FY 2022-23 does not contain any qualification, reservation, or adverse remark. The Report is enclosed with the financial statements in this Annual Report.

Secretarial Auditors

Pursuant to Section 204 of the Act, the Board of Directors had appointed M/s. SVD and Associates, Practicing Company Secretaries, as the Secretarial Auditors of your Company for the Financial Year 2022-23.

Accordingly, the Secretarial Auditor has given the report, which is annexed hereto as Annexure A. The comments of the Board on the observations of the Secretarial Auditor are as follows:

Audit Observation	Management Response
Disclosure of the appointment of Mr. Sandeep Kalra as Executive Director given to the stock exchange on June 7, 2022 does not include the affirmation about non-debarment required as per the SEBI instructions Letter to the Exchanges dated June 14, 2018 read with BSE circular no. LIST/COMP/14/2018-19 and NSE circular no. NSE/CML/2018/02 both dated June 20, 2018.	Your Company had inadvertently missed out on the affirmation about the non-debarment of Mr. Kalra while submitting the disclosure of his appointment to the Stock Exchanges. The management has set up a process to avoid such incidences in the future.

Reporting of Frauds by the Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditors have reported to the Audit Committee, under Section 143(12) of the Act, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's report or directly to the Central Government under intimation to your Company.

Adequacy of the Internal Financial Controls

Your Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Act.

Your Board has laid down policies and processes with respect to internal financial controls and such internal financial controls were adequate and were operating effectively. The internal financial controls covered the policies and procedures adopted by your Company for ensuring orderly and efficient conduct of business including adherence to your Company's policies, safeguarding of the assets of your Company, prevention, and detection of fraud and errors, accuracy and completeness of accounting records and timely preparation of reliable financial information.

Internal Audit

The details of the internal audit team and its functions are given in the Management Discussion and Analysis Report forming part of this Annual Report.

Disclosure about the Cost Audit

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Companies Act, 2013 are not applicable for the business activities carried out by your Company.

Particulars of Loans and Guarantees Given and Investments made

Loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report. (Refer notes 5, 6, 14, 17, 33 and 42 of the Standalone Financial Statements)

Transfer to Reserves

As per the policy of your Company on transfer of surplus profit to reserves, an amount of ₹ 3,164.51 Million has been transferred to the General Reserve and an amount of ₹ 1,750.42 Million will be retained in the Statement of Profit and Loss after payment of dividend. The balance in Profit and Loss Account as on March 31, 2023 is ₹ 15,575.98 Million and in the General Reserves is ₹ 20,824.26 Million.

Fixed Deposits

In terms of the provision of Sections 73 and 74 of the Act read with the relevant Rules, your Company has not accepted any fixed deposits during the year under report.

Liquidity

Your Company continues to maintain adequate liquidity to meet the necessary strategic and growth objectives.

Your Company aims to balance between earning adequate returns on liquid assets and the need to cover financial and business risks. As at March 31, 2023, your Company, on a standalone basis, had cash and cash equivalents (including investments) amounting to ₹ 11,352.08 Million as against ₹ 14,667.67 Million as at March 31, 2022.

During the FY 22-23, your Company has liquidated major portion of investment to fund the MediaAgility acquisition and investment in property.

The details of cash and cash equivalents (including investments) are as follows:

(In ₹ Million)

	Year ended on March 31	
Particulars	**2023**	**2022**
Investment in Mutual Funds at fair value	**2,814.11**	5,183.33
Fixed Deposits with scheduled banks	**4,215.93**	6,041.38
Bonds (quoted)	**3,085.59**	2,879.29
Cash and Bank balances	**1,236.45**	563.67
Total	**11,352.08**	**14,667.67**

The particulars of expenditure on Research and Development on an accrual basis are as follows:

(In ₹ Million)

	Year ended on March 31	
Particulars	**2023**	**2022**
Capital expenditure	-	-
Revenue expenditure	178.59	136.72
Total research and development expenditure	**178.59**	**136.72**
As a percentage of total income	**0.34%**	**0.37%**

The particulars of foreign exchange earnings and outgo, based on actual inflows and outflows are as follows:

(In ₹ Million)

Particulars	Year ended on March 31 2023	2022
Earnings	34,921.08	34,272.85
Outgo	4,749.56	4,154.92

Update on Fixed Deposits with IL&FS

Your Company has deposits of ₹ 430 Million with Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, the Management of your Company has fully provided for these deposits, along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. Your Company continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.

Related Party Transactions

The Policy to determine the materiality of related party transactions and dealing with related party transactions, as approved by the Board of Directors, is available on your Company's website at https://www.persistent.com/investors/corporate-governance/related-party-transactions-policy/

During the year under report, your Company did not enter into any material transaction with any party who is related to it as per the Act. There were certain transactions entered into by your Company with its subsidiaries and other parties who are related within the meaning of Indian Accounting Standard (Ind AS) 24. The attention of Members is drawn to the disclosure of transactions with such related parties set out in Note No. 33 of the Standalone Financial Statements, forming part of this Annual Report. The Board of Directors confirms that none of the transactions with any of the related parties were in conflict with your Company's interests. The list of Related Party Transactions entered into by your Company for the Financial Year 2022-23 (on a consolidated basis) is available on https://www.persistent.com/investors/corporate-governance/related-party-transactions-policy/

The related party transactions are entered into based on considerations of various business requirements, such as synergy in operations, sectoral specialization, and your Company's long-term strategy for sectoral investments, optimization of market share, profitability, legal requirements, liquidity, and capital resources of subsidiaries.

All related party transactions are entered into on an arm's length basis, are in the ordinary course of business, and are intended to further your Company's interests.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure B in Form No. AOC-2 and the same form part of this report.

B. Board and its Committees

Board Meetings

The details pertaining to the composition, terms of reference, and other details of the Board of Directors of your Company and the meetings thereof held during the Financial Year 2022-23 are given in the Report on Corporate Governance forming part of this Annual Report.

Directors and Key Managerial Personnel

During the year under report, the Members of your Company in the 32nd AGM confirmed the following:

a. Not to fill the vacancy caused by the retirement of Mr. Thomas Kendra, California, USA (DIN: 07406678), Non-Executive Non-Independent Director, who retired by rotation, but did not seek re-appointment.

b. Appointment of Ms. Avani Davda (DIN: 07504739) as an Independent Director of your Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from December 28, 2021, to December 27, 2026.

c. Appointment of Mr. Arvind Goel (DIN: 02300813) as an Independent Director of your Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022, to June 6, 2027.

d. Appointment of Dr. Ambuj Goyal (DIN: 09631525) as an Independent Director of your Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022, to June 6, 2027.

e. Appointment of Mr. Dan'l Lewin (DIN: 09631526) as an Independent Director of your Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 10, 2022, to June 9, 2027.

f. Re-appointment of Mr. Sandeep Kalra (DIN: 02506494) as an Executive Director of the Company liable to retire by rotation, to hold the office with effect from June 11, 2022, till September 30, 2025.

The Board is grateful to Mr. Kendra for his contribution to your Company.

Retirement of Mr. Pradeep Bhargava and Dr. Anant Jhingran, Independent Directors:

- The re-appointment of Mr. Pradeep Bhargava, Independent Director (DIN: 00525234) for the second term was made at the 29th AGM held in July 2019 for a period of 3 years for a term up to the conclusion of the 32nd AGM. Accordingly, he retired at the conclusion of the 32nd AGM held on July 19, 2022, on completing a ten-year term as a Director of your Company.
- The re-appointment of Dr. Anant Jhingran, Independent Director (DIN: 05116722) for the second term was made on November 21, 2017, for a period of 5 years. Accordingly, he completed his term and retired on November 20, 2022.

The Board is grateful to Mr. Bhargava and Dr. Jhingran for their contribution to your Company.

Resignation of Mr. Guy Eiferman and Prof. Deepak Phatak, Independent Directors:

- During the year under report, Mr. Guy Eiferman, Independent Director (DIN: 08101854) had resigned effective from July 19, 2022 due to his personal reasons. He had confirmed that there were no material reasons for his resignation.
- Further, on April 2, 2023, Prof. Deepak Phatak (DIN: 00046205) upon reaching the age of 75 years, decided to step down from the position of Independent Director of your Company. This is in accordance with your Company's internal norms w.r.t. the age of Independent Directors. He had confirmed that there were no material reasons for his resignation.

The Board noted and accepted these separations, thanked Mr. Eiferman and Prof. Phatak for their contribution to the Company, and wished them the best for their future endeavors.

Appointment of a Director since last AGM:

During the year under report and to date, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company made the appointment of Dr. Ajit Ranade (DIN: 00918651) as an Additional Director (Independent Member). Dr. Ranade has been appointed as an Additional Director (Independent Member) of the Company to hold office for a term of 5 (Five) consecutive years i.e. from June 6, 2023 to June 5, 2028, subject to approval by the Members at the ensuing AGM.

Your Board considered expertise in large-scale global operations, strategy and planning, financial, treasury management, taxation expertise, and governance compliance of Dr. Ranade while recommending his appointment.

He has a valid registration of the MCA Databank of Independent Directors.

Dr. Ranade has confirmed his eligibility and willingness to accept the office of the Director of your Company if approved by the Members at the ensuing AGM. In the opinion of your Directors, he has the requisite qualifications and experience, and therefore, your Directors recommend that the proposed resolution relating to the appointment of Dr. Ranade be passed with the requisite majority. His profile forms part of this Annual Report and has also been provided in the Notice of the 33rd AGM.

Retirement by Rotation:

In terms of Section 152(6) of the Act and Article 137 of the Articles of Association of your Company, Dr. Anand Deshpande (DIN: 00005721), Chairman and Managing Director is liable to retire by rotation at the ensuing AGM as he is the Non-Independent Director who is holding office for the longest period among the Non-Independent Directors on the current Board.

Dr. Deshpande has confirmed his eligibility and willingness to accept the office of the Director of your Company if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Dr. Deshpande has the requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the reappointment of Dr. Deshpande be passed with the requisite majority.

At present, your Company has 7 (Seven) Non-Executive Members on the Board who are Independent Directors. Pursuant to Regulation 17(1)(b) of the Listing Regulations, every listed company shall have at least half of its total strength of the Board of Directors as Independent Directors where the Chairperson is an Executive Director. Your Company complies with this requirement.

There is no inter se relationship between the Directors except the following:

1\ Mr. Praveen Kadle, Independent Director of the Company was the Chairman, Non-Executive Non-Independent Director of Tata AutoComp Systems Limited where Mr. Arvind Goel, Independent Director of the Company is the Managing Director and Chief Executive Officer till January 28, 2023.

2\ Dr. Ranade is the Director of Mahratta Chamber of Commerce Industries and Agriculture (MCCIA) where Dr. Anand Deshpande (Chairman and Managing Director of the Company) is the Vice President and Director, and Mr. Arvind Goel (Independent Director of the Company) is the Director

3\ Dr. Deshpande is the Nominee of the Chancellor on the Board of Management of Gokhale Institute of Politics and Economics, where Dr. Ranade is a Vice-Chancellor.

In terms of the Listing Regulations, your Company conducts the Familiarization Program for Independent Directors about their roles, rights, and responsibilities in your Company, the nature of the industry in which your Company operates, business model of your Company, etc., through various initiatives. The details of the same can be found at: https://www.persistent. com/investors/familiarisation-programme/

Declaration of Independence by Independent Directors

The Board confirms that all Independent Directors of your Company have given a declaration to the Board that they meet the criteria of independence as prescribed under Section 149(6) of the Act along with the Rules framed thereunder and Regulation 16 of the Listing Regulations.

Further, they have included their names in the databank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

During the Financial Year 2022-23, a separate meeting, exclusively of the Independent Directors was held on January 18, 2023, in which the Independent Directors transacted the following businesses along with few other important strategic and policy-related matters:

1\ Reviewed performance of the Executive Directors and Management of the Company
2\ Discussed the quality, quantity and timeliness of the flow of information between the Directors and the Management of the Company
3\ Discussed the strategic matters of the Company and current state of the global IT industry
4\ Discussed the business continuity plan in the organization

Committees of the Board

The details of the powers, functions, composition, and meetings of all the Committees of the Board held during the year under report are given in the Report on Corporate Governance forming part of this Annual Report.

Audit Committee

The details pertaining to the composition, terms of reference, and other details of the Audit Committee of the Board of Directors of your Company and the meetings thereof held during the Financial Year are given in the Report on Corporate Governance forming part of this Annual Report. The recommendations of the Audit Committee in terms of its Charter were considered positively by the Board of Directors of your Company from time to time during the year under Report.

Nomination and Remuneration Committee

The details including the composition and terms of reference of the Nomination and Remuneration Committee and the meetings thereof held during the Financial Year and the Remuneration Policy of your Company and other matters provided in Section 178(3) of the Act are given in the Report on Corporate Governance section forming part of this Annual Report.

The policy for the appointment of a new director on the Board is as follows:

The Board of Directors decide the criteria for the appointment of a new director on the Board from time to time depending on the dates of retirement of existing Directors and the strategic needs of the Company. The criteria includes expertise area, industry experience, professional background, association with other companies, and other important parameters.

Once the criteria is determined, the Board directs the Nomination and Remuneration Committee to compile profiles of suitable candidates through networking, industry associations and business connections. The Nomination and Remuneration Committee considers each and every profile on the decided parameters and shortlists the candidates. Shortlisted candidates are then interviewed personally or through tele-conference by the Members of this Committee.

Once the Committee is convinced about a candidate's competency, his/her business acumen, commitment towards his/her association with your Company, disclosure of his/her interest in other entities and his/her availability for your Company on various matters as and when they arise, it recommends the candidate to the Board of Directors for its further consideration. Generally, the Board accepts the recommendation by consensus.

The said Policy is also available on your Company's website at https://www.persistent.com/wp-content/uploads/2022/05/Policy-for-appointment-of-a-new-director.pdf

The general terms and conditions of appointment of Independent Directors is available on the Company website at https://www.persistent.com/investors/corporate-governance/other-disclosures/terms-and-conditions-of-appointment-of-independent-directors/

The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at https://www.persistent.com/wp-content/uploads/2023/05/Board-Diversity-Policy.pdf

Performance Evaluation of the Board, its Committees and Directors

Your Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees, and the Directors individually including Independent Directors. The performance evaluation was done by an external management consultant who specializes in Board evaluations. The performance of the Board was evaluated by seeking inputs from all the directors and senior management. The evaluation criteria include aspects such as the Board composition and structure, effectiveness of board processes, information, and functioning, etc. The evaluation was conducted in March and April 2023 and the findings of the evaluation were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2023.

The details of the evaluation have been included in the Report on Corporate Governance

Employees' Remuneration

The percentage increase in remuneration, ratio of remuneration of each director and key managerial personnel (KMP) (as required under the Companies Act, 2013) to the median of employees' remuneration, and the list of top 10 employees in terms of remuneration drawn, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, form part of Annexure C to the Report. The statement containing particulars of employees employed throughout the year and in receipt of remuneration of ₹ 1.02 crore or more per annum and employees employed for part of the year and in receipt of remuneration of ₹ 8.5 lakh or more per month, as required under Section 197(12) of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate Annexure forming part of this Report. Further, the Report is being sent to the Members excluding the aforesaid Annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any Member interested in obtaining a copy of the same may write to the Company Secretary.

Employee Stock Option Plan

Your Company has 13 (Thirteen) ESOP Schemes as of March 31, 2023. These Schemes are being implemented as per the SEBI Regulations.

The Members of your Company in the 31st AGM approved amendments in the 'Persistent Employee Stock Option Scheme 2014' (PESOS 2014) and 'Persistent Systems Limited – Employee Stock Option Plan 2017' (ESOP 2017) and increased the kitty available for grant of stock options.

In the Financial Year 2022-23, 334,600 options were granted under PESOS 2014 and 1,537,281 options were granted under ESOP 2017.

As required under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021, Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with these regulations will be made available at the AGM.

The disclosure pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at https://www.persistent.com/wp-content/uploads/2023/06/esop-details-2023.pdf

Corporate Social Responsibility

Your Company formed a Public Charitable Trust — 'Persistent Foundation' in the Financial Year 2008-09 to institutionalize your Company's CSR initiatives and to develop a systematic approach to administer your Company's CSR obligations.

Persistent Foundation (the 'Foundation') is celebrating fifteenth year of establishment. During these 15 years, the Foundation has contributed to many projects spread across different geographies in association with well-known NGOs to reach out to large number of beneficiaries.

Your Company acknowledges the contribution made by the Foundation in coordinating and ensuring that the CSR donations made by your Company are being effectively deployed as proposed and have an impact on society.

During the year under report, the Foundation was able to continue to create excitement among employees to participate in socially relevant causes. With the cooperation of the employees of your Company, the Foundation has set up several well-defined programs and activities for the promotion of education, health, community development, and assistance in natural calamities. These activities are carried out through projects undertaken by the Foundation with the support of the employees and through the Government authorities, reputed social organizations, and institutions.

In addition to contributing ₹ 117.50 Million to the Foundation, your Company made donations to various charitable institutions directly. Thus, during the year under report, your Company donated an amount totaling to ₹ 117.60 Million. Your Company has claimed a set off amounting to ₹ 23.39 Million against the excess CSR contribution made during the FY 2020-21 resultantly making the CSR contribution of the FY 2022-23 ₹ 140.99 Million i.e. 2% of the Average Net Profits of your Company made during three immediately preceding financial years.

Report on CSR activities of your Company under the provisions of the Act during the Financial Year 2022-23 is annexed hereto as Annexure D.

A detailed Report on the activities of the Foundation forms part of this Report.

Your Company is pleased to inform you that Persistent Systems Inc., USA a wholly-owned subsidiary of your Company has incorporated a Foundation in the USA, exclusively for conducting CSR Activities in the USA.

Persistent Foundation, USA will work on the same focus areas as that of Persistent Foundation, India.

CSR Committee and CSR Policy

The Board of Directors of your Company has constituted a CSR Committee to help your Company frame, monitor, and execute the Company's CSR activities under its CSR scope. The Committee defines the parameters and observes them for effective discharge of the Company's social responsibility.

The Board of Directors of your Company has further approved the CSR Policy of your Company to provide a guideline for the Company's CSR activities. The CSR Policy is uploaded on your Company's website at https://www.persistent.com/investors/csr-at-persistent/

Your Company's CSR Policy highlights that the need for contributing to the society is very large and your Company can make a more significant contribution by staying focused on a few areas through its social initiatives. During its April 2023 meeting, the Board of Directors of your Company considered the need to add one more focus area and accordingly, approved the addition of 'Wildlife and Heritage Conservation' as the 4th focus area. Resultantly, the amended CSR policy recommends that your Company should encourage Persistent Foundation to contribute in the following four focus areas:

1\ Health
2\ Education
3\ Community Development
4\ Wildlife and Heritage Conservation

The constitution of the CSR Committee is provided in the Report on Corporate Governance section forming part of this Annual Report.

Stakeholders Relationship and ESG Committee

The Stakeholders Relationship Committee was constituted on October 4, 2007.

Your Company believes that in today's day and age, the definition of the stakeholders must be extended beyond what is traditionally considered as stakeholders. Accordingly, your Company has decided to adopt a broader definition of stakeholders to explicitly include society, customers, partners, our employees, the shareholders, vendors and even the environment.

Your Company aims to provide more focused and detailed efforts toward ESG implementation. Considering the same, the Board at its meeting held in January 2022, decided to assign an additional responsibility of overlooking the ESG monitoring-related work at the Company to the Stakeholders Relationship Committee. Accordingly, the name of the Committee was amended to 'Stakeholders Relationship and ESG Committee'.

A separate section on ESG at Persistent can be accessed at
Environmental, Social and Governance Report | Persistent Systems

C. Equity and Related Information

Listing with the Stock Exchanges

The Equity Shares of your Company are listed on BSE Limited (BSE) (Scrip Code: 533179) and the National Stock Exchange of India Limited (NSE) (Symbol: PERSISTENT) since April 6, 2010. Listing fees for the Financial Year 2022-23 have been paid to both BSE and NSE.

Institutional Holding

As on March 31, 2023, the total institutional holding in your Company stood at 48.16% of the total share capital.

Dividend for the Financial Year 2022-23

The details of the Dividend for the Financial Year 2022-23 and 2021-22 are as follows:

	Financial Year 2022-23			Financial Year 2021-22	
Type of Dividend	**Interim**	**Final***	**Special***	**Interim**	**Final**
Month of declaration/recommendation	Jan-23	Apr-23	Apr-23	Jan-22	Apr-22
Amount of Dividend Per Equity Share of ₹ 10 each (In ₹)	28	12	10	20	11
% of Dividend	280%	120%	100%	200%	110%
Total Dividend (In ₹ Million)	2,139.90	923.10	769.25	1,528.50	840.68
Total Dividend Outflow for the year (In ₹ Million)			**3,832.25***		**2,369.18**
Payout Ratio			41.61%*		34.3%
Payout Ratio without Special Dividend			33.25%*		-

* To be paid on the increased Paid-up capital as on the Record Date, subject to approval by the Members at the ensuing AGM.

The payment of the Final Dividend of ₹ 12 and Special Dividend of ₹ 10 per Equity Share of ₹ 10 each is subject to your approval during the 33rd AGM of your Company. The Dividend will be paid out of the profits of your Company.

Out of the interim dividend declared in January 2023, ₹ 0.35 Million remained unclaimed as of March 31, 2023.

Your Company has a Dividend Distribution Policy and the same has been uploaded on the website at https://www.persistent. com/wp-content/uploads/2016/09/Dividend-Distribution-Policy.pdf. As per the policy, the dividend payout ratio shall be maintained up to 40% of the Consolidated Profit After Tax.

However, given the achievement of $1 (One) Billion in revenues in the FY 2022-23, the Board of your Company decided to declare a one-time Special Dividend along with the Final Dividend. With the total Dividend being ₹ 50 for FY 2022-23, it surpassed the current Dividend Distribution Policy of the Company i.e. pay out up to 40%. However, your Board treated this upside in the Payout Ratio as an exception on the background of the Special Dividend and hence decided not to revise the Dividend Distribution Policy. Therefore, the payment of Interim Dividend and Final Dividend for the Financial Year 2022-23 is in compliances with the Payout Ratio.

Pursuant to the Finance Act 2020, dividend income is taxable in the hands of shareholders and the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

In this regard, your Company has availed the facility for online submission of Tax Exemption forms from M/s. Link Intime India Private Limited ('Link Intime') wherein the shareholders can submit their tax-exemption forms along with other required documents.

The requisite form for claiming tax exemption can be downloaded from Link Intime's website. The URL for the same is as under: https://www.linkintime.co.in/client-downloads.html → On this page, select the General tab. All the forms are available under the head "Form 15G/15H/10F".

The aforementioned forms (duly completed and signed) are required to be uploaded on the URL mentioned below: https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html → On this page, the user shall be prompted to select/ share the following information to register their request.

1\ Select the company (Dropdown)
2\ Folio/DP-Client ID
3\ PAN
4\ Financial year (Dropdown) 5\ Form selection
   a. Document attachment – 1 (PAN)
   b. Document attachment – 2 (Forms)
   c. Document attachment – 3 (Any other supporting document)

Please note that the documents (duly completed and signed) should be uploaded on the website of Link Intime in order to enable the Company to determine and deduct appropriate TDS/Withholding Tax.

Incomplete and/or unsigned forms and declarations will not be considered by the Company.

The Members may note that in case the tax on said interim/final dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, the option is available to the Members to file the return of income as per the Income Tax Act, 1961 and claim an appropriate refund, if eligible.

Transfer of Unclaimed Dividend and corresponding shares to the IEPF Authority

During the year under report, your Company has transferred the unclaimed and unpaid dividend of ₹ 293,370 to the IEPF Authority. Further, 897 corresponding shares on which the dividend was unclaimed for seven consecutive years have been transferred as per the requirement of the IEPF Rules.

Further, your Company also transferred 140 shares from the Shares Suspense account to IEPF.

The details are provided in the shareholder information section of this Annual Report and are also available on the website: https://www.persistent.com/investors/unclaimed-dividend/

The Board has appointed Mr. Amit Atre, Company Secretary, as the Nodal Officer to ensure compliance with the IEPF rules.

Shares Suspense Account

Your Company had opened an 'Unclaimed Securities Suspense Account' on behalf of the allottees who were entitled to the equity shares under the initial public offering. Some of the equity shares could not be transferred to the respective allottees due to technical reasons. 7 shareholders, who were allotted 20 shares each during IPO could not claim their shares due to the non-submission of required documents. Your Company sent periodic reminders requesting the shareholders to provide the required documents for credit of shares and the unclaimed dividend thereon to their demat and bank account, respectively. Your Company issued Bonus shares in a ratio of 1:1 in the year 2015. Pursuant to the same, the total holding of each shareholder increased to 40. The original 140 shares issued to the 7 shareholders during the IPO were transferred to IEPF upon completion of 7 years. Remaining 140 shares resulting from the Bonus Issue, were transferred to the IEPF in September 2022.

The current balance in the above-mentioned Suspense Account as on March 31, 2023 is NIL. The details are as follows:

S. No.	Particulars	Details
1\	The aggregate number of allottees whose shares are lying in the Account at the beginning of the Financial Year 2022-23	7 allottees
2\	The aggregate number of the outstanding equity shares in the Account at the beginning of the Financial Year 2022-23	140 Equity shares
3\	Number of allottees who approached issuer for transfer of shares from the Account during the Financial Year 2022-23	Nil
4\	Number of shares transferred from the Account during the Financial Year 2022-23	Nil
5\	Number of shares transferred to IEPF during the Financial Year 2022-23	140 Equity shares
6\	The aggregate number of allottees whose shares are lying in the Account at the end of the Financial Year 2022-23	Nil
7\	The aggregate number of outstanding equity shares in the Account at the end of the Financial Year 2022-23	Nil

D. ESG

We are dedicated to working with our people, clients, partners, and communities to build a more equitable, sustainable and healthier world through the application of technology and engineering.

We are strengthening our core with the belief in 'One Persistent, One Family' and fundamental values. We collaborate with both our internal and external stakeholders to leverage technology, thus engineering a more sustainable, and healthier world.

Your Company has published its ESG/Sustainability Report for the FY 2022-23 and the same is available on your Company's website at https://www.persistent.com/wp-content/uploads/2023/06/esg-sustainability-report-2022-23.pdf

Some of the activities carried out by your Company are reiterated below:

Conservation of energy and technology absorption

Your Company believes that conservation of energy is essential and as a responsible corporate citizen, your Company must encourage all employees, vendors and other stakeholders to act on ensuring reduced usage of energy on a perpetual basis.

Your Company has procured various energy saving devices and systems, which help in conserving energy and has resulted in significant savings in energy costs. Your Company has made capital investments amounting to ₹ 36.96 Million during the Financial Year 2022-23.

Your Company has made the necessary disclosures in this Report in terms of Section 134(3) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014.

Your Company has a dedicated team across India under the environmental /green initiatives group. The group implements projects to continually enhance energy efficiency in our existing buildings such as new technology retrofits, bringing in more efficient equipment etc. On an annual basis, the project proposals are reviewed by the management and thereafter a dedicated budget is allotted for these projects. The learnings from these are utilized for efficient design of the building architecture in new projects, thereby resulting in some of the lowest energy intensities (EPIs) in the industry.

Your Company is deeply conscious of the global target of keeping the temperature rise restricted to 1.5 deg C and is doing everything, it can to avert the irreversibility of global warming.

Your Company is working on various initiatives to reduce the footprint as follows:

Green Building Initiatives:

\ Adoption of Leadership in Energy and Environmental Design (LEED) Principles during the built and interior design stage.

\ 100% eco-certified furniture in new projects.

\ BEE 3 star rated/ Green Pro certified / Energy star appliances used.

\ Use of environmental friendly refrigerants.

\ 54% of occupied areas have natural daylight.

\ Procurement of materials within a 500km radial distance to minimize carbon emissions.

\ Use of low VOC paints, CRI Green Label Plus certified carpets, and Green Pro certified plywood to reduce VOC emissions.

\ Sustainable construction practices such as double wall brickwork and the use of crush sand and fly ash bricks.

\ Installation of double glass units with low 'e' glass for windows and facades, as well as double glass partitions for meeting rooms.

\ Optimized material acoustic performance using acoustic ceiling materials.

Energy Efficiency Activities:

HVAC Retrofit

\ Replaced existing air conditioning units with energy-efficient inverter-based ACs, resulting in a 15% reduction in electricity consumption

\ Replaced ductable AC units with energy efficient inverter-based ACs, resulting in 12% reduction in electricity consumption

\ Upgraded the chiller system with high-efficiency systems, reducing energy and water consumption

Operational Efficiency

\ Regulated and optimized schedules for lifts, vending machines, ventilation systems, water coolers, and other equipment, minimizing unnecessary energy usage

\ Installed Variable Frequency Drives (VFDs) in fresh air, Air Handling Unit (AHU) systems for better control and adjustment, optimizing energy consumption

\ Controlling and monitoring daily operations through building management system

Lighting Efficiency

\ Transitioned from CFLs to LED lamps

\ Smart lighting systems controlled by sensors and occupancy/motion sensors, optimizing energy usage

\ High-efficiency modular online UPS systems, resulting in approximately 18% energy saving for automatic power factor and harmonics control in the electrical system, to improve power quality and reduce losses

Renewable Energy Initiatives:

Carbon Offsets: As part of our three-pronged strategy towards carbon neutrality, having invested heavily in energy efficiency, and renewable energy, we have worked on carbon offset projects for offsetting emissions that were beyond Persistent's control.

We have a dedicated team to undertake Green Initiatives and work on those projects

a. Rooftop Solar Plants –
Installed rooftop solar plants with a combined capacity of 2 MW, generating 19,04,900 kWh of renewable energy

b. Installed 2 windmills with capacity of 2.1 MW each generating 3,651,547 kWh together

Customer Experience, Operational Excellence on Green Activities

\ Employees feel proud of belonging to a green company and volunteer more for green initiatives like tree plantation, tree maintenance & society awareness related to sustainability

\ LED lighting has improved the ambiance and freshness of the workplace

\ Persistent has captured the impact due to their operations on GHG emissions and reviewed after every six months. Also, active efforts are taken to reduce the GHGs annually, details of which have been shared in earlier paragraphs, we are one of the rare IT companies certified for ISO 14064: 2018 (GHG Monitoring and Reduction) standard

\ Organization-level emission declared on CDP Portal (https://www.cdp.net/en). This is a huge transparency initiative for all our stakeholders – investors, shareholders, customers, employees, vendors, etc.

\ Organization-level ESG-related response submitted to S&P Global Corporate Sustainability Assessment(CSA) (https://portal.csa.spglobal.com) and now we are a proud participant of CSA

\ Ozonates improved indoor air quality and higher oxygen levels, clearly felt by inmates as well as visitors. We are the very few IT companies to have this feature installed in our AC systems

\ Periodic checking of indoor air quality to verify the various parameters in the workplace

\ We are one of the very few IT companies to have solar panels on almost all our rooftops and to own two 2.1 MW windmills

\ By incorporating efficient & reliable Solar PV Generation projects and two windmills we have added to financial performance aspects while meeting environmental and social dimensions

\ In addition, also installed Solar panels at Pune and Hyderabad Railway Stations and Tarachand Hospital Pune, Swaroop Vardhini, Pune, Matruseva Sangh, Nagpur, Saraswathi Vidya Mandir, Pune, Suhrud mandal, Pune under CSR activity

\ Energy and water conservation, the plastic-free campus is ingrained in day-to-day operations

\ We have involved employees in environmental awareness campaigns and actions under the banner "Towards Sustainable Tomorrow" which includes energy monitoring and saving methods at home, promoting renewable energy at home/ societies, composting, water saving, and other initiatives. The campaign is run by a voluntary group of women leaders named "Aspire". Employees involved in tree plantation drives and also in community development and education-related projects through Persistent Foundation

\ Employees contribute regularly to Tree Plantation and other green initiatives

\ Appreciation from NASSCOM for Green IT Initiatives in Pune city

\ Transport and travel operational efficiency and cost reduced due to optimization of business travel and local bus routes of employee transport, which also contributed to a substantial reduction of CO2e

\ Insistence on eco-friendly and high-efficiency products, is promoting vendors with such products

\ Our Corporate Office -"Bhageerath", at Pis an "IGBC PLATINUM" certified under the "Green Interiors" category. We also have applied for similar IGBC and LEED certification of our new building 'Ramanujan' at Blue Ridge Township, Hinjawadi, Pune

E. Other Disclosures

Corporate Governance

A separate Report on Corporate Governance with a detailed compliance report as stipulated under the Listing Regulations and any other applicable law for the time being in force form an integral part of this Report.

Compliance Certificate from the Practicing Company Secretary regarding the compliance of conditions of Corporate Governance as stipulated in the Listing Regulations forms an integral part of this Annual Report.

Management Discussion and Analysis

Report on Management Discussion and Analysis as stipulated under the Listing Regulations and any other applicable laws for the time being in force based on audited consolidated financial statements for the Financial Year 2022-23 forms an integral part of this Annual Report.

Business Responsibility and Sustainability Report

Business Responsibility and Sustainability Report as stipulated under the Listing Regulations and any other applicable law for the time being in force describing the initiatives taken by the Management from an environmental, social, and governance perspective form an integral part of this Annual Report.

Risk Management Policy

Report on Risk Management based on the risk management policy developed and implemented at your Company for the Financial Year 2022-23 forms an integral part of this Annual Report.

Vigil Mechanism (Whistleblower Policy)

The details of the vigil mechanism (whistleblower policy) are given in the Report on Corporate Governance forming part of this Annual Report. Your Company has uploaded the policy on its website at Whistle Blower Policy | Persistent Systems

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

Your Company has an Anti-Harassment Policy in place which is in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (the 'Act' for this section). All employees (permanent, contractual, temporary and trainees) are covered under this policy.

Your Company has gone beyond the intention of the law and has made this policy applicable for both, aggrieved men and women employees unlike the contents of the law. Your Company follows this practice as a part of equal employment opportunity including the gender equality.

Your Company has constituted an Internal Complaints Committee(s) (ICC) across all Company locations in India and abroad to consider and resolve all sexual harassment complaints reported to this Committee. The constitution of the ICC is as per the Act and the Committee includes an external member from NGOs with relevant experience at India locations. The Ethics Committee at the global locations acts in the capacity of Internal Complaints Committee where the local laws over there do not enforce the constitution of such committee.

During the year under report, your Company has received (2) two complaints of sexual harassment and (1) one complaint of harassment of non-sexual nature which were immediately addressed and resolved by following the due process. As on March 31, 2023, there were no pending cases of sexual harassment in your Company.

Secretarial Standards

The Ministry of Corporate Affairs notified the Secretarial Standard on Meetings of the Board of Directors (SS–1), Secretarial Standard on General Meetings (SS–2), Secretarial Standard on Dividend (SS–3) and Secretarial Standard on Report of the Board of Directors (SS-4).

Your Company complies with Secretarial Standards and guidelines issued by the Institute of Company Secretaries of India (ICSI).

Other Certifications

The details about the other ISO and Partnership certifications for technical processes and systems are provided in Annexure E to this Report and forms an integral part of this report.

Information Security

Your Company maintains a matured Information Security Management System with Policies, Processes and Controls to minimize the Cyber Security Risks. The governance and management of security compliance and risk is reviewed periodically. Persistent development centers are certified under ISO 27001, ISO 27017, ISO 27018, ISO 27701, ISO 22301, and SOC 2 Type II.

Your Company management is focused on cyber resilience and provides all the necessary budgets as needed to build a robust cyber resilience. Your Company's Global IT and Information Security team has taken a holistic and comprehensive approach to address the need of securing the employees' laptops, the corporate network and confidential data against inadvertent and malicious attacks, including the customer-specific security requirements.

Specific steps include allocation of secure laptops to every employee, installation of disk encryption, next generation antivirus solution, enhanced data leakage prevention solutions, implementation of Multi Factor Authentication, Secure and governed internet access, and Zero Trust Model to ensure cyber resiliency. The emailing solution is equipped with advance anti Phishing functionality ensuring a secure channel of communication through email.

Your Company has implemented a robust disaster recovery process with a well-articulated cyber resilience playbook substantiated by a cloud DR. The data backup is fully secure from any ransomware attack ensuring data availability when it is needed. The periodic DR drills ensure the functionality and availability of the critical services. Your Company has a dedicated focus on spreading information security awareness through mandatory trainings and periodic phishing simulations to assess the effectiveness of the trainings.

Your Company believes that security is an ongoing activity, and as Persistent evolves and expand its business, all stakeholders can rest assured that Persistent will continue to improve Its security posture to ensure continuous compliance.

Subsidiary Companies, Associate Companies and Joint Ventures

During the year under Report, your Company along with its wholly owned subsidiaries acquired the following entities:

1\ Persistent Systems Limited, India acquired 100% shares of MediaAgility India Private Limited on April 29, 2022.

2\ Persistent Systems Inc., USA, wholly-owned subsidiary of your Company acquired 100% shares of MediaAgility Inc., USA on May 4, 2022 and resultantly, acquired its subsidiaries in the UK, Mexico, and Singapore as well.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing the salient features of financial statements of the Company's subsidiaries in Form No. AOC-1 is attached to the financial statements of the Company.

Further, pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, consolidated financial statements along with relevant documents and separate audited financial statements in respect of subsidiaries, are available on the Company's website at https://www.persistent.com/investors/

The Policy for determining material subsidiaries of your Company is available on your Company's website at https://www.persistent.com/investors/policy-on-material-subsidiary/. According to the said Policy, Persistent Systems Inc., USA is the material subsidiary of your Company.

Infrastructure

Your Company has adopted the hybrid working model. During the Financial Year 2022-23, the total built-up capacity owned by your Company in India and abroad was 128,368 m^2 which is adequate for 10,000+ employees.

The details of owned facilities of your Company are as follows::

Location	Year of Acquisition/Completion	Total Built-up Area (m^2)	Total Seating Capacity (Nos)
Pune			
1\ Bhageerath	2002	12,170	596
2\ Aryabhata–Pingala	2007	31,680	2,644
3\ Veda Complex, Hinjawadi	2012	41,446	3,197
4\ Ramanujan, Hinjawadi	2023	14,021	1,348
Goa			
1\ Charak	1997	3,280	313
2\ Bhaskar	2014	3,762	411
Nagpur			
1\ IT Tower	2003	3,708	352
2\ Gargi and Maitreyi	2011	17,279	1,183
Grenoble, France	2000	1,022	50
Total		128,368	10,094

Along with your Company owned premises, your Company also operates from leased facilities in Australia, Canada, Costa Rica, France, Germany, India, Malaysia, Mexico, Poland, Scotland, Sri Lanka, Switzerland, UK and USA.

Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format (MGT-7) for the Financial Year 2022-23 is available at https://www.persistent.com/wp-content/uploads/2023/06/annual-return-2023.pdf

Other Matters

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under report:

1\ Dr. Anand Deshpande, Chairman and Managing Director and Mr. Sunil Sapre, Executive Director and Chief Financial Officer of your Company have not received any remuneration or commission from any of the subsidiaries.

2\ Mr. Sandeep Kalra, Executive Director and Chief Executive Officer has received remuneration from Persistent Systems Inc., USA in addition to remuneration received from your Company.

3\ No significant or material orders were passed by the Regulators or Courts or Tribunals impacting your Company's going concern status and operations in the future.

4\ There are no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at the end of the financial year, nor has the Company done any one-time settlement with any Bank or Financial Institutions.

Awards and Recognitions during the Financial Year 2022-23

Your Company received several prestigious awards and recognitions in various categories such as (1) Technology, (2) Corporate and (3) People. Brief details of these awards are uploaded on your Company's website at Awards and Recognitions | Persistent Systems.

Highlights of these are also available in the 'Corporate Information' section of this Annual Report.

Directors' Responsibility Statement

Your Directors state that:

1\ In preparation of the annual accounts, the applicable Accounting Standards have been followed and there is no material departure;

2\ Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2023 and of the profit of your Company for that year;

3\ Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities, if any;

4\ The annual accounts have been prepared on a going concern basis;

5\ Your Directors, had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively;

6\ Your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Future Outlook

Macroeconomic headwinds, global unrest and rising operational costs continue to impact companies' ability to invest, innovate and grow. Many are experiencing declining revenues, lower margins, decreasing company valuations and substantial layoffs, and the current economic climate indicates that this instability will remain throughout the year.

With this economic uncertainty, business leaders are taking deliberate steps to streamline operations, control corporate spending and optimize product development. They also remain committed to making investments to accelerate innovation and uncover new avenues to revenue growth by reprioritizing product portfolios, enhancing go-to-market activities, entering new markets and vertical industries, accelerating product creation and capitalizing on major technology trends such as Generative AI, intelligent automation, cybersecurity and cloud. They're looking to collaborate with a trusted partner that demonstrates a proven track record of generating customer growth and optimized service delivery that can help them achieve these goals and adapt to an everchanging market.

Given this challenging environment, we are well prepared and strongly positioned to help new and existing clients navigate these turbulent times and implement their tactical and strategic plans. During the last three years of our journey to $1 billion in annualized revenue, we have future-proofed and embedded resiliency into our organization, and we will continue to adjust our operations to ongoing economic, market and technology shifts.

Our clients are among the world's premier brands across a wide array of vertical industries. We engage with leading experts in their respective fields and markets and continuously apply learnings from our various collaborations to our own operations and service delivery. We work in the most relevant areas of technology, utilizing and developing innovative products and solutions so our customers can endure and thrive. Our partner ecosystem continues to expand with hyperscaler partners, leading start-ups and dominant vertical industry players as we co-develop new IP and products that can generate growth and reduce costs for our customers.

As we enter the next phase of our growth journey, we will continue to enhance our 22,750+ global workforce to remain at the forefront of technology trends and keep our clients ahead of future challenges. We will continue initiatives to diversify our talent mix and our onshore, nearshore and offshore presence to meet client demands, and expand our footprint in key markets in Europe and Asia Pacific while continuing our North America focus. We will focus on culture, diversity and learning and development in our workforce, while also maintaining our commitment to the highest standards of ethics, integrity and social responsibility.

We repeatedly demonstrate to our existing clients and new prospects that we're a trusted growing partner with operational rigor that can provide guidance for turbulent times. We're incredibly optimistic about our ability to propel our Digital Engineering leadership to new heights, beyond $1 billion in revenue, for the betterment of our clients, investors, employees and partners.

Acknowledgments and Appreciation

Your Board places on record the support and wise counsel received from the Government of India, particularly the Department of Electronics and Information Technology, the Ministry of Corporate Affairs, the Ministry of Finance, the Ministry of Commerce and Industry, the Reserve Bank of India and the Securities and Exchange Board of India throughout the financial year.

Your Board extends its sincere thanks to the officers and staff of the Software Technology Parks of India - Pune, Nagpur, Goa, Mumbai, Ahmedabad, Indore, Bengaluru and Noida, Visakhapatnam Special Economic Zone – Telangana, SEEPZ Special Economic Zone – Mumbai, Cochin Special Economic Zone, Central Tax and Customs Department, Department of Revenue, Income Tax Department, Department of Electronics, Director General of Foreign Trade, Ministry of Industries, Government of Maharashtra, Director of Industries, Inspector General of Registration, Maharashtra Pollution Control Board, Goa Pollution Control Board, Central Pollution Control Board, Department of Shops and Establishments, Department of Telecommunication, Ministry of Commerce and Industries, Ministry Of Electronics and Information Technology, Department of Commerce (SEZ Section), Regional Director of Western Region, Registrar of Companies, Maharashtra, Pune, Goods and Service Tax Department, Infotech Corporation of Goa Limited, Goa Industrial Development Corporation, Madhya Pradesh State Electronics Development Corporation Ltd., National Stock Exchange of India Limited, BSE Limited, Central Depository Services (India) Limited, National Securities Depository Limited, Local Municipal Corporations and Gram Panchayats where Company operates, Maharashtra State Electricity Distribution Company Limited, Telangana (erstwhile Andhra Pradesh) State Electricity Board, Telangana State Industrial Infrastructure Corporation, Maharashtra Industrial Development Corporation, Karnataka Industrial Development Corporation, BSNL and Internet Service Providers, District Administration and State Police departments, Export Promotion Councils, Maharashtra Airport Development Corporation Limited, Development Commissioner, MIHAN (SEZ).

Your Board also extends its sincere thanks to M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors; M/s. Joshi Apte & Co., Chartered Accountants, Tax Auditors; M/s. SVD and Associates, Company Secretaries, Secretarial Auditors; Trustees of Persistent Foundation; wing of Ernst & Young LLP, providers of Compliance Manager Tool and AICL Communications Ltd, ESG Consultants; for their services to your Company.

Your Board also extends its thanks to Axis Bank, Banco Nacional - Costa Rica, Banco Nacionalde Mexico S. A., Bank of Baroda, Bank of India, Bank of Tokyo-Mitsubishi, Barclays Bank, BNP Paribas, BNY Mellon WealthManagement, Canara Bank, Citibank NA, CommonWealth Bank, Deutsche Bank, First National Bank, HDFC Bank, Hongkong and Shanghai Banking Corporation, Silicon Valley Bank, Union Bank of India, VR-Bank Ismaning Hallbergmoos Neufahrn eG, Wells Fargo Bank, Zürcher Kantonal Bank and their officials for extending excellent support in all banking-related activities.

Your Board places on record its deep sense of appreciation for the committed services of the associates of your Company at all levels.

Your Board thanks Members for placing immense faith in them.

Your Board takes this opportunity to express its sincere appreciation for the contribution made by the employees at all levels of your Company. The consistent growth was made possible by their hard work, solidarity, cooperation, and support.

For and on behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN:00005721

Mumbai, June 6, 2023

Annexure A to the Report of the Directors

Form No. MR-3

Secretarial Audit Report

For the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014
and
[Pursuant to Regulation 24A of Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To
The Members
Persistent Systems Limited
'Bhageerath', 402 Senapati Bapat Road
Pune 411016

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Persistent Systems Limited**, CIN L72300PN1990PLC056696 (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

i. The Companies Act, 2013, as amended from time to time (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements), Regulations,2018 **(not applicable to the Company during the audit period);**

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(not applicable to the Company during the audit period)**;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(not applicable to the Company during the audit period)**;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation 2021 **(not applicable to the Company during the audit period)**; and

h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 **(not applicable to the Company during the audit period)**

vi The management has identified and confirmed the compliances of the following laws as Specifically applicable to the Company:

a. The Special Economic Zone Act, 2005 and the rules made thereunder;
b. The Information Technology Act, 2000 and the rules made thereunder;
c. Policy related to Software Technology Parks of India and its regulations;
d. The Foreign Trade Policy (EXIM Policy) and procedures thereunder;
e. Foreign Trade (Development and Regulation) Act, 1992;
f. The Patents Act, 1970;
g. The Indian Copyright Act, 1957;
h. The Trade Mark Act, 1999 and the rules made thereunder

We have also examined compliance with the applicable clauses and regulations of the following:

i. Secretarial Standards issued by The Institute of Company Secretaries of India.

ii. The Listing Agreement entered into by the Company with Stock Exchange pursuant to Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendments thereto.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to following observation:

1. *Disclosure of appointment of Mr. Sandeep Kalra as Executive Director given to stock exchange on June 07, 2022 does not include the affirmation about non-debarment required as per the SEBI instructions Letter to the Exchanges dated June 14, 2018 read with BSE circular no. LIST/COMP/14/2018-19 and NSE circular no. NSE/CML/2018/02 both dated June 20, 2018.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out with requisite majority as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be and there are no dissenting views mentioned by the members of the Board of Directors.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events / actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that during the audit period:

1. The Company has acquired Mediaagility India Private Limited consequent to which it has become a Wholly Owned Subsidiary of the Company w.e.f April 29, 2022. Further MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore ('affiliates'), have become Wholly Owned Subsidiaries of Persistent Systems Inc., USA, a wholly-owned subsidiary of Persistent Systems Limited, with effect from May 4, 2022.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664

Date: June 06, 2023
Place: Pune

Peer Review number: P2013MH075200
UDIN: F006156E000454153

*Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as **Annexure A** and forms an integral part of this report.*

Annexure A to Secretarial Audit Report issued by Company Secretary in Practice (Qualified/Non-qualified)

To,
The Members,
Persistent Systems Limited,
Bhageerath 402, Senapati Bapat Road,
Pune 411016.

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1\ It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2\ Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

3\ We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

4\ We have physically verified the documents and evidences and also relied on data provided through electronic mode to us.

5\ Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

Disclaimer

6\ The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7\ We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664

Date: June 06, 2023
Place: Pune

Peer Review number: P2013MH075200
UDIN: F006156E000454153

Annexure B to the Report of the Directors

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1\ Details of contracts or arrangements or transactions not at arm's length basis:

Persistent Systems Limited (the 'Company') has not entered into any contract / arrangement / transaction with its related parties which is not in ordinary course of business or at arm's length during Financial Year 2022-23.

a. Name(s) of the related party and nature of relationship: Not Applicable

b. Nature of contracts/arrangements/transactions: Not Applicable

c. Duration of the contracts/arrangements/transactions: Not Applicable

d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable

e. Justification for entering into such contracts or arrangements or transactions: Not Applicable

f. Date(s) of approval by the Board: Not Applicable

g. Amount paid as advances, if any: Not Applicable

h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

2\ Details of material contracts or arrangement or transactions at arm's length basis:

There were certain transactions entered into by the Company with its foreign subsidiaries and other parties who are related within the meaning of Indian Accounting Standard (Ind AS) 24 and Section 188 of the Act. Attention of Members is drawn to the disclosure of transactions with such related parties set out in Note No. 33 of the Standalone Financial Statements, forming part of this Annual Report.

For and on behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN:00005721

Mumbai, June 6, 2023

Annexure C to the Report of the Directors

A. Details of the Remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

1\ The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2022-23 (₹ Million)	% increase in Remuneration in the Financial Year 2022-23	% increase in remuneration in the Financial Year 2022-23* (excluding perquisite value of stock options exercised during the year)	Ratio of remuneration of each Director to median remuneration of employees	Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive)	Comparison of the remuneration of the KMP against the performance of the Company
	Executive Directors and KMPs						
a.	Dr. Anand Deshpande Chairman and Managing Director India	36.40	13.96%	NA	29.12	NA	
b.	Sandeep Kalra Executive Director and Chief Executive Officer, USA	616.56^^	31.55%	21.27%			
	Ratio of remuneration to median remuneration of employees located in						
	India				495.23	104.83	The increase in revenue was 46.2% and in Profit After Tax was 33.4%
	USA				54.81	11.60	
c.	Sunil Sapre Executive Director and Chief Financial Officer India	102.18	13.27%	14.45%	81.74	15.54	
d.	Amit Atre Company Secretary India	9.44	31.66%	20.10%	7.55	3.82	
	Non-Executive Directors						
e.	Roshini Bakshi Independent Director	4.63	13.48%	NA	3.70	NA	
f.	Pradeep Bhargava@ Independent Director	1.55	NA	NA	1.24	NA	
g.	Avani Davda Independent Director	4.73	498.73%	NA	3.78	NA	
h.	Guy Eiferman@ Independent Director	1.40	NA	NA	1.12	NA	

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2022-23 (₹ Million)	% increase in Remuneration in the Financial Year 2022-23	% increase in remuneration in the Financial Year 2022-23* (excluding perquisite value of stock options exercised during the year)	Ratio of remuneration of each Director to median remuneration of employees	Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive)	Comparison of the remuneration of the KMP against the performance of the Company
i.	Dr. Anant Jhingran$ Independent Director	2.72	NA	NA	2.18	NA	
j.	Praveen Kadle Independent Director	5.03	20.05%	NA	4.02	NA	
k.	Thomas Kendra@ Non-Independent Non-Executive Director	1.40	NA	NA	1.12	NA	
l.	Prof. Deepak Phatak Independent Director	4.40	13.40%	NA	3.52	NA	
m.	Mr. Arvind Goel# Independent Director	3.46	NA	NA	2.77	NA	
n.	Dr. Ambuj Goyal# Independent Director	3.41	NA	NA	2.73	NA	
o.	Mr. Dan'l Lewin** Independent Director	3.23	NA	NA	2.58	NA	

* The Directors/KMPs against whom NA is mentioned, did not exercise/were not eligible for ESOPs.
# Appointed as an Independent Director w.e.f. June 7, 2022.
** Appointed as an Independent Director w.e.f. June 10, 2022.
@ Retired / resigned as a Director w.e.f. July 19, 2022.
$ Retired as an Independent Director w.e.f. November 20, 2022.
^^ The remuneration also includes remuneration paid from Persistent Systems Inc., USA

1\ Remuneration to KMPs includes fixed pay, variable pay, retiral benefits and the perquisite value of stock options exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961. Accordingly, the value of stock options granted during the period is not included. Independent directors are not entitled to any stock options effective from April 1, 2014.

2\ The median remuneration of employees of the Company during the Financial Year 2022-23 was ₹ 1,245,024

3\ The median remuneration of employees of Persistent Systems Inc. during the Financial Year 2022-23 was USD 136,928 (Equivalent ₹ 11.25 Million approx.), which has been considered to compute the ratio for Executive directors/KMPs to whom remuneration was paid from a subsidiary incorporated in the USA.

4\ In FY 2022-23, the median remuneration of employees is almost flat compared to previous year.

5\ The average annual increase was around 10.4% in India. However, during the course of the year, the total increase is approximately 12%, after considering promotions and other event-based compensation revisions. Employees outside India received a wage increase of about 4.6%.

The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects the Company's performance, the performance pay is also linked to organization performance.

6\ As on March 31, 2023, there were 19,548 permanent employees who were on the payroll of the Company (in standalone basis)

7\ It is affirmed that the remuneration paid, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other senior management employees.

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Report of the Directors

B. The list of top 10 employees posted in India who were employed through the Financial Year and received a remuneration of ₹ 10.2 Million or above p.a. OR the employees posted in India who were employed for a part of the Financial Year and received remuneration of ₹ 0.85 Million p.m. under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014::

Sr. No.	Name	Designation	Salary and allowance (₹ Million)	Value of perquisites for stock options exercised (₹ Million)	Total remuneration (₹ Million)	Qualification	Experience in years	Date of Commencement of employment	Age in years (Approx.)	Last employment before joining the company	% of Equity Shares held
1\	Sunil Sapre	Executive Director and Chief Financial Officer	19.74	82.77	102.50	Chartered Accountant	34	29-Jun-15	58	L&T Infotech	0.09
2\	R Venkateswaran	Executive Management Member	71.62	61.08	71.62	Ph.D. (Comp. Science)	31	9-Dec-02	56	Lucent Technologies	0.02
3\	Mukesh Agarwal	Chief Planning Officer	52.61	40.95	52.61	B.E.	28	3-Jul-95	50	Veteran from Persistent	0.05
4\	Shreekanth Joshi	Vice President - Engineering	45.96	38.26	45.96	M.S. (Electrical)	26	1-Jan-03	49	Minerva Networks	0.01
5\	Apoorva Singh	Chief Delivery Officer	43.01	27.34	43.01	B.Tech., MBA	28	14-Dec-20	54	Mu Sigma	0.00
6\	Sameer Dixit	Senior Vice President - Engineering	41.71	30.85	41.71	B. E. (Ele. & Comm.)	34	2-May-06	49	Nagpur Motors Private Limited	0.03
7\	Suresh Prabhu	Chief Delivery Officer	40.01	17.29	40.01	B.E., MBA	32	7-Jun-21	55	Epicor Software	0.01
8\	Anand Krishnan	Head - Presales & Solutions	37.25	26.23	37.25	MBA (Systems)	24	25-Sep-19	47	Harman Connected Services	0.01
9\	Dr. Anand Deshpande	Chairman and Managing Director	36.40	-	36.40	B. Tech. (Hons.), M.S. Ph.D.	35	19-Oct-90	60	Hewlett-Packard	29.93
10\	Shailesh Wadhankar	Vice President - Engineering	33.26	25.26	33.26	B.Tech. (Chemical)	26	26-May-08	48	Infosys tech Ltd.	0.01

The aforementioned are the Regular Employees of the Company and none of them is a relative of any director or manager of the Company.

The above table gives particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 who are deputed in India. The details of remaining employees who are not deputed in India are open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

For and on behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN:00005721

Mumbai, June 6, 2023

Annexure D to the Report of the Directors

It really matters when you reciprocate to society, give back!

1\ A brief outline of the Company's CSR policy, including an overview of projects or programs proposed to be undertaken and a reference to the web link to the CSR policy and projects or programs.

The Board of Directors of your Company has formulated the CSR Policy of your Company to provide a guideline for the Company's CSR activities. The CSR Policy is also uploaded on your Company's website at csr-policy.pdf (persistent.com)

The Company's CSR Policy highlights that the need for contributing to the society is very large and your Company can make a more significant contribution by staying focused on a few areas through its social initiatives.

Sustainability, consciousness, actions on the environment and climate change awareness, and contributions to reducing social imbalance are the cornerstones of your Company's Corporate Social Responsibility.

Your Company conducts business in a sustainable and socially responsible manner. This principle has been an integral part of your Company's corporate values for more than two decades. Your Company is committed to the safety and health of employees, protecting the environment and the quality of life in all regions in which your Company operates.

To institutionalize the CSR initiative of your Company and to develop a systematic approach to administering the process of grant of donations, your Company formed a Public Charitable Trust by the name 'Persistent Foundation' in the Financial Year 2008-09.

A little help goes a long way. The story of Persistent Foundation stands as proof of this. Since 2009, the helping hand of the Foundation has been trying to make communities and individuals stand on their feet. The Foundation started with a humble purse of a few lakhs which gradually increased to ₹ 110 Million as your Company grew in size and revenue.

During its April 2023 meeting, the Board of Directors of your Company considered the need to add one more focus area and accordingly, approved the addition of 'Wildlife and Heritage Conservation' as the 4th focus area. Resultantly, the amended CSR policy recommends that your Company should encourage Persistent Foundation to contribute in the following focus areas:

1\ Health
2\ Education
3\ Community Development
4\ Wildlife and Heritage Conservation

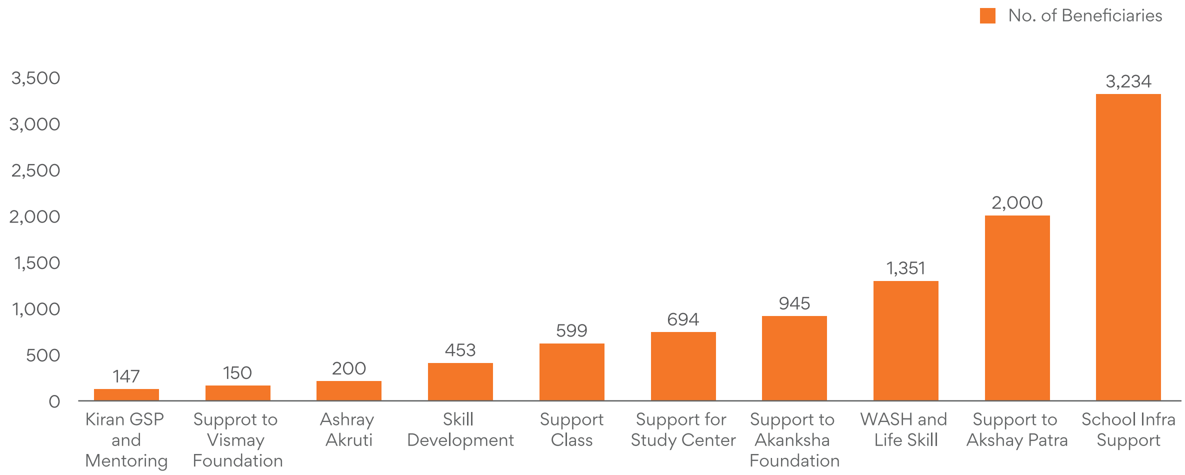
Projects and programs undertaken

The COVID - 19 has left a long-lasting impact on the lives of the people. The reverse migration was prominent during COVID - 19 and people in the rural areas were back to their villages and were looking for survival by either doing farming or taking up odd jobs. Education of children in the rural areas was majorly affected as there was no provision to attend the online classes and the teachers were using innovative methods of the reaching out to the children and keep them connected to studies.

Livelihood of the middle class and lower middle class was impacted to a level that their dependency was on the free food and ration kits given by government and organizations.

Persistent Foundation has done its interventions in Health, Education and Community Development. Urban and rural areas were supported through different partners.

A. **Education – Aiming at improving infrastructure and quality of education**
11 projects | 5 locations in India | 11 schools & 15 NGO partners | 7,623 students



The after effects of the COVID-19 pandemic results into disconnect among the students as many students had to discontinue their education. Due to the unavailability of smart phones and internet in the rural areas, the students could not continue their studies. The learning levels of the students with whom Foundation works, came down drastically and an immediate need of intervention was identified by Schools and study center.

Support Class – With an objective to develop conceptual clarity and comprehensive understanding of Maths, Science and Languages additional sessions are conducted for grades 7th to 10th with the help of designed content and workbooks. In this program, we have 5 schools supporting 599 students. Along with Pune the program was launched in Nagpur this year. These sessions are conducted on a daily basis in the school. We have 18 teachers in the program who have conducted 3,072 sessions in the school for all subjects. The program is designed on the results of pre assessment of the students.

Increase of 28.4% in students who can read stories in English, 2 % increase for Marathi, and 41.57% increase in students who can do division operations in Mathematics.

Parameters used for language assessment - Ability of a student to identify and read words, letters, sentences, paragraphs, story.

Parameters used for Mathematics assessment- Difficulty in identification of numbers and symbols, ability to identify and do One Digits Math Operations, ability to identify and do Two Digits Math Operations, ability to do subtraction operations, ability to do Division operations

Support for after School study center at Pune and Hyderabad, supporting 671 students from 17 centers. These centers are focusing on holistic development of the children.

Integrated School Development Program for Hearing impaired students was conducted at 2 centers at Hyderabad with 200 students. The focus was on quality education, computer training, therapy, provision of hearing and evaluation services and input for speech, language and auditory.

Along with the education and life skills there is need of good infrastructure and facilities at the schools. Persistent Foundation supported all the schools based on the infra requirements like refurbishment of toilets, providing science lab equipment, sports equipment, rooftop solar power plants, construction of boy's hostel, support for benches and support for classroom aids.

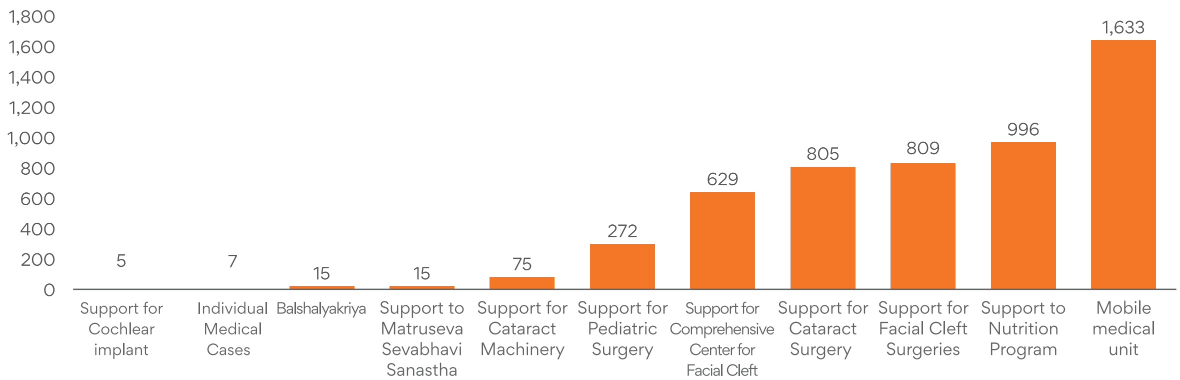
Skill development among the youth of the country is need of the hour as many youths are interested in Skill based training and earning their livelihood. Persistent Foundation supported 453 youth with 7 different Skill Development courses which can give them employment opportunities. Many students are now placed in respectable jobs, some have started their own start up and some are doing advanced training sessions.

Kiran Girls Scholarship and Mentoring program continues to be a flagship program. Presently, 152 girl students have been onboarded under this program. This year three mentoring programs were conducted in which 106 students have participated. During the year under review, 46 girls have passed and out of those 33 girls have got placed. The highest package is ₹ 28 lakhs per annum. 3 girls from the program were supported for their special needs. For 1 girl due to a family medical emergency, 3 months of family expenditure was supported and for another girl, her 5th year fee where the course had a component of the research was paid and for the third girl counseling services were provided.

Special project to support education institutes under comprehensive Village Development Program, a seven-seater van was provided for easy transport for students in the tribal areas and one Zilla Parishad School was supported by construction of toilet block conserving the need of separate toilet for girls in the school.

Persistent Foundation supported mid-day meal program for 2,000 children from 21 schools from Hyderabad, 2 community libraries were supported at Nagpur and 945 children from 6 NMC Schools were supported for educational material at Nagpur.

B. Health – Providing Support for Curative Health Care to Improve Quality of Life
Implemented at 5 locations | Partner Organization 7 | 11 projects | 5,261 beneficiaries



Support for Comprehensive care for Facial Cleft and palate surgeries continues to be a flagship program.

Despite COVID, the Foundation was able to reach out to 809 children and have supported 4 centers. Through these centers, they provide support for nutrition, speech therapy dental treatment, and follow-up services are provided.

Persistent Foundation focuses on supporting pediatric and geriatric health working with different health partners across locations. The following surgeries were supported across locations:

- 5 children were supported for cochlear implant
- 7 individual medical cases were supported
- Balshalyakriya (Pediatric surgery Camp) mission 2023 – 15 supra major surgeries were supported
- 15 bed-ridden elderly were supported through Matruseva Sevabhavi Sanstha
- 75 patients were supported through the Cataract machinery donated
- 805 elderlies were supported for cataract surgery
- 272 children were supported through Minor surgeries of Hernia/ Hydrocele/ Phimosis/ Orchiopexy
- 629 patients were supported through the comprehensive center for facial cleft
- 809 facial cleft surgeries were supported
- 996 SAM/MAM children supported through a nutrition program with the help of Anganwadis.
- 1,633 elderly were supported through the Mobile medical unit for addressing their medical issues related to BP, Diabetes

C. Community Development – Contributing to the Area of Environment and Livelihood
4 Projects | 4 locations in India

Community Development, regular project at Koyama, village - Wanjole

In partnership with Wildlife Research and Conservation Society, 8,050 trees were planted and 5,370 trees were nurtured at Koyama village. Persistent Foundation supported for building a nursery of 50,000 sapling which are ready for sale which will help the NGO to become self-sustainable.

Highlights –

\ The village is now tanker-free as the increased water level of wells is adequate for drinking. Sample of 10 open wells was selected to measure the water table. The average water availability has gone up from 6,105 liters to 42,887 liters post-watershed development work.

\ The second crop is now assured as it can be irrigated 2-3 times as required, increasing the likelihood of better yield. Some may even go for the third crop in the summer.

\ Drip irrigation and sprinkler systems were provided at subsidized rates to willing farmers. This has reduced the volume of irrigation and ensured targeted and efficient water use.

\ The report mentions that the average income of the farmers has gone up from ₹ 365,000 to ₹ 547,000. This is an increase of 66%.

\ Fodder availability is expected to increase by 68% after the adoption of improved practices. These are estimated figures.

\ 125 farmers have installed solar traps and 54 farmers have gone for beekeeping.

\ 54 Biogas units were installed and are operating very well.

Comprehensive Watershed Development project:

Comprehensive Watershed Development project, implemented at Bhavadi village, Ambegaon district, Pune, in Partnership with Bhartiya Agro Industries Foundation.

Refurbished Laptop Program:

Schools, Partner organization and Kiran Girls Scholars were handed over the refurbished systems.

Laptops donated	203
CPUs Donated	359
No. of Desktops	707
Office Chairs	223
Office Assets	63
Computer table	75

Solar power projects were done at Nagpur and Pune. At Nagpur, Matru Sewa Sangh Hospital was provided with 30 Kwp plant and is smoothly functioning. At Pune 3 solar power plants were installed.

More than 220 individuals from 6 villages in Velhe, Pune were supported for livelihood project – Eklavya Bamboo Artisanship. The individuals were trained on Bamboo production, soft skills, marketing & presentation & food production. The individuals underwent 4 different trainings to learn 20 types of food products and 40 bamboo products.

Under the project Econplast recycling of 40 tons of plastic was done without heating treatment to make concrete products . Persistent Foundation has supported the entire recycling process and now Econplast has purchase orders from PMC and other big companies. They have started a similar project at Nagpur supported by TASL.

Maya Care in support with Persistent Foundation has reached out to 5 old age homes and helped 235 old people.

Persistent Foundation along with Tree Innovative Foundation supported for mission Urja project implemented at Ghelani, Velhe, Pune. During the months of monsoon, July - Sept 2022, 6160 kwh unit of power was generated and 49 households were supported.

Covid Relief Work

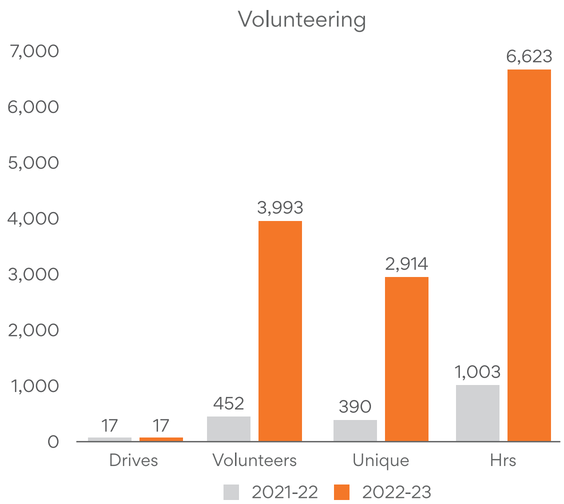
Implemented at – 2 locations | Partner organization – 4 | Reach out to 150 families
*All students are part of our education project, hence not calculated here

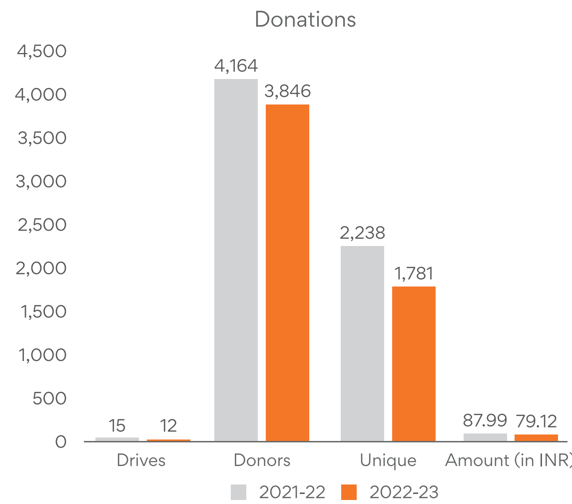
As part of COVID support program, entrepreneurship training was imparted to 150 families and 50 families were supported with seed funding. Mentor health program at Schools and Study center benefitted 265 students. Unit wise practice papers for secondary grades were provided to 2,200 students.

434 students were given hygiene kits as part of WASH project at Gurukul Ashram Shala Udasa and 963 students benefitted from Bridging the Learning Gaps projects.

Employee Engagement

Details of Year-on-Year Comparison for FY 2021-22 and FY 2022-23





Various employee Engagement activities were conducted across the location to make the employees understand Persistent Foundation's projects, beneficiaries and stakeholder. This is an opportunity where employees get to interact with the communities and students.

More details on the CSR Policy and projects are available on the Company's website at:
Corporate Social Responsibility | Persistent Systems

2\ Composition of the CSR Committee

The Board of Directors of your Company has constituted the CSR Committee to help the Company to frame, monitor, and execute the CSR activities of the Company under its CSR scope. The Committee defines the parameters and observes them for effective discharge of the social responsibility of your Company.

The Chairperson of the CSR Committee is an Independent Director.

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1\	Ms. Avani Davda*	Chairperson of the Committee and Independent Director	1	1
2\	Mr. Pradeep Bhargava$	Chairperson of the Committee and Independent Director	1	1
3\	Dr. Anand Deshpande	Chairman and Managing Director	1	1
4\	Prof. Deepak Phatak$$	Independent Director	1	1
5\	Mr. Arvind Goel^	Independent Director	NA	NA

* Appointed as a Chairperson of the CSR Committee upon retirement of Mr. Pradeep Bhargava, Independent Director with effect from July 21, 2022.

$ Retired at the conclusion of the 32nd AGM on July 19, 2022, upon completion of his 2nd term of 3 years of an Independent Director.

$$ Resigned w.e.f. April 2, 2023.

^ Appointed w.e.f. April 23, 2023.

3\ **Provide the web link where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the Company.**

- CSR Policy: csr-policy.pdf (persistent.com)
- Composition of the CSR Committee: Board of Directors Committees | Persistent Systems
- CSR Projects: Archives Project | Persistent Foundation

4\ **Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).**

The average CSR obligation of your Company for the last three financial years was below ₹ 100 Million. Therefore, the Company was not required to undertake an impact assessment for the projects undertaken. The Company is regularly conducting internal impact assessments to monitor and evaluate its CSR programs.

5\ **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any.**

(In ₹Million)

Sr. No.	Financial Year	Amount available for set off from the financial year	Amount required to be set off for the Financial Year 2022-23
1	2020-21	55.50	23.39

6\ Average net profit of the Company as per section 135(5) — **₹ 7,049.62 Million**

7\ a. Two percent of average net profit of the Company as per section 135(5) — **₹ 140.99 Million**

b. Surplus arising out of the CSR projects or programmes or activities of the previous financial years — **Not Applicable**

c. Amount required to be set off for the Financial Year, if any — **₹ 23.39 Million**

d. Total CSR obligation for the Financial Year 2022-23 (7a+7b-7c) — **₹ 117.60 Million**

8\ a. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ Million)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
117.60	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

b. Details of CSR amount spent against ongoing projects for the financial year: **Not Applicable**

c. **Details of CSR amount spent against other than ongoing projects for the Financial Year:**

Amounts in ₹ Lakhs

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Amount allocated for the project	Mode of Implementation — Direct (Yes/No)	Mode of Implementation — Through Implementing Agency: Name	Mode of Implementation — Through Implementing Agency: CSR Registration number
1\	Construction of school toilet block at Merawane	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	1,502,932	Yes	Persistent Foundation	CSR00002967
2\	Award for exemplary work in the field of Education	10 [(ix) (a) Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and (b) Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defense Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).	Yes	Maharashtra	Pune	1,500,000	No	Association for Computing Machinery, India	CSR00017730
3\	Kiran- Girl's Scholarship Programme	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra, Telangana, Goa, Karnataka	Pune, Nagpur, Hyderabad District, South Goa, Bangalore Urban	6,013,845	Yes	Persistent Foundation	CSR00002967
4\	Math Lab set up at Aranyeshwar school, training to school teachers and students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	23,860	Yes	Persistent Foundation	CSR00002967
5\	School Infrastructure	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra, Goa	Pune, Nagpur, North Goa	1,154,706	Yes	Persistent Foundation	CSR00002967
6\	Special Education for Hearing Impaired students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	1,941,400	No	ASHRAY AKRUTI	CSR00001517
7\	Study center	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	1,420,690	No	Seva Sahayog Foundation	CSR00000756
8\	Study center	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	1,631,300	No	Youth for Seva	CSR00000368
9\	Support Class for 9th and 10th	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune, Nagpur	2,408,540	No	Suprabhat Mahila Mandal	CSR00001592
10\	Support for Akansha Foundation at Nagpur	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Nagpur	930,000	No	Aakansha Foundation	CSR00001286
11\	Support for Mid Day Meal Program	1 [(i) Eradicating hunger, poverty and malnutrition, 2 ["promoting health care including preventinve health care"] and sanitation 4 [including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.	Yes	Telangana	Hyderabad District	3,000,000	No	Akshaya Patra Foundation	CSR00000286
12\	Support to Vidyarthi Sahayk samiti for Hostel	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune	1,176,412	No	Vidyarthi Sahayak Samiti	CSR00004583
13\	Support to Vidyarthi Sahayk samiti for Hostel	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune	237,999	Yes	Persistent Foundation	CSR00002967
14\	Support to Vismay Foundation for School van	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune	913,000	No	Vismay Foundation	CSR00007895
15\	Skill Development	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune	801,232	No	SWA-ROOPWARDHINEE	CSR00002033
16\	Skill Development	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Nagpur	904,000	No	Swami Vivekanand Medical Mission	CSR00005068

Persistent

Report of the Directors

Amounts in ₹ Lakhs

				Location of the project				Mode of Implementation — Through Implementing Agency	
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Amount allocated for the project	Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
17\	Skill Development	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Karnataka	Bangalore Urban	1,218,750	No	Deshpande Foundation	CSR00001646
18\	Skill Development	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Karnataka	Bangalore Urban	1,200,000	No	Committed Communities Development Trust	CSR00001629
19\	School Infrastructure	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Nagpur	183,640	No	Vishwa Hindu Janakalyan Parishad	CSR00012736
20\	School Infrastructure	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	70,000	No	ASHRAY AKRUTI	CSR00001517
21\	School Infrastructure	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Karnataka	Bangalore Urban	74,000	No	Sparsha Trust	CSR00002356
22\	Community Library	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Nagpur	98,000	No	Underprivileged Advancement by Youth (UPAY)	CSR00003481
23\	Bridging learning Gaps	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	140,800	No	Suprabhat Mahila Mandal	CSR00001592
24\	Sevavardhini training program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	700,000	No	Sevavardhini	CSR00000860
25\	Be a Santa	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra, Telangana, Goa, Karnataka	Pune, Nagpur, Hyderabad District, South Goa, Bangalore Urban	217,600	Yes	Persistent Foundation	CSR00002967
26\	Cyber Champ	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra, Goa	Pune, South Goa	120,488	Yes	Persistent Foundation	CSR00002967
27\	Student Sponsorship Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	120,000	No	Abhijat Education Society	CSR000113350
28\	Student Sponsorship Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	238,600	Yes	Persistent Foundation	CSR00002967
29\	Construction of boys' hostel	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Nagpur	2,170,470	No	Vishwa Hindu Janakalyan Parishad	CSR00012736
30\	Student Sponsorship Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	120,000	No	ASHRAY AKRUTI	CSR00001517
31\	School Infrastructure	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	30,000	No	ASHRAY AKRUTI	CSR00001517
32\	School Kit	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	245,900	No	ASHRAY AKRUTI	CSR00001517
33\	School Kit	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Karnataka	Bangalore Urban	152,000	No	Sparsha Trust	CSR00002356
34\	Joy of Giving	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	45,000	No	ASHRAY AKRUTI	CSR00001517
35\	Support for Individual Medical Cases	Promoting health care including preventinve health care	Yes	Maharashtra, Karnataka	Pune, Bangalore Urban	990,500	Yes	Persistent Foundation	CSR00002967
36\	Support to Mobile Medicare Unit	Promoting health care including preventinve health care	Yes	Goa	South Goa, North Goa	2,518,766	No	HelpAge India	CSR00000901
37\	Support to Nutrition Program	Promoting health care including preventinve health care	Yes	Karnataka, Telangana	Bangalore Urban, Hyderabad District	980,100	No	Sri Sathya Sai Annapoorna Trust	CSR00002081
38\	Support for Cataract	Promoting health care including preventinve health care	Yes	Maharashtra	Pune	418,857	No	Seth Tarachand Ramnath Charitable Ayurvedic Hospital Trust	CSR00005308
39\	Support for Cataract	Promoting health care including preventinve health care	Yes	Maharashtra	Nagpur	136,000	No	Swami Vivekanand Medical Mission	CSR00005068
40\	Support for Cataract	Promoting health care including preventinve health care	Yes	Telangana	Hyderabad District	400,000	No	Hyderabad Eye Institiue	CSR00001698

Report of the Directors

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Amount allocated for the project	Mode of Implementation — Direct (Yes/No)	Mode of Implementation — Through Implementing Agency: Name	Mode of Implementation — Through Implementing Agency: CSR Registration number
41\	Support for Cataract	Promoting health care including preventinve health care	Yes	Karnataka	Bangalore Urban	2,250,000	No	Sri Vivekananda Sevashrama	CSR00006269
42\	Support for Cochlear Implant Surgery	Promoting health care including preventinve health care	Yes	Telangana	Hyderabad District	3,926,250	No	Ashray Akruti	CSR00001517
43\	Support for Facial Cleft	Promoting health care including preventinve health care	Yes	Maharashtra, Telangana, Karnataka	Pune, Nagpur, Hyderabad District, Bangalore Urban	24,080,793	No	Akila Bharatha Mahila Seva Samaja (ABMSS)	CSR00016661
44\	support to olgage home - Matruseva Sevabhavi Sanstha	Promoting health care including preventinve health care	Yes	Maharashtra	Pune	320,000	No	Matruseva Sevabhavi Sanstha	CSR00012276
45\	Support to Pediatric Surgeries	Promoting health care including preventinve health care	Yes	Maharashtra	Nagpur	3,000,000	No	GSB Sabha	CSR00026398
46\	Support to Pediatric Surgeries	Promoting health care including preventinve health care	Yes	Maharashtra	Nagpur	1,963,000	No	Swami Vivekanand Medical Mission	CSR00005068
47\	Drinking Water project	Rural development projects	Yes	Maharashtra	Pune	1,175,100	No	Torana Rajgad Parisar Samjonnati Nyas	CSR00010307
48\	Drinking Water project	Rural development projects	Yes	Maharashtra	Pune	796,000	No	Technology Reuse Environmental Innovation Foundation	CSR00001523
49\	Drinking Water project	Rural development projects	Yes	Maharashtra	Pune	322,000	No	Sevavardhini	CSR00000860
50\	Econplast- TREEI	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4 [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]	Yes	Maharashtra	Pune	1,140,000	No	Technology Reuse Environmental Innovation Foundation	CSR00001523
51\	Integrated Watershed program at Ambegaon, Bhavadi Village	Rural development projects	Yes	Maharashtra	Pune	4,685,320	No	BAIF INSTITUTE FOR SUSTAINABLE LIVELIHOODS AND DEVELOPMENT	CSR00000259
52\	Laptop Refurbishment	Ensuring environmental sustainability	Yes	Maharashtra	Pune, Nagpur	5,021,801	Yes	Persistent Foundation	CSR00002967
53\	Laptop Refurbishment	Ensuring environmental sustainability	Yes	Maharashtra	Pune	807,671	No	Poornam Ecovision Foundation	CSR00002686
54\	Livelihood opportunity for people with disability	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Pune	954,000	No	Maya Care Foundation	CSR00007707
55\	Livestock support center at Meravane and Fanshi	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4 [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune	6,242,490	No	BAIF INSTITUTE FOR SUSTAINABLE LIVELIHOODS AND DEVELOPMENT	CSR00000259
56\	NEED - Seva Kainchi	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Nagpur	301,000	No	Natural Education For Ecological Development	CSR00030907
57\	Support for Solar energy project	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4 [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune, Nagpur	8,928,281	Yes	Persistent Foundation	CSR00002967
58\	Support for a vehicle for the fabric upcycling unit	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Pune	740,000	No	Poornam Ecovision Foundation	CSR00002686
59\	Support for livelihood- Bamboo artisanship- Project Eklavya	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects	Yes	Maharashtra	Pune	760,000	No	Technology Reuse Environmental Innovation Foundation	CSR00001523
60\	Tree plantation Koyana	Ensuring environmental sustainability	Yes	Maharashtra	Satara	2,979,400	No	Wildlife Research and Conservation Society (WRCS)	CSR00004158
61\	Mission Urja	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4 [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune	200,000	No	Technology Reuse Environmental Innovation Foundation	CSR00001523
62\	Project Kalki	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]	Yes	Maharashtra	Pune	228,014	Yes	Persistent Foundation	CSR00002967

Persistent

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project: State	Location of the project: District	Amount allocated for the project	Mode of Implementation — Direct (Yes/No)	Mode of Implementation — Through Implementing Agency: Name	Mode of Implementation — Through Implementing Agency: CSR Registration number
63\	Joy of Giving	promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	Maharashtra,Goa	Nagpur, South Goa	93,835	Yes	Persistent Foundation	CSR00002967
64\	Tree plantation Koyana	ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga]	Yes	Karnataka	Bangalore Urban	82,500	No	Sparsha Trust	CSR00002356
65\	Bridging Learning Gaps	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune, Nagpur	289,144	Yes	Persistent Foundation	CSR00002967
66\	Bridging Learning Gaps	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Nagpur	550,000	No	Natural Education For Ecological Development	CSR00030907
67\	Life Skill Sessions in Schools	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra	Pune, Nagpur	2,487,768	No	Centre For Youth Development and Activities (CYDA)	CSR00001160
68\	Support for Mental Health program in schools and study center	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra	Pune	318,600	Yes	Persistent Foundation	CSR00002967
69\	Sustainable Livelihood opportunities	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Maharashtra	Nagpur	600,000	No	Centre For Youth Development and Activities (CYDA)	CSR00001160
70\	VACCINE ON WHEELS	Disaster management, including relief, rehabilitation and reconstruction activities.	Yes	Telangana	Hyderabad District	244,188	Yes	Persistent Foundation	CSR00002967
71\	Support for education	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	1,00,000	No	Deepsthamb Charitable Trust	CSR00000755
	Total					113,736,542			

Persistent

d. Amount spent in Administrative Overheads — ₹ **3.86 Million**

e. Amount spent on Impact Assessment, if applicable — **Not Applicable**

f. Total amount spent for the Financial Year (8b+8c+8d+8e) — ₹ **117.60 Million**

g. Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ Million)
i.	Two percent of the average net profit of the company as per section 135(5)	140.99
ii.	Set off claimed	23.39
iii.	Total amount spent for the Financial Year	117.60
iv.	Excess amount spent for the financial year [(iii)-(i)]	0
v.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0
vi.	The amount available for set off in succeeding financial years [(iv)-(v)]	0

9 a. Details of Unspent CSR amount for the preceding three financial years — **Not Applicable**

b. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s) — **Not Applicable**

10 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year — **No capital assets have been created or acquired out of the CSR Funds.**

11 Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) — **Not Applicable**

On behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Avani Davda
Independent Director, Chairperson of the CSR Committee
DIN: 07504739

Mumbai, June 6, 2023

Annexure E to the Report of the Directors

Details of the other certifications for technical processes and systems:

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
1\	**ISO 9001:2015** Quality Management System	Software design, development, testing, maintenance, support services and business enabling functions for product engineering, platforms integration & solution, SMAC (social, mobility, analytics and cloud) services and Accelerite business unit for software products	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Goa, Hyderabad, Nagpur, France, Malaysia	March 11, 2010	March 11, 2022 – March 10, 2025
2\	**ISO 13485:2016** Quality Management System for Medical Devices	Software Product Design, Development, Testing, Enhancement and Support for Medical Device Software	Pune (Aryabhata-Pingala, Blueridge)	October 31, 2017	April 19, 2022 – April 18, 2025
3\	**ISO/IEC 27001:2013** Information Security Management System **ISO 27017:2015** Cloud Security **ISO 27018:2019** Securing PII in the cloud **ISO 27701:2019** Privacy Information Management System	Management of information security pertaining to software design, development, testing, operations, maintenance, support services, ensuring privacy & security for PII data in public cloud service utilization and business enabling functions using the guidance in ISO/IEC 27017:2015 and ISO/IEC 27018:2014 and using applicable controls of ISO/IEC 27701:2019 as PII Data Controller and PII Data Processor as per the statement of applicability version 9.0 dated 24-Dec-2021 for - Product engineering, platforms integration & solution, digital, cloud, security, internet of things (IoT), data analytics offerings - Banking financial services & insurance, life sciences & health care, industrial markets, telecom and Software & Hi-Tech - Accelerite business unit for software products.	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge, Panini), Bengaluru, Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Dublin (Ohio, USA), France, Jalisco (Mexico), Malaysia, New Jersey, Sri Lanka	February 6, 2008	March 11, 2022 – March 10, 2025
4\	**ISO 14001:2015** Environment Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Veda's Complex Hinjawadi, Ramanujan Hinjawadi, Blueridge Hinjawadi), Goa(Charak Bhaskar), Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad(Wave rock), Bangaluru (Pritech Park, Shanti Niketan, The Cube,) Mumbai(Time Square), Noida(VJ tower), Gurugram(DLF, Cyber city), Indore (Brilliant Centre), Ahmedabad, Jaipur	May 21, 2012	March 11, 2022 – March 10, 2025

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
5\	**ISO 45001:2018** Occupational Health and Safety Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Veda's Complex Hinjawadi, Ramanujan Hinjawadi, Blueridge Hinjawadi), Goa(Charak Bhaskar), Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad(Wave rock), Bangaluru (Pritech Park, Shanti Niketan, The Cube,) Mumbai(Time Square), Noida(VJ tower), Gurugram(DLF, Cyber city), Indore (Brilliant Centre), Ahmedabad, Jaipur	March 8, 2019	March 9, 2022 – March 8, 2025
6\	**CMMI** For Dev 2.0 Maturity Level 5	Organizational Unit: Software Industry and Services Lines LoBs covering Software Development, Maintenance Projects	Pune and Nagpur	May 25, 2018	June 25, 2019 – June 24, 2024
7\	**ISO 22301** Management System Certificate	Management of business continuity of critical services infrastructure and information systems required for software design, development, operations, maintenance, support services for \ Product Engineering, Platform integration and solution, digital, cloud, security, internet of things (IOT), data analytics offerings \ Banking financial services & insurance, software products, life sciences & health care and industrial markets	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge, Panini), Bengaluru, Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), France, Jalisco (Mexico), Malaysia, New Jersey, Sri Lanka	February 15, 2021	February 15, 2021 – February 15, 2024
8\	**ISO 22301:2019** Business Continuity Management System	Management of business continuity of critical services infrastructure and information systems required for software design, development, operations, managed services, maintenance, support services for \ Product engineering, platforms integration & solution, digital transformation, cloud infrastructure security, internet of things (IoT), data analytics offerings \ Banking financial services, insurance, life sciences, health care, industrial markets, telecom, and Hi-Tech \ Persistent Product Business	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Bengaluru, Goa, Gurugram, Hyderabad, Mumbai, Nagpur, Noida, Sri Lanka, France, Malaysia, Mexico, New Jersey (USA)	February 15, 2021	February 15, 2021 – February 15, 2024
9\	**ISO AGS 14064-1** Green House Gases emission Verification Statement	ISO AGS 14064-1 - Scope - Green House Gases emission Verification Statement and certificate for Persistent Systems Limited	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Bengaluru, Goa, Hyderabad, Mumbai, Nagpur	February 18, 2015	April 1, 2022 – March 31, 2023

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
10\	SOC 2 Type 2 Report	An Independent Service Auditor's report has been issued after completion of SSAE 21, SOC 2 Type 2 Audit for the period January 1, 2022 to December 31, 2022	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge, Panini), Bengaluru, Goa, Hyderabad, Nagpur (Gargi-Maitreyi, InfoTech Tower), Mumbai, New Jersey, Gurugram, Dublin (Ohio, USA), France, Jalisco (Mexico), Malaysia, Sri Lanka	NA	NA

Details of the Partner Certifications:

Sr. No.	Partner	Certification	Applicable Geo(s)
1\	Microsoft — CSP Tier 1	CSP Tier 1- Direct, ITes360 and Gold Partner Solution Partner Designations: Data and AI, Infrastructure, Digital & App Innovation 4,659 Certifications	NA, India, EMEA, APAC
2\	OutSystems — GSI Sales & Delivery Partner (Global Top 30 program)	323 Certifications | GSI Sales & Delivery Partner (about to hit premier level)	US, India, EMEA (Global)
3\	DataBricks	24 Certifications	US, India
4\	Appian	Premier level | 125 Certifications added, 500 planned	US, APAC, EMEA (Global)
5\	Unqork	64 Certifications	US, India, EMEA (Global)
6\	Snowflake	16 Technical and 9 sales Certifications	NA, APAC
7\	Red Hat	We are Ready Partner. Active Accreditations: 35	NA, EMEA, APAC
8\	UiPath	Gold (Silver last year) | 66 certifications	US, India, EMEA (Global)
9\	IBM	65 Resources Certified. We have become a Platinum Partner	NA, EMEA, APAC
10\	Mulesoft	251 Resources Certified	NA, EMEA, APAC
11\	Mambu	150+ practitioners | 10 Employees Certified	NA, EMEA, APAC
12\	Tibco	70+ Resources Certified	US, India
13\	GCP	1,005 Certifications	NA, EMEA, APAC
14\	Saviynt	Diamond Partner	NA, EMEA, APAC
15\	AWS	AWS Advanced Consulting Partner. AWS Accredited Individuals: 397 (Technical:318, Business:131), AWS Foundational Certified Individuals: 403, AWS Technical Certified Individuals: 395, AWS Technical Certified Individuals Pro or Specialty: 83, Current Competency and Service Delivery Programs: Data & Analytics Consulting Competency, DevOps Consulting Competency, Financial Services Consulting Competency, IoT Consulting Competency, SaaS Consulting Competency, AWS Lambda Delivery, Amazon EC2 for Windows Server Delivery	US, India, EMEA, APAC
16\	Salesforce	We are Summit Partner. ISV, Sales Cloud, Service Cloud, Marketing cloud, community, Mulesoft, Tableau, Einstein, Health Cloud, Financial Service cloud, Field service lightning, Architect certifications, Sharing & security, Vlocity, B2B Commerce, B2C commerce, Platform Total Certification: 6,207	NA, India, Europe, Australia, APAC

Report on Corporate Governance

Company's beliefs on Corporate Governance

"Good corporate governance, it's about being proper and prosper."
Toba Beta, author of Master of Stupidity

Traditionally, stakeholders of a public limited company are defined in legal terms as its shareholders, debenture-holders, deposit-holders, and any other security holders. Our Company believes that in today's day and age, the definition of the stakeholders must be extended beyond what is stated in strictly legal terms and must include the society and constituents that have a stake in the functioning of the Company in the broader context of the ecosystem. After due consideration and deliberations by the Board Members, the Company has decided to adopt a broader definition of stakeholders to explicitly include the following entities in addition to its investors. This approach has also been adopted by the Board in view of its sustainability goals:

1\ Society

The Company works in and for the community of people; without which it would have no relevance. Society is the very reason for its existence. Communities in different nations where the Company operates are considered as stakeholders in the Company. The Company shall strive hard to contribute to the well-being and prosperity of society.

2\ Clients

The Company provides services to its clients because of which we earn our revenue. Their satisfaction and delight are important focus areas of the Company's operations. Therefore our clients are considered as our stakeholders.

3\ Partners

Our partners help us deliver services to our clients. Partnerships are mutual and we believe that our success depends on the support we get from our partners. We must ensure the success of our partners and hence, we consider them as our stakeholders.

4\ Suppliers

In the execution of our business, there are several products and services that the Company acquires from suppliers. The efficiency and effectiveness of our operations critically depend on the quality, efficiency, and effectiveness with which our suppliers provide products and services to us. We believe, it is our responsibility to ensure the long-term success of our suppliers. Therefore, the suppliers are considered stakeholders of our Company.

5\ Employees and their Families

Everything that the Company does, is done by our employees. It is indeed their expertise, hard work, efficiency, and dedication that permit the Company to perform to the best of its abilities. Senior employees help us formulate our strategic thinking and our business approach and supervise all our operations. Our employees are supported by their families, and we are responsible for their wellbeing. Our employees and their families are important stakeholders of our Company.

6\ Shareowners/Investors

Shareowners are the owners of the Company and are the traditional stakeholders in the Company. They are the reason for our existence and their ongoing support is essential for the existence of the Company. Therefore, they are our primary stakeholders.

7\ Environment

It is a constant endeavor of the Company to conserve and preserve the environment. Over the years, the Company has focused on sustainable business practices encompassing economic, environmental, and social imperatives. The Company also works through Persistent Foundation, to support projects in the areas of environmental sustainability and ecological balance.

To maintain and nurture harmonious relations with all these stakeholders, the Company has established elaborate mechanisms. The Company is committed to global sustainability goals and has pledged to track and improve on metrics defined as part of the ESG efforts of the Company.

Relations with customers and suppliers are maintained by the management and are monitored by the senior leaders and the Board. The Nomination and Remuneration Committee (the 'NRC') of the Board specifically caters to our relations with our employees. The Stakeholders Relationship and ESG Committee (the 'SRC') specifically looks after the interests of our investors, shareholders, and any other security holders as mandated by the law. In order to have Board level attention to the Company's ESG initiatives, these have been brought under the purview of Stakeholder Relationship Committee, which has been renamed as "Stakeholders Relationship and ESG committee".

In order to comprehensively cater to the building and nurturing of harmonious relations with all our stakeholders, the Company additionally requires the SRC to specifically collect inputs from management and other committees responsible for the relationships with different stakeholders, and to prepare and submit an annual brief to the Board. The said report forms part of this Report.

The Company believes in raising the bar and upholding the highest standards of Corporate Governance as it enhances the long-term value of the Company for its stakeholders. Good governance is an essential ingredient of good business.
The following report on the implementation of the Corporate Governance Practices is a sincere effort of the Company to follow the Corporate Governance Principles in its letter and spirit.

1\ Board of Directors

a. Size and Composition of the Board

The Board of Directors of the Company has a combination of Executive and Independent Directors with rich professional backgrounds. As of March 31, 2023, the Company's Board consisted of Ten Directors — Three Executive Directors and Seven Independent Directors. Independent Directors fulfill the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board is chaired by a full-time Executive Director who is also a Promoter.

Table 1: The composition of the Board and the number of outside directorships held by each of the Directors as of March 31, 2023

Name of the Director and Director's Identification Number (DIN)	Category	Directorships			Number of Committee Positions held **	
		Indian Companies		Foreign Companies		
		Public*	Private		Chairperson	Member
Dr. Anand Deshpande (DIN 00005721)	Founder, Chairman and Managing Director	2	4	5	2	3
Roshini Bakshi (DIN: 01832163)	Independent Director	2	1	1	Nil	1
Avani Davda (DIN: 07504739)	Independent Director	4	2	Nil	Nil	5
Arvind Goel (DIN: 02300813)	Independent Director	7	8	5	1	3
Dr. Ambuj Goyal (DIN: 09631525)	Independent Director	Nil	Nil	1	Nil	Nil
Praveen Kadle (DIN: 00016814)	Independent Director	4	6	2	2	5
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	Nil	3	Nil	Nil
Dan'l Lewin (DIN: 09631526)	Independent Director	Nil	Nil	Nil	Nil	Nil
Prof. Deepak Phatak (DIN: 00046205)	Independent Director	2	2	Nil	1	1
Sunil Sapre (DIN: 06475949)	Executive Director and Chief Financial Officer	Nil	2	7	Nil	1

* Excluding directorship in Persistent Systems Limited

** Disclosure includes Chairmanship/Membership of Committees as required for computation of maximum number of Committees of which Director can be Chairman or Member in terms of Regulation 26 of Listing Regulations (i.e. Chairmanship/ Membership of Audit Committee and Stakeholders Relationship Committee in all Indian public companies including Persistent Systems Limited).

The number of Memberships of the Directors in the Committee includes the number of posts of Chairman of the said Committee held in listed entities including Persistent Systems Limited.

The number of Memberships of the Directors in the Committee includes the number of posts of Chairman of the said Committee held in listed entities including Persistent Systems Limited.

Table 2: Details of the Directorships in Other Indian Listed Entities

Name of the Director and Director's Identification Number (DIN)	Category	Directorships in other Listed Entities	Name of Listed Entities
Dr. Anand Deshpande (DIN: 00005721)	Chairman and Managing Director	Nil	
Roshini Bakshi (DIN: 01832163)	Independent Director	1 (One)	1\ Independent Director, J M Financial Limited
Avani Davda (DIN: 07504739)	Independent Director	3 (Three)	1\ Independent Director, Mahindra Logistics Limited 2\ Independent Director, NIIT Limited 3\ Independent Director, Emami Limited
Arvind Goel (DIN: 02300813)	Independent Director	1 (One)	1\ Non-Executive Non-Independent Director, Automotive Stampings And Assemblies Limited
Dr. Ambuj Goyal (DIN: 09631525)	Independent Director	Nil	
Praveen Kadle (DIN: 00016814)	Independent Director	3 (Three)	1\ Independent Director, Tide Water Oil Co India Ltd. 2\ Independent Director, John Cockerill India Limited 3\ Independent Director, Divgi Torqtransfer Systems Limited
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	
Dan'l Lewin (DIN: 09631526)	Independent Director	Nil	
Prof. Deepak Phatak (DIN: 00046205)	Independent Director	Nil	
Sunil Sapre (DIN: 06475949)	Executive Director and Chief Financial Officer	Nil	

In terms of Regulation 26 of the Listing Regulations, none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all companies in India, in which they are a Director.

Further, the Independent Directors have made the declaration that they are 'Independent' and their directorships in the above companies and their committees do not conflict with the interest of Persistent Systems Limited. Based on these declarations, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Companies Act, 2013 (the 'Act') and Regulation 16(1)(b) of Listing Regulations and that they are independent of the management.

There is no inter se relationship between the Directors except the following:

1\ Mr. Praveen Kadle, Independent Director of the Company was the Chairman, Non-Executive Non-Independent Director of Tata AutoComp Systems Limited where Mr. Arvind Goel, Independent Director of the Company is the Managing Director and Chief Executive Officer till January 28, 2023.

2\ Dr. Ranade is the Director of Mahratta Chamber of Commerce Industries and Agriculture (MCCIA) where Dr. Anand Deshpande (Chairman and Managing Director of the Company) is the Vice President and Director, and Mr. Arvind Goel (Independent Director of the Company) is the Director

3\ Dr. Deshpande is the Nominee of the Chancellor on the Board of Management of Gokhale Institute of Politics and Economics, where Dr. Ranade is a Vice-Chancellor.

In addition to the disclosure of Chairpersonship/Membership of Committees of Directors disclosed in Table 1 above, the Chairpersonship/Membership of Directors of the Company in other Committees (excluding Chairpersonship/Membership in Private Limited Companies) of March 31, 2023, is given below:

Table 3: Chairmanship/Membership of Directors of the Company in Other Committees

Name of the Director	Category	Membership in Committees	Chairmanship in Committees
Dr. Anand Deshpande	Chairman and Managing Director	1	Nil
Roshini Bakshi	Independent Director	3	1
Avani Davda	Independent Director	7	3
Arvind Goel	Independent Director	8	Nil
Dr. Ambuj Goyal	Independent Director	3	Nil
Praveen Kadle	Independent Director	13	6
Sandeep Kalra	Executive Director and Chief Executive Officer	2	Nil
Dan'l Lewin	Independent Director	1	Nil
Prof. Deepak Phatak	Independent Director	2	1
Sunil Sapre	Executive Director and Chief Financial Officer	3	Nil

b. Brief Description of Terms of Reference of the Board of Directors

i. To manage and direct the business and affairs of the Company

ii. To manage, subject to the Articles of Association of the Company, its affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees, and, determining Directors' compensation

iii. To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community, and for the protection of the environment

iv. To exercise due care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment

v. To participate directly or through its Committees, in developing and approving the mission of the business, its objectives, and goals, and the strategy for their achievement

vi. To ensure congruence between shareholders' expectations, Company's goals, objectives, and management performance

vii. To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances

viii. To approve and monitor compliance with all significant policies and procedures by which the Company is operated

ix. To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards

x. To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders, and regulators on a timely and regular basis

xi. To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other processes and procedures as per the notified Secretarial Standards issued by the Institute of Company Secretaries of India

xii. To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities

xiii. Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company

xiv. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company

xv. Not to assign his office and any assignment so made shall be void; and

xvi. To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company

c. Chart Setting out the Competencies of the Board

The Board of Directors take into consideration the following parameters while nominating the candidates to serve on the Board:

1\ Expertise in the Software Industry
2\ Large-scale global operations
3\ Strategy and planning
4\ Financial, treasury management and taxation expertise
5\ Governance, Compliance and Audit purview

In the table below, the specific areas of focus and expertise of individual Board Members have been highlighted. However, the absence of a mark against a Member's name does not necessarily mean the Member does not possess any corresponding knowledge.

Table 4: Details of the Specific Areas of Focus and Expertise of Individual Board Members

Name of the Director	Expertise in the Software Industry	Large-scale global operations	Strategy and planning	Financial, treasury management and taxation expertise	Governance, Compliance and Audit purview
Dr. Anand Deshpande	✓	✓	✓	✓	✓
Roshini Bakshi	-	✓	✓	✓	✓
Avani Davda	-	✓	✓	✓	✓
Arvind Goel	-	✓	✓	-	✓
Dr. Ambuj Goyal	✓	✓	✓	-	-
Praveen Kadle	-	✓	✓	✓	✓
Sandeep Kalra	✓	✓	✓	-	✓
Dan'l Lewin	✓	✓	✓	-	-
Prof. Deepak Phatak	✓	✓	✓	-	✓
Sunil Sapre	-	✓	✓	✓	✓

d. Board Diversity

The Company acknowledges and accepts the significance of diverse representation on the Board for better decision-making and its growth and success. It believes that a diverse Board will be able to assess issues through a broader lens, through differences in ideas, points-of-view, global experience, cultural and geographical background, age, ethnicity, gender, sexual orientation, knowledge & skills.

The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at https://www.persistent.com/wp-content/uploads/2023/05/Board-Diversity-Policy.pdf

e. Board Meetings and Deliberations

The Company Secretary, in consultation with the Chairperson of the Company and Chairperson of the respective Board Committees, prepares the agenda and supporting documents for discussion at each Board meeting and Committee meetings, respectively. Members of the Board or Committees are free to suggest items to be included in the agenda, in addition to their right to bring up matters for discussion at the meeting with the permission of the Chairperson.

Information and data that is important to the Board to understand the business of the Company in general and related matters are tabled for discussion at the meeting. The agenda is circulated in writing to the members of the Board seven days in advance before the meeting.

The Board and the Audit Committee meet in executive session, at least four times during a financial year, mostly at quarterly intervals inter alia to review quarterly financial statements and other items on the agenda. Additional meetings are held, as deemed necessary, to conduct the business. Those members of the Board, who are not able to participate in the Board meetings in-person, generally, participate in the meeting through teleconferencing.

The Business Unit Heads, Chief Financial Officer, Chief People Officer, Chief of Operation, Chief Planning Officer and Chief Risk Officer of the Company attend the Board and Committee meetings upon invitation. The other executives and delivery heads are generally invited to the meetings on a need basis.

In terms of the Regulation 17 of Listing Regulations, the gap between two Board meetings must not exceed one hundred and twenty days; this is strictly followed. The maximum gap between two Board meetings during the Financial Year 2022-23 was Ninety-Six days i.e. from January 20, 2022 to April 27, 2022.

During the year under report, recommendations given by the various committees of the Board were considered and accepted as appropriate by the Board of Directors.

During the Financial Year 2022-23, six meetings of the Board of Directors were held on
1\ April 26 & 27, 2022
2\ June 7, 2022
3\ July 20 & 21, 2022
4\ October 18 & 19, 2022
5\ January 17 & 18, 2023, and
6\ March 22, 2023

Table 5 below gives the attendance record of the Directors at the Board meetings and at the last Annual General Meeting held on July 19, 2022. In this report, the signs below, wherever they appear, denote the following:

Y – Attended; N – Absent; C – Attended as Chairperson; NA – Not Applicable

Table 5: Attendance of Directors at the Board Meetings and Annual General Meeting (AGM)

	Board Meetings						AGM held on July 19, 2022
Name of the Director	April 26 & 27, 2022	June 7, 2022	July 20 & 21, 2022	October 18 & 19, 2022	January 17 & 18, 2023	March 22, 2023	
Dr. Anand Deshpande	C	C	C	C	C	C	C
Roshini Bakshi	Y	N	Y	Y	Y	Y	Y
Pradeep Bhargava@	Y	Y	NA	NA	NA	NA	Y
Avani Davda	Y	Y	Y	Y	Y	Y	N
Guy Eiferman@@	Y	Y	NA	NA	NA	NA	Y
Arvind Goel*	NA	NA	Y	Y	Y	Y	Y
Dr. Ambuj Goyal*	NA	NA	Y	Y	Y	Y	Y

Name of the Director	Board Meetings						AGM held on July 19, 2022
	April 26 & 27, 2022	June 7, 2022	July 20 & 21, 2022	October 18 & 19, 2022	January 17 & 18, 2023	March 22, 2023	
Dr. Anant Jhingran$	Y	Y	Y	Y	NA	NA	Y
Praveen Kadle	Y	Y	Y	Y	Y	Y	Y
Sandeep Kalra	Y	Y	Y	Y	Y	Y	Y
Thomas Kendra$$	Y	Y	NA	NA	NA	NA	Y
Dan'l Lewin**	NA	NA	Y	Y	Y	Y	Y
Prof. Deepak Phatak	Y	Y	Y	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y	Y	Y	Y

@Retired as an Independent Director w.e.f. July 19, 2022

@@Resigned as an Independent Director w.e.f. July 19, 2022

*Appointed as an Additional Independent Director w.e.f. June 7, 2022

**Appointed as an Additional Independent Director w.e.f. June 10, 2022

$Retired as an Independent Director w.e.f. November 20, 2022

$$Retired as a Non-Executive Non-Independent Director w.e.f. July 19, 2022

f. Performance Evaluation of the Board, its Committees and Directors

The Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees and the Directors individually including Independent Directors. The performance evaluation was done by an external management consultant who specializes in Board evaluations. The performance of the Board was evaluated by seeking inputs from all the directors and senior management. The evaluation criteria includes aspects such as the Board composition and structure, effectiveness of board processes, information and functioning, qualitative comments, and future of the board etc. The evaluation was conducted in March and April 2023. The findings were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2023.

Extract of the qualitative comments received during the Board evaluation for the year under report are as follows:

- To explore scheduling additional time for the strategic discussions in the Board Meetings
- To arrange a periodic update on the ESG activities / initiatives of the Company to the Board

Proposed actions based on the current year's comments:

- As part of Board's annual strategy planning process, the Company organizes an offsite for the Board Members and Senior Executives to deliberate on various topics related to technological overview, global scenario for IT industry, sales strategy, market research, risk overview, succession planning and strategic programs required to achieve the Company's long-term objectives. The Management will look out for more opportunities to organize such sessions with the Board.
- The Management will monitor the ongoing ESG activities / initiatives of the Company and will report those to the Board on half-yearly basis for their suggestions and records.

Previous year's observations (For FY 2021-22) and actions taken are as follows:

Observation: To consider holding special sessions at a greater frequency, by rotation, on themes like long-term goals, shifts in technologies, and markets, as part of the Board agenda.

Action taken: The Board increased the frequency of sessions with the Executive Management on strategic discussions such as strategy/people/ technology/markets to guide them to address the observation.

2\ Committees of the Board of Directors

As of March 31, 2023, the Company has 7 (Seven) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship and ESG Committee, Corporate Social Responsibility Committee, Executive Committee, and Investment Committee. The Board Committees are represented by a combination of Executive and Independent Directors. The Chairperson of all the Committees is an Independent Director.

As per the Charter of respective Committees, the Committees deliberate on the matters assigned/referred to it by the Board or as mandated by the statutes. Information and data that is important to the Committees to discuss the matter are distributed in writing to the members of the Committees well in advance of the meeting. Recommendations of the Committees are submitted to the Board to decide on the matter requiring Board's decision. In any case, the minutes of all Committee meetings/important Calls of the Board or its committees are circulated to the Board members for information/noting.

In terms of Section 173(2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Amendment Rules, 2021, and in terms of the MCA Notification (F. No. 1/32/2013-CL-V- Part) dated March 19, 2020, and its extensions from time to time, the meetings of the Board and its Committees were held in hybrid mode. The participation of the Directors through video conferencing or by other audio-visual means is counted for the purposes of quorum.

A. Audit Committee

Brief Description

The Audit Committee was voluntarily constituted by the Board at its meeting held on April 23, 2004, even before the Company was converted into a public limited company.

The Audit Committee ensures prudent financial and accounting practices, fiscal discipline, and transparency in financial reporting. In terms of one of its important terms of reference, the quarterly financial statements are reviewed by the Audit Committee and recommended to the Board for its adoption.

All the members of the Committee are financially literate and the Chairperson of the Committee is a financial management expert.

Table 6: gives the composition of the Audit Committee of the Board of Directors as of March 31, 2023

Name of the Director	Category
Praveen Kadle	Chairperson of the Committee and Independent Director
Roshini Bakshi	Independent Director
Avani Davda	Independent Director

In addition to the Audit Committee members, Statutory Auditors, Chief Financial Officer, Chief Planning Officer, Head – Internal Audit, Chief People Officer, Chief of Operations, Chief Administrative Officer, Business Unit Heads, and other executives are invited to the Audit Committee Meetings, on a need basis.

The Company Secretary of the Company is the Secretary of the Committee.

Necessary information such as Management Discussion and Analysis of financial performance and results of operations, statement of significant related party transactions submitted by the management, management letters/letters of internal control weaknesses issued by the Statutory Auditors, internal audit reports relating to internal control weaknesses and the terms relating to internal auditors in terms of Regulation 18 of Listing Regulations are reviewed by the Audit Committee.

The Committee considers related party transactions, material modifications thereto and all the material Related Party Transactions of the Company for its approval. The Committee meets Statutory Auditors without the executive management every quarter.

The Committee has the following powers and responsibilities including but not limited to -

i. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;

ii. To review, with the management, annual financial statements, and auditor's report before submission to the Board for approval, with particular reference to -

   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (5) of Section 134 of the Companies Act, 2013

   b. Changes, if any, in accounting policies and practices and reasons for the same

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

e. Compliance with the listing and other legal requirements relating to financial statements

f. Disclosure of any related party transactions

g. Qualifications in the draft audit report

iii. To review, with the management, the quarterly financial statements and auditor's report before submission to the Board for approval

iv. To recommend to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees

v. To grant approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors

vi. To discuss with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern

vii. To review management letters/letters of internal control weaknesses issued by the Statutory Auditors

viii. To recommend appointment, removal, and terms of remuneration of the Chief Internal Auditor

ix. To hold discussion with Internal Auditors on any significant findings and follow up thereon

x. To review internal audit reports relating to internal control weaknesses

xi. To review, the management, performance of statutory and internal auditors and adequacy of internal control systems

xii. To review the adequacy of the internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit

xiii. To review the findings of any internal investigations by the internal auditors in the matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board

xiv. To review management discussion and analysis of financial condition and results of operations

xv. To review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management

xvi. Approval or any subsequent modification of transactions of the Company with the related party

xvii. To review substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors

xviii. To develop a policy on the engagement of Statutory Auditors for non-audit services

xix. To ensure the compliance with the Statutory Auditors' recommendations

xx. To meet Internal and Statutory Auditors without the presence of the Company's executive management periodically

xxi. To confirm the engagement of an Independent valuer for the valuation of shares, whenever called for and verify whether the valuer for valuation has an advisory mandate and had a past association with the Company management

xxii. To review certificates regarding the compliance of legal and regulatory requirements

xxiii. To review the functioning of the Whistle Blower mechanism

xxiv. The Company, the statement of funds utilized for purposes other than those stated in prospectus and making appropriate recommendations to the Board to take up steps in this matter

xxv. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate

xxvi. Scrutiny of inter-corporate loans and investments

xxvii. To carry out any other function as is mentioned in the terms of reference of the Audit Committee and entrusted by the Board

xxviii. To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments

xxix. To review the compliance with the provisions of the SEBI Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively

xxx. To consider the rationale, cost-benefits, and impact of schemes involving merger, demerger, and amalgamation and similar activities.

The Audit Committee is further empowered to do the following:

i To investigate any activity within terms of reference
ii To seek information from any employee
iii To obtain outside legal professional advice and
iv To secure attendance of outsiders with relevant expertise, if it considers necessary

Meetings and Attendance

4 (Four) meetings of the Audit Committee were held during the Financial Year 2022-23.

Table 7: Details of the attendance at the Audit Committee Meetings held during the Financial Year 2022-23

	Audit Committee Meeting			
Name of the Director	April 26, 2022	July 20, 2022	October 18, 2022	January 17, 2023
Praveen Kadle	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y
Pradeep Bhargava*	Y	NA	NA	NA
Avani Davda	N	Y	Y	Y

*Retired as a director of the Company and hence ceased to be a member of the Committee w.e.f. July 19, 2022.

Further, certain decisions were taken by passing the resolutions by way of circulation and were subsequently noted and taken on record by the Board and the Audit Committee at its next meeting.

B. Nomination and Remuneration Committee

Brief Description

The Nomination and Remuneration Committee of the Board was constituted on July 24, 2019. It replaced the erstwhile two committees, namely, the Compensation and Remuneration Committee and Nomination and Governance Committee.

The Chairperson and all members of the Committee are Independent Directors.

The Company Secretary of the Company is the Secretary of the Committee.

Table 8: Composition of the Nomination and Remuneration Committee of the Board of Directors as of March 31, 2023

Name of the Director	Category
Prof. Deepak Phatak	Chairperson of the Committee and Independent Director
Roshini Bakshi	Independent Director
Dr. Ambuj Goyal	Independent Director
Dan'l Lewin	Independent Director

The Committee is constituted with powers and responsibilities including but not limited to:

i. To develop a pool of potential director candidates for consideration in the event of a vacancy on the Board of Directors

ii. To determine the future requirements for the Board as well as its Committees and make recommendations to the Board for its approval

iii. To identify, screen, and review individuals qualified to serve as executive directors, non-executive directors and independent directors. Further, for every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:

a. use the services of external agencies, if required;

b. consider candidates from a wide range of backgrounds, having due regard to diversity; and

c. consider the time commitments of the candidates

iv. To provide its recommendation to the Board for appointment of CEO, CXO Level Employees, and Senior Management

v. To evaluate the current composition and governance of the Board of Directors and its Committees and make appropriate recommendations to the Board, whenever necessary

vi. To review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a significant change in status such as employment change etc. and shall recommend whether or not the director should be reappointed

vii. To evaluate and recommend termination of membership of an individual director for cause or other appropriate reasons

viii. To evaluate and make recommendations to the Board of Directors concerning the appointment of Directors to Board Committees and the Chairman for each of the Board Committees

ix. To recommend to the Board, candidates for

a. Nomination for the re-election of Directors by the Shareholders and
b. Any Board vacancies which are to be filled by the Board

x. To play a consultative role for any appointment at the top management level namely, COO, CMO, CFO, President of Persistent Systems Inc., or appointment requiring Board approval such as Company Secretary

xi. To carry out annual/periodic performance review of the Board of Directors individually and collectively as well as for its various committees on behalf of/as desired by the Board of Directors

xii. To review the general compensation policy of the Company (including that of ESOPs) and convey its recommendation to the Board, if any

xiii. To advise the Board in framing remuneration policy for Key Managerial Personnel, CXO Level Employees and Senior Management of the Company from time to time

xiv. To make recommendations to the Board about the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment

xv. To determine and decide the following ESOP related activities:

a. To decide the quantum of equity shares/options to be granted under Employee Stock Options Schemes (ESOS), per employee and the total number in aggregate

b. To determine at such intervals, as the Nomination and Remuneration Committee considers appropriate, the persons to whom shares or options may be granted

c. To determine the exercise period within which the employee should exercise the option and condition in which option will lapse on failure to exercise the option within the exercise period

d. To decide the conditions under which shares, or options vested in employees may lapse in case of termination of employment for any reason

e. To lay down the procedure for making a fair and reasonable adjustment to the number of shares or options and to the exercise price in case of rights issues, bonus issues and other corporate actions

f. To lay down the right of the employee to exercise all the options vested in him at one time or at various points of time within the exercise

g. To specify the grant, vest and exercise of shares/options in case of employees who are on long leave

h. To construe and interpret the plan and to establish, amend and revoke rules and regulations for its administration

i. The Nomination and Remuneration Committee may correct any defect, omission or inconsistency in the plan or any option and/or vary/amend the terms to adjust to the situation that may arise

j. To approve transfer of shares in the name of employee at the time of exercise of options by such employee under ESOS

k. To lay down the procedure for cashless exercise of options and

l. To attend any other responsibility as may be entrusted by the Board

The Nomination and Remuneration Committee is further empowered to:

i. To conduct or authorize studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company

ii. To hire legal, accounting, financial or other advisors in their best judgement

iii. To have sole authority to retain or terminate any search firm to be used to identify Director candidates

iv. To have sole authority to approve the search firm's fees and other retention terms

v. The Committee may act on its own in identifying potential candidates, inside or outside the Company or may act upon proposals submitted by the Chairman of the Board

vi. The Committee may consider advice and recommendations from the management, shareholders or others, as it deems appropriate and

vii. The Company conducts a performance evaluation of the Independent Directors and Board as a whole by an External Management Consultant and the findings of the evaluation are presented at the meeting. Recommendations/Results on the performance of the Directors are then considered by the Committee before the re-appointment of a Director and measures to increase the effectiveness of the Board are considered

Meetings and Attendance

The Nomination and Remuneration Committee generally meets in the first or second quarter of the financial year to recommend the remuneration to be paid to the Managing Director and Executive Director/s of the Company, to advise the Board in framing remuneration policy for its Business Unit Heads, Head – Operations, Key Managerial Personnel and Senior Management of the Company from time to time and to recommend to the Board, the Directors retiring by rotation to be reappointed at the Annual General Meeting. Apart from this, the Nomination and Remuneration Committee meets as and when there is any business to be transacted which has been assigned to it.

2 (Two) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2022-23.

Table 9: Details of the Attendance at the Nomination and Remuneration Committee Meetings during the Financial Year 2022-23

	Nomination and Remuneration Committee Meeting	
Name of the Director	**April 26, 2022**	**June 6, 2022**
Pradeep Bhargava	C	C
Guy Eiferman	Y	Y
Thomas Kendra	Y	Y
Prof. Deepak Phatak	Y	Y

Certain decisions were taken by passing resolutions by way of circulation. The said resolutions were subsequently noted and taken on record by the Board and this Committee at its next meeting.

Remuneration Policy

The Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of Persistent Systems Limited and its subsidiaries is available on our website, at
https://www.persistent.com/wp-content/ uploads/2022/06/Persistent-Systems-Remuneration-Policy.pdf

i. The broad remuneration structure of the Executive Directors, Key Managerial Personnel and Senior Managerial Personnel include any of the following components:
   a. Basic Pay
   b. Perquisites and Allowances
   c. Commission (Applicable in case of Executive Directors)
   d. Long term incentives (such as ESOPs)
   e. Retiral benefits
   f. Annual Performance Bonus
   g. Any other component as may be mandatory in terms of the local statutory payroll norms for any employee

   The Variable Components of the Key Managerial Personnel and Senior Managerial Personnel of the Company are as follows:

   a. Company Performance Bonus (CPB)
      i. Based on Company Revenue and
      ii. Based on Company Profits

   b. Individual Performance Bonus (IPB)
      i. Based on Individual Objectives as set in Performance Management & Health Management system (PHMS)

   c. Soft Parameters
      i. As decided by reporting manager

      ii. All the Non-Executive Directors are entitled to payment of commission at a sum not exceeding 1% per annum of net profits calculated as per Section 198 of the Companies Act, 2013. The Company is in compliance with the statutory requirements w.r.t. payment to the Non-Executive Directors.

      iii. The total managerial remuneration not to exceed 11% of the net profits of the Company (₹ 1,189.79 Million for FY 2022-23) and the total remuneration to the managerial persons not to exceed 10% of the net profits of the Company (₹ 1,081.63 Million for FY 2022-23) in accordance with Section 197 of the Act. The Company is in compliance with both these statutory requirements.

Remuneration to the Directors

The Company pays Executive Directors remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component). Annual increments are decided by the Nomination and Remuneration Committee of the Board of Directors and are within the range of the remuneration approved by the Members.

Table 10 and Table 11 gives details of remuneration paid to Executive, Non-Executive and Independent Directors of the Company, in the Financial Years 2021-22 and 2022-23.

Table 10: Remuneration to the Executive Directors^ (In ₹ Million)

Name of the Director	Category	Year ended March 31	Salary and allowance	Performance Linked Incentive/ Commission	Company's contribution to provident and superannuation fund	Perquisite and other payments#	Total
Dr. Anand Deshpande	Chairman and Managing Director	2023	18.44	14.70	3.26	-	36.40
		2022	16.18	12.90	2.86	-	31.94
Sandeep Kalra	Executive Director and Chief Executive Officer	2023	74.23	42.64	10.39	489.30	616.56
		2022	61.23	37.23	9.16	361.06	468.68
Sunil Sapre	Executive Director and Chief Financial Officer	2023	9.78	7.91	1.73	82.77	102.18
		2022	8.60	6.85	1.51	73.25	90.21
Total		**2023**	**102.45**	**65.25**	**15.38**	**572.07**	**755.14**
		2022	86.01	56.98	13.53	434.31	590.83

^ Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 1,081.63 Million (being 10% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013)

The value of perquisites represents the amount of perquisites towards exercise of stock options which does not form part of CTC (Cost to Company)

The complete details of the options granted to the Executive Directors of your Company are available on the website of the Company at https://www.persistent.com/investors

Service Contracts, Notice Period, Severance Fees

The Company does not have any policy for service contracts, notice period and severance fees or any other payment to the Independent Directors when they leave the Company.

Section 197 of the Act provides that a Director who is not in the whole-time employment of the Company (i.e. Non - Executive Director) may be paid remuneration by way of commission at a sum not exceeding 1% per annum of net profits. In the Financial Year 2022-23, the aggregate commission to all the Non-Executive Directors paid was ₹ 30.56 Million and does not exceed the statutory limit of ₹ 108.16 Million.

Table 11: Remuneration to Non-Executive Directors^ (In ₹ Million)

Name of the Director	Category	Year ended March 31	Salary and allowance	Commission*	Sitting fees*	Others	Total
Roshini Bakshi	Independent Director	2023	NA	3.150	1.013	NA	4.162
		2022	NA	2.883	1.200	NA	4.083
Pradeep Bhargava@	Independent Director	2023	NA	0.949	0.450	NA	1.399
		2022	NA	2.883	1.450	NA	4.333
Avani Davda	Independent Director	2023	NA	3.150	1.103	NA	4.252
		2022	NA	0.643	0.150	NA	0.793
Guy Eiferman@@	Independent Director	2023	NA	0.813	0.315	NA	1.128
		2022	NA	2.883	0.925	NA	3.808
Arvind Goel*	Independent Director	2023	NA	2.572	0.540	NA	3.112
		2022	NA	NA	NA	NA	NA
Dr. Ambuj Goyal*	Independent Director	2023	NA	2.204	0.424	NA	2.628
		2022	NA	NA	NA	NA	NA
Dr. Anant Jhingran$	Independent Director	2023	NA	1.503	0.318	NA	1.821
		2022	NA	2.883	0.650	NA	3.533
Praveen Kadle	Independent Director	2023	NA	3.150	1.373	NA	4.523
		2022	NA	2.887	1.300	NA	4.187
Thomas Kendra$$	Non-Executive Non-Independent Director	2023	NA	0.813	0.270	NA	1.083
		2022	NA	2.883	0.750	NA	3.633
Dan'l Lewin**	Independent Director	2023	NA	2.182	0.308	NA	2.490
		2022	NA	NA	NA	NA	NA
Prof. Deepak Phatak	Independent Director	2023	NA	3.150	0.810	NA	3.960
		2022	NA	2.883	1.000	NA	3.883
		2023	**NA**	**23.637**	**6.932**	**NA**	**30.560**
		2022	NA	20.828	7.425	NA	28.253

^Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 1,08.16 Million (being 1% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).
* Commission and Sitting fees are excluding service tax/Goods and service tax.
*Appointed as an Additional Independent Director w.e.f. June 7, 2022
**Appointed as an Additional Independent Director w.e.f. June 10, 2022
@Retired as an Independent Director w.e.f. July 19, 2022
@@Resigned as an Independent Director w.e.f. July 19, 2022
$Retired as an Independent Director w.e.f. November 20, 2022
$$Retired as a Non-Executive Non-Independent Director w.e.f. July 19, 2022

Mr. Bhargava, Independent Director, who completed his 2nd term and retired on July 19, 2022, has been granted Stock Options before April 1, 2014. He did not exercise any option during the year under report and there are no pending stock options 'vested but not exercised' during the last 2 financial years. None of the Independent Directors as on March 31, 2023 have been granted Stock Options and they do not hold shares of the Company.

In case of in-person attendance, all outstation Directors are provided travel and accommodation for attending the Board and Committee Meetings.

There is no pecuniary and non-pecuniary relationship between the Independent Directors vis-a-vis the Company except as stated above.

C. Risk Management Committee

Brief Description

The Risk Management Committee of the Board was constituted on April 24, 2017, even before the requirement of forming this Committee was applicable to the Company.

The Chairperson of the Committee is an Independent Director.

Table 12: Composition of the Risk Management Committee of the Board of Directors as of March 31, 2023

Name of the Director	Category
Praveen Kadle	Chairperson of the Committee and Independent Director
Arvind Goel	Independent Director
Sandeep Kalra	Executive Director and Chief Executive Officer
Sunil Sapre	Executive Director and Chief Financial Officer
Dr. R. Venkateswaran	Member and Executive Management Member – Information Technology

The Company Secretary of the Company is the Secretary of the Committee.

Meetings and Attendance

4 (Four) meetings of the Risk Management Committee were held during the Financial Year 2022-23.

Table 13: Details of the attendance at the Risk Management Committee meetings held during the Financial Year 2022-23

	Risk Management Committee Meeting			
Name of the Director	April 26, 2022	July 20, 2022	October 18, 2022	January 17, 2023
Praveen Kadle	C	C	C	C
Arvind Goel*	NA	NA	Y	Y
Sandeep Kalra	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y
Dr. R. Venkateswaran	Y	Y	Y	Y

*Inducted as a member of the Committee w.e.f. July 21, 2022

The Committee has the following powers and responsibilities including but not limited to:

i. To formulate a detailed risk management policy which shall include:

- A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG-related risks), information, cyber security risks, or any other risk as may be determined by the Committee
- Measures for risk mitigation including systems and processes for internal control of identified risks
- Business continuity plan
- To ensure that appropriate methodology, processes, and systems are in place to monitor and evaluate risks associated with the business of the Company

\ To monitor and oversee the implementation of the risk management policy, including evaluating the adequacy of risk management systems

\ To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity

\ To keep the board of directors informed about the nature and content of its discussions, recommendations, and actions to be taken

\ The appointment, removal, and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

\ To seek information from any employee, obtain outside legal or other professional advice, and secure the attendance of outsiders with relevant expertise, if it considers necessary.

ii. To review financial and risk management policies

iii. To review report on compliance of laws and risk management including Cybersecurity, reports issued by Statutory/ Internal Auditors; and

iv. To carry out any other function as is mentioned in the terms of the Risk Management Committee and entrusted by the Board

D. Stakeholders Relationship and ESG Committee

Brief Description

The Stakeholders Relationship Committee was constituted on October 4, 2007. It was later renamed to the Stakeholders Relationship and ESG Committee in January 2022.

The Committee specifically looks into the redressal of shareholders' and investors' grievances such as transfer/transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc. and aims to provide more focus and detailed efforts toward ESG implementation.

The Chairperson of the Committee is an Independent Director.

Table 14: Composition of the Stakeholders Relationship and ESG Committee of the Board of Directors as of March 31, 2023

Name of the Director	Category
Prof. Deepak Phatak	Chairperson of the Committee and Independent Director
Dr. Anand Deshpande	Chairman and Managing Director
Sunil Sapre	Executive Director and Chief Financial Officer
Avani Davda*	Independent Director
Arvind Goel*	Independent Director

* Inducted as a Member w.e.f. July 21, 2022.

The Company Secretary of the Company is the Secretary of the Committee for the purpose of stakeholders' related matters

The Committee was constituted with the powers and responsibilities including but not limited to:

i To supervise and ensure efficient share transfers, share transmission, transposition, etc.

ii To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion, and issue of duplicate share certificate of equity shares of the Company

iii. To redress shareholder and depositor complaints like non-receipt of Balance Sheet, non-receipt of declared dividends, etc

iv. To review service standards and investor service initiatives undertaken by the Company

v. To address all matters about Registrar and Share Transfer Agent including appointment of new a Registrar and Share Transfer Agent in place of the existing one

vi. To address all matters about Depositories for dematerialization of shares of the Company and other matters connected therewith

vii. To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, and issue of new/duplicate certificates, general meetings, etc.

viii. To review measures taken for the effective exercise of voting rights by shareholders

ix. To review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent

x. To review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company and

xi. To oversee the Environment, Social and Governance (ESG) initiatives at Persistent including but not limited to:

\ Setting the tone and reinforcing the culture within the Company regarding sustainability, promoting open discussion and integrating ESG strategy and its alignment with Company's strategy and goals

\ Endorsing the ESG vision and goals set out on an ongoing basis

\ Reviewing and monitoring ESG framework, the progress against the stated vision and goals, disclosures & reporting

\ Providing guidance and monitor key environmental, social, and governance issues such as climate-related risks (current & emerging) & opportunities, resource efficiency and circularity, responsible sourcing & value chain sustainability, labor practices & human rights, good governance practices & social responsibility

\ Looking into material issues and areas of interest that are of importance to stakeholders

\ Ensuring transparency and reporting on approach to ESG matters to employees, customers, suppliers, investors, communities, and other stakeholders; and

xii. To attend to any other responsibility as may be entrusted by the Board within the terms of reference

Meetings and Attendance

The Committee meets at least once every financial year. 2 (Two) meetings of the Committee were held during the Financial Year 2022-23.

Table 15: Details of the Attendance at the Stakeholders Relationship and ESG Committee Meetings held during the Financial Year 2022-23

	Stakeholders Relationship and ESG Committee Meeting	
Name of the Director	**April 27, 2022**	**October 19, 2022**
Prof. Deepak Phatak	C	C
Dr. Anand Deshpande	Y	Y
Avani Davda*	NA	Y
Arvind Goel*	NA	Y
Sunil Sapre	Y	Y

*Inducted as a member of the Committee on July 21, 2022

Key Stakeholders of the Company and our Key Initiatives

The Company always strives for the betterment of its stakeholders which include the society, clients, partners, our employees, the shareowners, the Board of Directors, vendors, and even the environment.

Every year, the Company presents the key initiatives taken and practices followed towards betterment of its stakeholders. The purpose of this is to maintain good relationships and to safeguard the rights and best interest of these stakeholders.

The Company at every meeting of the Stakeholders Relationship and ESG Committee takes an update on initiatives taken towards the Company's stakeholders.

Following are the initiatives that were taken during FY 2022-23:

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 2022-23
Board of Directors and the Senior Management	1\ We adopted control mechanisms necessary to ensure compliance with the applicable tax laws and regulations in the countries and tax jurisdictions in which Persistent Group operates. 2\ We provided updates to the Board and its Committees on recent amendments in the Legal landscape impacting the Organization. 3\ We provided insights on management audits/process improvement initiatives that contribute to revenue growth, cost optimization, and other business objectives. While doing so, we study peer processes/practices by reaching out to peer networks and available peer information and identify what can be implemented in the best interest of Persistent. 4\ We ensured compliance with applicable tax laws and regulations, all within the framework of fulfilling the corporate interest and supporting a long-term business strategy that avoids tax risks and inefficiencies in the implementation of business decisions.
Government Regulatory Authorities/Government bodies/ Chamber of Commerce	1\ We continued to participate in the Surveys conducted by RBI and MCCIA; and provided detailed information about the performance of the Company and forecast for the next quarters. 2\ We had raised concerns with the RBI about the delay in the matter of approval by the RBI for Form ESOP and Form FC–TRS relating to the exercising of the ESOPs by Foreign Nationals and NRIs.
Our Clients and Partners	1\ Client Billable Procurement We are taking action on the Client's Billable requirements within 3 working days, this is to expedite the overall procurement process and reduce the TAT. Similarly, whatever benefit the Company gets out of negotiation, it directly passes it on to the customer. All Client Billable Purchase Orders in H1 of FY23 are released within three working days. 100% SLA Achievement. 2\ Business Critical Procurement This is to ensure fast track procurement process of business-critical and urgent business needs. 3\ We conducted periodic third-party audits on Persistent's integrated management system and also discussed best practices for auditing, risk management, and automation with our customers.
Our Employees	1\ We executed employee connect programs: The leadership team including CEO, and DO, and CPO sessions with employees across all segments in different locations. 2\ We executed monthly surveys through Peakon surveys which enabled to have operational feedback from employees. Line managers can see engagement levels of real-time in more real time, review feedback received, take corrective actions. 3\ In MyLife engagement events the Company hosted Pulse 2023 across 14 locations and witnessed ~7,500 employee participations. The Company organized Persistent Run across India and Malaysia had ~6,500 participations. 4\ In Semicolons, the Company witnessed 900+ employees participation, and in the "Embrace Equity" campaign 300+ women participated across various locations. As part of the culture initiative, the Company has initiated 1) Onboarding as a differentiator 2) Diversity 3) Persist ways of growing. 5\ Female hygiene bins installed at ladies' washrooms at PAN India locations. The sanitary napkins are disposed off in an eco-friendly process to avoid any damage to the environment. 6\ We conducted awareness sessions through M/s. Khaitan, leading legal practitioners in India in March 2023 (just before the Trading Window closure) on the applicable compliances under the SEBI's Prohibition of Insider Trading Regulations for designated employees in India and abroad. The sessions were well received by the attendees. The recording of these sessions is preserved and is shared with the employees who are newly introduced to the list of Designated Employees. 7\ We conducted multiple sessions on awareness of the ESOPs process globally for employees in different locations and make continuous efforts to streamline each case according to the Regulations.

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 22-23
Our Vendors and Consultants	1\ We have provided extensive training to the staff to develop prompt and multitasking abilities. We have been identifying and exploring the efficient vendors to ensure ISO Certifications i.e. EMS, ISMS, GHG quantification, etc. and aims to take them to the next level by training and guiding them through the external consultant. 2\ Achieving environmental compliance All E-Waste / Hazardous waste disposal is always done to the SPCB-approved vendors only.
Shareowners of the Company	1\ We communicated with 2,418 Shareholders through emails, 107 Shareholders through SMS, and 910 shareholders through a letter sent to their residential addresses, who have not claimed their unclaimed Dividends. The Company is also trying to motivate those shareholders to pay attention to the procedural requirement to claim their unclaimed dividends and avoid these shares from getting transferred to IEPF. The activity has resulted positively: out of the total unpaid dividend of ₹ 2,935,492, the dividend of ₹ 413,690 was claimed by shareholders. This has resulted in a reduction of the unpaid dividend by 2.61% 2\ Out of the Final Dividend for FY 2014-15 which was liable for transfer to IEPF of ₹ 144,370, the dividend of ₹ 30,040 was claimed by shareholders.
Society at large	1\ Through Persistent Foundation, we continue to undertake various projects for the betterment of society. 2\ We supported 1,000 children in the age group of 2 to 6 years to combat malnutrition and supported 235 facial cleft and pallet surgeries. 3\ Our Employees contributed 406 volunteering hours under different drives. 4\ We provided Internships for 3,000+ students from December 2022, undergoing our GEMS training programs with the best possible internal and external (Udemy) content blended with live experienced trainers from L&D academies, with 70% focus on hands-on experience. 5\ We conducted a Computer Hardware Donation camp for Educational and charitable institutions: Under this, we donated 163 nos Computer Sets, 47 Laptops, and 183 Desktops.
Student Community and Alumni	1\ Technothon – a hackathon for only GEMS is launched and covered around 220 GEMS from multiple BU in March'23. 2\ Faculty Development Program for 45 faculties to mentor on Effective Teaching methodologies and also help bridge the gap be the Company academia and corporate.

In the coming years, we will ensure to continue to strive for the betterment of our stakeholders by providing them with the best possible services and adapting the best practices which will help to maintain a good harmonious relationship with them and to safeguard their rights and best interest.

Investors' Grievances

During the Financial Year ended March 31, 2023, the Company has attended to investors' grievances expeditiously.

Table 16: The details of the requests/complaints received and disposed off during the year are as under:

Sr. No.	Nature of Request/Complaint	Opening Balance as on April 1, 2022	Received	Attended	Pending as on March 31, 2023
1\	Revalidation of warrants /issue of fresh drafts	0	109	109	0
2\	SCORES	0	0	0	0
3\	BSE/NSE	0	0	0	0

The Members may contact the Company Secretary of the Company for their queries, if any, at the contact details provided in the Shareholders' Information in this report and also available on the Company Website at https://www.persistent.com/investors/

Web-based Query Redressal System

The Company has set up a facility on the Company website to help members of the Company raise their share related queries. The webpage can be accessed at https://www.persistent.com/investors/#investor-complaints.

The Company addresses all investors queries and grievances expeditiously.

E. Corporate Social Responsibility (CSR) Committee

Brief Description

In terms of Section 135 of the Act, the Board of Directors at its meeting concluded on April 19, 2014, constituted the Corporate Social Responsibility Committee.

The Chairperson of the Committee is an Independent Director.

The Company is committed to Corporate Social Responsibility and the Board takes on record updates on the CSR activities of Persistent Foundation and the Company. Ms. Sonali Deshpande as the Chairperson of Persistent Foundation participates in Board Meetings every six-months to share updates and to seek the Board's guidance on proposed activities of the Foundation. Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sunil Sapre, Executive Director and Chief Financial Officer and Mr. Pradeep Bhargava, Ex-Independent Director and Ex-Chairman of the CSR Committee are trustees of Persistent Foundation and ensure that the Board's guidance is followed by the Foundation.

Mr. Sunil Sapre, Executive Director and Chief Financial Officer of the Company certified that the CSR funds of the Company have been disbursed and utilized during FY 2022-23 in the manner approved by the Board of Directors and the same has been placed before the Board at its June 2023 meeting.

Table 17: Composition of the CSR Committee of the Board of Directors as on March 31, 2023:

Name of the Director	Category
Avani Davda	Chairperson of the Committee and Independent Director
Dr. Anand Deshpande	Chairman and Managing Director
Prof. Deepak Phatak	Independent Director

The Committee is constituted with powers and responsibilities including but not limited to:

i. To formulate and recommend to the Board a CSR Policy which will define the focus areas and indicate the activities to be undertaken by the Company under CSR domain

ii. To recommend to the Board necessary amendments, if any, in the CSR Policy from time to time

iii. To monitor the budget under the CSR activities of the Company and

iv. To accomplish the various CSR projects of the Company independently or through 'Persistent Foundation' and/or any other eligible NGO/Social Institute, as the case may be

Further, the CSR Committee is empowered to do the following:

i. To seek information from any employee as considered necessary

ii. To obtain outside legal professional advice as considered necessary

iii. To secure attendance of outsiders with relevant expertise and

iv. To investigate any activity within terms of reference

Meetings

The meeting of the Committee was held on April 27, 2022, to review the CSR activities of the Company to be conducted during the Financial Year 2022-23. As per the provisions of the Act, the Company was required to spend towards CSR activities at least 2% of the average net profits of the Company during the three immediately preceding financial years which amounted to ₹ 140.99 Million. The Company spent ₹ 117.60 Million by way of donations to various eligible institutions and claimed a set off of ₹ 23.39 Million against the excess CSR contribution made during the FY 2020-21. Resultantly, the Company has complied with the provisions of the Act.

Based on the profits of immediately preceding three financial years ending on March 31, 2023 and subject to change for adjustments of overseas branches profit/loss, the Committee recommended to the Board of Directors, the amount of ₹ 173.39 Million must be spent towards CSR activities as per Section 135 of the Act for the Financial Year 2023-24.

Table 18: Details of the Attendance at the CSR Committee Meeting during the Financial Year 2022-23

	CSR Committee Meeting
Name of the Director	**April 27, 2022**
Pradeep Bhargava*	C
Dr. Anand Deshpande	Y
Prof. Deepak Phatak	Y
Avani Davda	Y

* Retired as a director of the company and hence ceased to be a member of the committee w.e.f. July 19, 2022.

F. Executive Committee

Brief Description

The Executive Committee of the Board was constituted on January 29, 2005. The Executive Committee was constituted to review the implementation of decisions taken by the Board of Directors in between two Board meetings.

The Chairperson of the Committee is an Independent Director.

Table 19: Composition of the Executive Committee of the Board of Directors as on March 31, 2023

Name of the Director	Category
Roshini Bakshi	Chairperson of the Committee and Independent Director
Avani Davda	Independent Director
Dr. Ambuj Goyal	Independent Director
Praveen Kadle	Independent Director
Sandeep Kalra	Executive Director and Chief Executive Officer
Sunil Sapre	Executive Director and Chief Financial Officer

The Committee is constituted with powers and responsibilities including but not limited to:

i. To review and follow up on the action taken on the Board decisions

ii. To review the operations of the Company in general

iii. To review the systems followed by the Company

iv. To examine proposal for investment in real estate

v. To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board

vi. To review capital expenditure against the budget

vii. Report on Corporate Governance

viii. To authorize opening and closing of bank accounts

ix. To authorize additions/deletions to the signatories pertaining to banking transactions

x. To approve investment of surplus funds for an amount not exceeding ₹ 25 Crores as per the policy approved by the Board

xi. To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products

xii. To approve donations as per the policy approved by the Board

xiii. To delegate authority to the Company officials to represent the Company at various courts, government authorities and so on and

xiv. To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference

Further, the Executive Committee is empowered to do the following:

a. To seek information from any employee as considered necessary

b. To obtain outside legal professional advice as considered necessary

c. To secure attendance of outsiders with relevant expertise and

d. To investigate any activity within terms of reference

Meetings and Attendance

The Executive Committee generally meets between two board meetings. 3 (Three) meetings of the Executive Committee were held during the Financial Year 2022-23.

Table 20: Details of the attendance at the Executive Committee Meetings during the Financial Year 2022-23

Name of the Director	Executive Committee Meeting		
	August 23, 2022	November 23, 2022	February 24, 2023
Roshini Bakshi	C	C	C
Avani Davda	Y	Y	Y
Dr. Ambuj Goyal*	NA	Y	Y
Dr. Anant Jhingran**	Y	NA	NA
Praveen Kadle	Y	Y	Y
Sandeep Kalra	Y	Y	Y
Sunil Sapre	Y	Y	Y

*Inducted as a member of the Committee w.e.f. October 18, 2022.
**Retired as a director of the Company and hence ceased to be a member of the Committee w.e.f. November 20, 2022.

3\ Subsidiary Companies

During the Financial Year 2022-23, the Company along with its wholly-owned subsidiary Persistent Systems Inc. has completed two acquisitions. Following are the details of the said acquisitions:

1\ The Company acquired MediaAgility India Private Limited, India on April 29, 2022.

2\ Persistent Systems Inc., USA a wholly-owned subsidiary of the Company acquired MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore on May 4, 2022.

Further, the Audit Committee and the Board of Directors review the consolidated financial statements of the Company and its subsidiary companies on a quarterly basis.

The Audit Committee and the Board of Directors review related party transactions entered into by the Company including those with the subsidiary companies.

Details of percentage holding of the Company in the subsidiary companies as on March 31, 2023

Name of the Subsidiary Company	Country of Registration	Holding percentage
Persistent Systems Inc.	USA	100%
Persistent Systems Pte. Ltd.	Singapore	100%
Persistent Systems France S.A.S.	France	100%
Persistent Systems Malaysia Sdn. Bhd.	Malaysia	100%
Persistent Systems Germany GmbH	Germany	100%
Capiot Software Private Limited	India	100%
MediaAgility India Private Limited*	India	100%
Persistent Telecom Solutions Inc.	USA	100% subsidiary of Persistent Systems Inc. – Step down subsidiary of the Company

Name of the Subsidiary Company	Country of Registration	Holding percentage
Aepona Group Limited	Ireland	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Persistent Systems UK Limited (erstwhile Aepona Limited)	UK	100% subsidiary of Aepona Group Limited - Step down subsidiary of the Company
Persistent Systems Lanka (Private) Limited	Sri Lanka	100% subsidiary of Aepona Group Limited - Step down subsidiary of the Company
Persistent Systems Israel Ltd.	Israel	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Persistent Systems Mexico S.A. de C.V.	Mexico	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Capiot Software Inc.	USA	100% subsidiary of Persistent Systems Inc. – Step down subsidiary of the Company
Persistent Systems Australia Pty. Ltd. (erstwhile Capiot Software Pty. Ltd.)	Australia	100% subsidiary of Capiot Software Inc. – Step down subsidiary of the Company
Capiot Software Pte. Ltd.	Singapore	100% subsidiary of Capiot Software Inc. – Step down subsidiary of the Company
Persistent Systems S.r.l.	Italy	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Software Corporation International	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Fusion360 LLC	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Persistent Systems Switzerland AG (erstwhile PARX Werk AG)	Switzerland	100% subsidiary of Persistent Systems Germany GmbH – Step down subsidiary of the Company
PARX Consulting GmbH	Germany	100% subsidiary of Persistent Systems Switzerland AG - Step down subsidiary of the Company
Youperience GmbH	Germany	100% subsidiary of Persistent Systems Germany GmbH – Step down subsidiary of the Company
Youperience Ltd.	UK	100% subsidiary of Youperience GmbH - Step down subsidiary of the Company
Persistent Systems S.r.l.**	Romania	100% subsidiary of Persistent Systems Germany GmbH – Step down subsidiary of the Company
Data Glove IT Solutions Limitada	Costa Rica	100% subsidiary of Persistent Systems Germany GmbH - Step down subsidiary of the Company
MediaAgility Inc.*	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
MediaAgility Pte. Ltd.*	Singapore	100% subsidiary of MediaAgility Inc. - Step down subsidiary of the Company
MediaAgility UK Ltd.*	UK	100% subsidiary of MediaAgility Inc. - Step down subsidiary of the Company
Digitalagility S de RL de CV*	Mexico	100% subsidiary of MediaAgility Inc. - Step down subsidiary of the Company

* Acquired during the Financial Year 2022-23

** Incorporated during the Financial Year 2022-23

4\ General Meeting Details

a. The details of the last three years Annual General Meetings are as follows:

Financial Year	Date	Time (IST)	Venue
2019-20 30th AGM	July 24, 2020	1600 Hrs.	Held through Video Conferencing/Other Audio-Visual Means in terms of the SEBI and MCA circulars
2020-21 31st AGM	July 21, 2021	1600 Hrs.	Held through Video Conferencing/Other Audio-Visual Means in terms of the SEBI and MCA circulars
2021-22 32nd AGM	July 19, 2022	1600 Hrs.	Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016, for in person attendance and through Video Conferencing/Other Audio-Visual Means in terms of the SEBI and MCA circulars

b. The details of the Extra-Ordinary General Meeting held are as follows:

No Extra-Ordinary General Meetings were held during the last three financial years i.e. FY 2020-21, FY 2021-22 and FY 2022-23

c. The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Date of AGM	Sr. No.	Venue
July 24, 2020 30th AGM	i.	No special resolutions were considered during the 30th Annual General Meeting held on July 24, 2020
July 21, 2021 31st AGM	i.	To approve amendments in the 'Persistent Employee Stock Option Scheme 2014'
	ii	To Grant employee stock options to the employees of subsidiary company(ies) of the Company under 'Persistent Employee Stock Option Scheme 2014
	iii	To approve amendments in the 'Persistent Systems Limited – Employee Stock Option Plan 2017'
	iv	To Grant employee stock options to the employees of subsidiary company(ies) of the Company under 'Persistent Systems Limited – Employee Stock Option Plan 2017'
July 19, 2022 32nd AGM	i.	To appoint Ms. Avani Davda, Mumbai, India (DIN: 07504739) as an Independent Director of the Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from December 28, 2021, to December 27, 2026
	ii.	To appoint Mr. Arvind Goel, Pune, India (DIN: 02300813) as an Independent Director of the Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022, to June 6, 2027
	iii.	To appoint Dr. Ambuj Goyal, New York, USA (DIN: 09631525) as an Independent Director of the Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022, to June 6, 2027
	iv.	To appoint Mr. Dan'l Lewin, California, USA (DIN: 09631526) as an Independent Director of the Company, not liable to retire by rotation, to hold office for the first term of 5 (Five) consecutive years i.e. from June 10, 2022, to June 9, 2027

5\ Resolution Passed by Postal Ballot:

During the Financial Year 2022-23, there were no resolutions passed through the Postal Ballot.

6\ Disclosures

A. Code of Conduct

Pursuant to the requirements of Regulation 17(5)(a) of Listing Regulations, the Company obtains the affirmation of compliance of the Code of Conduct from its Directors and Senior Management on a yearly basis since Financial Year 2005-06. Furthermore, the Code of Conduct is applicable to all the employees of the Company and its subsidiaries.

The Code of Conduct is an annual declaration that helps remind all employees and stakeholders the importance of maintaining highest standards of ethical business conduct for the Company. In terms of the Code of Conduct, Directors and Employees must act within the guidelines of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders.

Further, Directors and Employees must ensure that they do not derive any undue personal benefit because of their position in the Company and because they have access to certain confidential information coming to their knowledge.

It has been affirmed to the Board of Directors that this Code of Conduct has been complied with by all the Board members and all the Employees and a declaration to this effect forms part of this report. The Code of Conduct is uploaded on the website of the Company at Code of Conduct for Directors and Employees | Persistent Systems.

B. Familiarization Program for the Board of Directors

Pursuant to the requirements of Regulation 25(7) of Listing Regulations, the Company conducts the Familiarization Program for Independent Directors as well as other Directors on the Board about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives. The Company also shares the organizational structure and operations on a regular basis. A few initiatives under familiarization program are elaborated at Familiarization Program at Persistent for Directors.

C. Board Offsite

As part of our annual strategy planning process, the Company organizes an offsite for the Board Members and Senior Executives to deliberate on various topics related to technological overview, global scenario for IT industry, sales strategy, market research, risk overview, succession planning and strategic programs required to achieve the Company's long-term objectives.

This serves a dual purpose of providing a platform for Board Members to bring their expertise to the projects, while also providing an opportunity for them to understand detailed aspects of execution and challenges relating to the business of the Company.

The above are specific mechanisms through which the Board Members are familiarized with the Company culture and operations. Apart from these, there are additional sessions on demand on specific topics.

D. Whistleblower Policy

The Board of Directors of the Company has adopted a Whistleblower Policy for employees and for the non-employee stakeholders in India and all global locations. The employees are encouraged to report to the Whistleblower Administrator, if they observe any fraudulent financial or other information or conduct that results in the instances of unethical behavior, actual or suspected violation of the Company's Code of Conduct and the Ethics Policy. The Board of Directors has appointed the Chairman of the Audit Committee as the Whistle Blower Administrator.

This policy and practices provide adequate safeguards against victimization of employees who report to the Whistleblower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee. The Whistleblower Policy is uploaded on the website of the Company at Whistleblower Policy | Persistent Systems

E. Complaints Pertaining to Sexual Harassment

The details of complaints filed, disposed off and pending during every quarter pertaining to sexual harassment are reported to the Board in every meeting and are included in the Report of the Directors.

F. Policy on Material Subsidiary

In terms of Regulation 16 (1) (c) of Listing Regulations, the Policy on Material Subsidiary is framed to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. The policy to determine the Material Subsidiaries of the Company is uploaded at Material Subsidiary Policy | Persistent Systems.

According to the said Policy, Persistent Systems Inc., USA is the Material Subsidiary of the Company which was incorporated on October 25, 2001, in the State of California, USA. The entity is not required to appoint an Auditor to audit its financials as per local laws. However, for consolidation purposes, the financials of the said entity are audited by M/s. Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013).

G. Disclosures on material significant related party transactions that may have potential conflict with the interests of the Company

During the Financial Year 2022-23, there were no material significant transactions, pecuniary transactions or relationships between the Company and the Promoters, Directors and their relatives and the management that has potential conflict of interest of the Company.

Details of all transactions entered into by the Company with the related parties have been disclosed under "Related Party Transactions" in the Notes to Accounts of the Company which form part of this Annual Report. A policy determining the Related Party Transactions is uploaded on the website of the Company at Related Party Transactions Policy | Persistent.

H. Risk Management and Internal Control Policies adopted by the Company

The Report on Risk Management and Internal Control Policies adopted by the Company forms separate part of this Annual Report.

I. Commodity Price Risk /Foreign Exchange Risk and Hedging activities

The Company's exposure to market risks and currencies are detailed in Note No. 30, under the head 'Financial risk factors and Risk management objectives', forming part of Notes to Financial Statements.

I. Adherence to Accounting Standards

The Company follows the Accounting Standards and guidelines prescribed by the Institute of Chartered Accountants of India (ICAI) and notified by the MCA.

J. Adherence to the Listing Regulations

The Company discloses information regarding its financial position, performance and other vital matters with transparency, fairness and accountability on a timely basis. This report is prepared with adherence to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and the report comprehends all the requirements under Regulations 17 to 27 read with Para C and D of Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations as applicable.

K. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Loans and advances are covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report. (Refer notes 5, 6, 14, 17, 33 and 42 of the Standalone Financial Statements).

L. Compliance Tool for tracking the applicable scheduled compliances

The Company ensures that adequate tools and appropriate processes are in place for adherence with all the statutory compliances. Compliances applicable to Company globally are monitored and tracked through a web-based tool. In the year 2016, Company implemented the Compliance Tool to report and track the domestic compliances; while the same tool was enhanced and is being used to report and track the global compliances for 11 locations since July 2018. The said Tool is used to record and report the compliances as and when they are due. A detailed report derived from the said tool is placed before the Board and Audit Committee during every quarterly meeting.

Amendments to the existing laws and introduction of new laws are reviewed, updated in the system and the same is monitored by the Company.

M. Data Protection Initiatives

Global Data Protection Regulation ("GDPR") is the Europe's new framework that came into force in May 2018. Purpose of GDPR is not only to harmonize data privacy laws across Europe but also to give greater protection and rights to individuals. Applicability of GDPR is not restricted to European companies, but GDPR applies even to companies outside Europe if they process information about European persons' personal data.

The Company respects the privacy and choices of an individual and is committed to protect the data it processes. The Company implements policies, procedures and systems that follow Privacy by Design principles. With the help of third-party, the Company has assessed alignment of its processes and policies with respect to GDPR requirements and has taken concrete steps to protect rights of individuals under GDPR.

The Company even follows the Data Privacy Laws/principles at the other countries where the Company operates through its offices or has customers.

N. **Details of Non-compliance**

There were no non-compliances by the Company, no penalties and strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets, during the year from April 1, 2022, to March 31, 2023.

The Company has complied and disclosed all the mandatory requirements under the Listing Regulations.

O. **Remuneration to the Directors of the Company**

Information relating to the remuneration to the Directors during the Financial Year 2022-23 has been provided under the details of the Nomination and Remuneration Committee in this report.

7\ Management Discussion and Analysis

As required by Regulation 34(2)(e) of Listing Regulations, the Management Discussion and Analysis Report is provided elsewhere in the Annual Report.

8\ Corporate Social Responsibility Report

A Report on the Corporate Social Responsibility (CSR) initiatives of the Company has been provided elsewhere in the Annual Report.

9\ Shareholders' Information

A. **Means of Communication**

The Company constantly communicates to the institutional investors about the operations and financial results of the Company. Besides publishing the abridged financial results in one national and one regional daily newspaper respectively, as per Regulation 46 of the Listing Regulations, the complete audited/limited reviewed financial statements are published on the Company's website (www.persistent.com) at Financial Highlights of Persistent Systems - Quarterly Results under 'Investors' section. The transcripts of call with analysts are also available on the Company's website.

The Company uses a wide array of communication tools including face-to-face, online and offline channels to ensure that information reaches all the stakeholders in their preferred medium.

The table below gives the snapshot of the communication channels used by the Company to communicate with its stakeholders:

Particulars	Board Meetings	Shareholders Meetings	Formal Notices	Website Information	Press/Web Release	E-mails	Annual Reports	Newspaper
Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓
Shareholders	-	✓	✓	✓	✓	-	✓	✓
Employees	-	-	-	✓	✓	✓	✓	✓
Financial Analysts	-	-	-	✓	✓	✓	✓	✓
General Public	-	-	-	✓	✓	-	-	✓
Frequency	Quarterly	Annually	Ongoing	Ongoing	Ongoing	Ongoing	Annually	Ongoing

Details of newspapers where Quarterly Results of the Company were published:

		Publication of Financial Results in Newspapers			
Publication of the Financial Results for the Quarter ended		**June 30, 2022**	**September 30, 2022**	**December 31, 2022**	**March 31, 2023**
English	Date of Publication	July 23, 2022	October 27, 2022	January 21, 2023	April 28, 2023
	Newspapers	The Financial Express (All India editions)	The Financial Express (All India editions)	The Financial Express (All India editions)	The Financial Express (All India editions)
Marathi	Date of Publication	July 23, 2022	October 27, 2022	January 21, 2023	April 28, 2023
	Newspapers	Loksatta (Pune edition)	Loksatta (Pune edition)	Loksatta (Pune edition)	Loksatta (Pune edition)

B. Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is 'L72300PN1990PLC056696'. The Company is registered in the State of Maharashtra, India.

C. General Details of the Company

i. Registered Office
'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India.

ii. Financial Year of the Company is from 1st April of every year to 31st of March next year.

iii. Forthcoming Annual General Meeting of the Company
The forthcoming Annual General Meeting of the Company will be held on Tuesday, July 18, 2023, at 1600 hrs. (IST) through hybrid mode i.e. combination of in-person attendance or Video Conferencing/Other Audio-Visual Means as per the convenience of Members.

iv. Book Closure dates: From Wednesday, July 12, 2023, to Tuesday, July 18, 2023 (Both days inclusive)

v. Company Secretary and Compliance Officer of the Company

Mr. Amit Atre, Company Secretary
ICSI Membership No.: A20507
'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India.
Tel.: +91 (20) 6703 0000 Fax: +91 (20) 6703 0008
E-mail: investors@persistent.com or companysecretary@persistent.com
Website: www.persistent.com

The Members may communicate investor complaints to the Company Secretary on the above-mentioned co-ordinates.

vi. Dividend Payment Date

The Company had declared an Interim Dividend of ₹ 28 per equity share at its Board meeting held in January 2023 for the Financial Year 2022-23 to those members whose names were appearing in the Register of Members on January 27, 2023 and the payment was made on February 6, 2023.

Your Board has recommended a Final Dividend of ₹ 12 (₹ Twelve Only) per Equity Share and a Special Dividend of ₹ 10 (₹ Ten Only) per Equity Share of ₹ 10 each for Financial Year 2022-23. The Special Dividend is being recommended for achieving US $1 Billion revenue and will be paid along with the Final Dividend.

This aggregate Dividend of ₹ 22 (₹ Twenty-Two Only) per Equity Share is subject to the approval of Members at the ensuing Annual General Meeting to be held on July 18, 2023, to those members whose names appearing in the Register of Members on July 11, 2023. It is proposed to make the payment before August 12, 2023.

Payment of dividend through Electronic mode:

Securities and Exchange Board of India (SEBI) has vide Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, directed that Listed Companies shall mandatorily make all payments to Investors, including Dividend to shareholders, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), NEFT etc.

1\ The Company will use the bank details available with Depository Participant for electronic credit of Dividend.

2\ In order to receive the dividend without loss of time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants their correct Bank Account Number, including 9-digit MICR Code and 11-digit IFSC Code, type of bank account, E-mail ID and mobile no(s).

Shareholders holding shares in physical form may communicate details relating to their Bank Account, 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile no(s) to the Registrar and Share Transfer Agents viz. Link Intime India Private Limited, having address at Block No. 202, Second Floor, Akshay Complex, Off Dhole Patil Road, Pune 411 001, by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their Active Bank account and a self-attested copy of their PAN card.

In terms of the SEBI Notification dated April 20, 2018, in case dividend payment by electronic mode is returned or rejected by the corresponding bank due to certain reasons, the shareholders are required to connect their bank account with the Demat Account. The Company will then process online transfer of unclaimed Dividend to the respective Bank Account of the shareholders.

vii. Unclaimed Dividend

According to the provisions of the Act, the amount in the dividend account remaining unclaimed for a period of 7 (Seven) years from the date of its disbursement, has to be transferred to the Investor Education and Protection Fund (IEPF) maintained by the Government of India.

Following are the details of the unclaimed dividend. If not claimed within the period of 7 (Seven) years, then the same will be transferred to the Investors Education and Protection Fund (IEPF) in accordance with the schedule given below:

Financial Year	Date of declaration of dividend and type of dividend	Total Dividend (In ₹)	Unclaimed Dividend as on March 31, 2023 (In ₹)	Due date for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)	Percentage of unclaimed dividend over Total Dividend
2022-23	January 2023 – Interim	2,139,900,000	349,362	25-Mar-30	0.0163
2021-22	July 2022 – Final	840,675,000	467,740	23-Sep-29	0.0556
2021-22	January 2022 - Interim	1,528,500,000	482,850	27-Mar-29	0.0316
2020-21	July 2021 – Final	458,550,000	93,473	25-Sep-28	0.0203
2020-21	January 2021 - Interim	1,069,950,000	267,972	03-Apr-28	0.0250
2019-20	March 2020 – 2nd Interim	229,275,000	1,47,756	17-May-27	0.0644
2019-20	January 2020 – 1st Interim	687,825,000	2,37,456	06-Apr-27	0.0345
2018-19	July 2019 – Final	229,275,000	80,103	28-Sep-26	0.0349
2018-19	January 2019 – Interim	640,000,000	2,43,312	04-Apr-26	0.0380
2017-18	July 2018 – Final	240,000,000	88,002	01-Oct-25	0.0366
2017-18	January 2018 – Interim	560,000,000	1,93,088	03-Apr-25	0.0344
2016-17	July 2017 – Final	240,000,000	1,05,567	24-Sep-24	0.0439
2016-17	January 2017 – Interim	480,000,000	2,15,736	28-Mar-24	0.0449
Total		**9,343,950,000**	**1,829,502**		**0.4809**

Out of the total unpaid dividend of ₹ 280,399 for the Financial Year 2015-16, the dividend of ₹ 24,718 was claimed by 23 shareholders. This resulted in the transfer of the remaining ₹ 255,681 to IEPF. Out of the total 1,047 shares, 150 shares were claimed by the shareholders, resulting in the transfer of the remaining 897 shares to IEPF. Additionally, from the other dividend accounts, the dividend of ₹ 1,107,659.40 was claimed by the shareholders. The Company will continue to make efforts so that, the least number of unclaimed shares/dividends could be transferred to IEPF. The table below shows the details of unclaimed dividends at the beginning of the year and at the end of the year:

Sr. No.	Particulars	As on March 31, 2022	As on March 31, 2023
i	Total Dividend Declared	7,403,375,000	10,389,450,000
ii	Unclaimed Dividend	2,935,492	2,353,525

During the year under report, your Company has transferred the unclaimed and unpaid dividend of ₹ 293,370 to the IEPF Authority.

Further, the Company also transferred 140 shares from the Suspense account to IEPF. Since the IPO of the Company in April 2010, 7 shareholders, who were allotted 20 shares each could not claim their shares due to the non-submission of required documents. The Company sent periodic reminders requesting the Shareholders to provide the required documents for credit of shares and the unclaimed dividend thereon to their demat and bank account, respectively. The Company issued Bonus shares in a ratio of 1:1 in the year 2015. Pursuant to the same, the total holding of each shareholder increased to 40. The original 140 shares issued to the 7 shareholders during the IPO were transferred to IEPF upon completion of 7 years.

viii. Name of Stock Exchanges where the Company has been listed

The Equity Shares of the Company have been listed on the following stock exchanges on April 6, 2010:

Stock Exchange Name and Address	Script Symbol/Code
BSE Limited (BSE) 14th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	533179
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	PERSISTENT

Listing fees for the Financial Year 2022-23 have been paid to both BSE and NSE. The ISIN of the Company for its shares is INE262H01013.

ix. Contact details of Company's intermediaries are as follows:

Registrar and Share Transfer Agent
Link Intime India Private Limited (Unit – Persistent Systems Limited)
CIN: U67190MH1999PTC118368
Contact Person: Mr. Ashok Gupta
Block No. 202, Second Floor,
Akshay Complex, Off Dhole Patil Road, Pune 411 001.
Tel.: +91 (20) 2616 0084, 2616 1629, 2616 3503
E-mail: pune@linkintime.co.in • Website: www.linkintime.co.in

Depositories of the Company

i. **National Securities Depository Limited**
4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,
Lower Parel, Mumbai 400 013.
Tel.: +91 (22) 2499 4200 • Fax: +91 (22) 2497 6351
E-mail: info@nsdl.co.in • Website: www.nsdl.co.in

ii. **Central Depository Services (India) Limited**
Marathon Futurex, A-Wing, 25th floor, N. M. Joshi Marg, Lower Parel, Mumbai 400 013.
Phone: +91 (22) 2302 3333 • Fax: +91 (22) 2300 2035/2036
E-mail: investors@cdslindia.com • Website: www.cdslindia.com

x. Details of bonus shares issued/sub-division of shares since inception are as follows:

Financial Year	1996-97	2002-03	2007-08	2014-15
Bonus Issue	15:1	9:1	5:2	1:1

In the Financial Year 2002-03, one equity share of ₹ 100 was sub-divided into 10 fully paid equity shares of ₹ 10 each.

xi. Legal Proceedings

There are no cases related to disputes over title to shares in which the Company was made a party to any dispute.

xii. Dematerialization of Shares and Liquidity

The Company's Equity Shares have been dematerialized with the Central Depository Services (India) Limited (CDSL) and the National Securities Depository Limited (NSDL). The International Security Identification Number (ISIN) is an identification number for traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN of the Company for its shares is INE262H01013

As on March 31, 2023, 76,057,853 Equity Shares comprising 99.52% of the Company's total shares are held in dematerialized form.

xiii. Share Transfer System

SEBI, effective April 1, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares.

For shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to register the share transfer with the Company.

xiv. Distribution of Shareholding as on March 31, 2023

Shareholding of shares	Shareholders	Percentage of total	Total shares	Percentage of total
1 - 5,000	186,579	99.6172	6,960,488	9.1076
5,001 - 10,000	225	0.1201	1,626,340	2.1280
10,001 - 20,000	186	0.0993	2,607,244	3.4115
20,001 - 30,000	77	0.0411	1,913,418	2.5037
30,001 - 40,000	38	0.0203	1,332,924	1.7441
40,001 - 50,000	29	0.0155	1,287,439	1.6846
50,001 - 100,000	65	0.0347	4,446,530	5.8182
100,001 and above	97	0.0518	56,250,617	73.6023
Total	**187,296**	**100**	**76,425,000**	**100**

xv. Shareholding pattern as on March 31, 2023

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
1\	Promoters	2	22,872,340	228,723,400	29.93
2\	Promoters Group	8	1,019,745	10,197,450	1.32
3\	Institutions				
	a\ Mutual Funds	34	17,537,234	175,372,340	22.95
	b\ Financial Institutions/Banks	1	25	250	0.00
	c\ Foreign Portfolio Investors (Corporate)	364	15,693,921	156,939,210	20.54
	d\ Foreign Institutional Investors	3	12,721	127,210	0.02
	e\ Foreign Venture Capital Investors	-	-	-	-
	f\ Foreign Company	1	366,862	3,668,620	0.48
	g\ Alternate Investment Funds	23	591,613	5,916,130	0.77
	h\ Insurance Companies	17	2,967,994	29,679,940	3.88
	i\ Central Government	-	-	-	-
	j\ State Government / Governor	1	316	3,160	0.00
4\	Non – institutions				
	a\ Bodies Corporate	1094	561,947	5,619,470	0.74
	b\ Individuals	172,632	11,558,394	115,583,940	15.12
	c\ Any other				
	i NRI	5821	956,538	9,565,380	1.25
	ii Foreign National	15	36533	365,330	0.05
	iii Trust	8	871	8,710	0.00
	iv Directors/Relatives	3	102,600	1,026,000	0.13
	v Key Managerial Personnel	1	1,385	13,850	0.00
	vi Clearing Members	42	372,254	3,722,540	0.49
	vii Hindu Undivided Families	2,206	147,462	1,474,620	0.20
	vii IEPF	1	1093	10,930	0.00
	viii NBFC	5	681	6,810	0.00
	ix Limited Liability Partnership	116	42,423	424,230	0.06
5\	Employee Benefit Trust [under SEBI(Share based Employee Benefit) Regulations, 2014]	1	1,580,048	15,800,480	2.07
	Total	**182,399**	**76,425,000**	**764,250,000**	**100**

The No. of Shareholders are clubbed on the basis of PAN registered with the demat account.

xvi. Shareholders (other than Promoters) holding more than 1% of the share capital as on March 31, 2023

Sr. No.	Name of Shareholder	No. of Shares	Percentage holding
1\	Kotak Emerging Equity Scheme	3,537,374	4.6286
2\	HDFC Trustee Company Ltd - A/C HDFC Mid - Cap Opportunities Fund	2,431,536	3.1816
3\	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	2,361,769	3.0903
4\	PSPL ESOP Management Trust	1,580,048	2.0674
5\	HSBC Small Cap Fund	1,214,180	1.5887
6\	Shridhar Bhalchandra Shukla	1,101,296	1.4410
7\	Nippon Life India Trustee Ltd – A/C Nippon India Growth Fund	1,060,489	1.3876
8\	Motilal Oswal Flexi Cap Fund	889,875	1.1644
9\	Abu Dhabi Investment Authority - Way	809,130	1.0587
	Total	**14,985,697**	**19.6083**

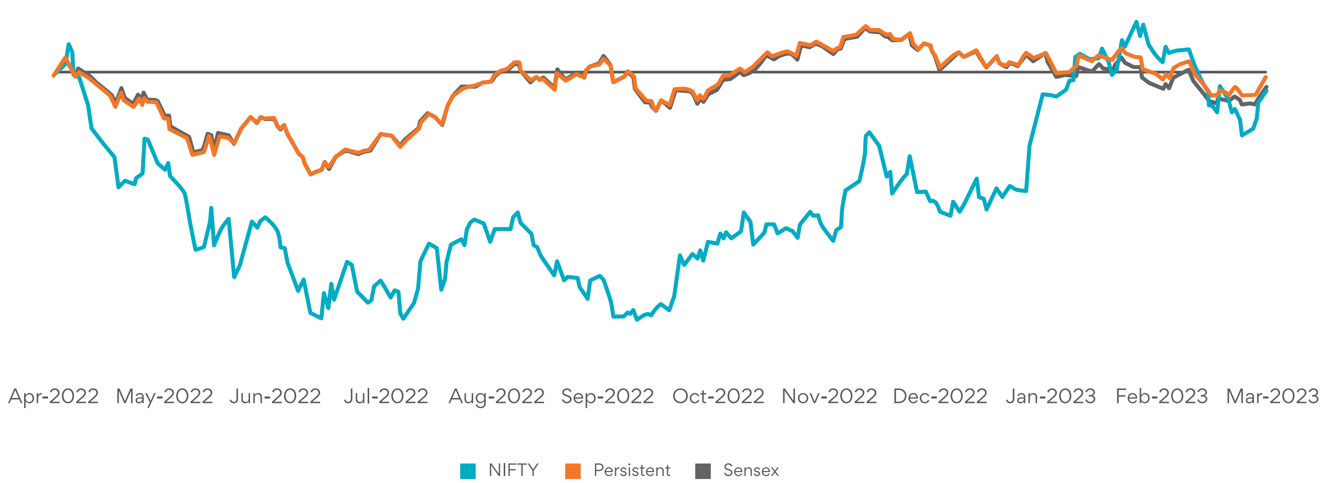
xvii. Market Price Data

The equity shares of the Company were listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) on April 6, 2010. Accordingly, the highest traded price and the lowest traded price and total volume for the period from April 1, 2022, to March 31, 2023, on a monthly basis are as below:

	BSE			NSE		
Month ended	High (₹)	Low (₹)	Total Volume (No.)	High (₹)	Low (₹)	Total Volume (No.)
Apr-22	4,950.35	3,901.55	239,520	4,954.00	3,897.55	6,605,379
May-22	4,315.00	3,283.45	286,645	4,310.00	3,281.00	6,060,387
Jun-22	3,996.40	3,104.00	177,215	4,000.00	3,102.00	5,156,924
Jul- 22	3,752.00	3,112.00	344,120	3,747.00	3,111.30	9,026,181
Aug-22	3,921.35	3,330.05	252,183	3,923.00	3,355.15	6,288,849
Sep-22	3,503.20	3,091.65	418,645	3,508.80	3,092.05	7,155,954
Oct-22	3,864.70	3,177.00	483,214	3,865.00	3,175.80	6,716,000
Nov-22	4,167.85	3,168.20	212,919	4,172.00	3,617.80	5,722,000
Dec-22	4,422.90	3,764.05	283,781	4,424.90	3,784.05	7,215,000
Jan-23	4,743.75	3,841.00	418,987	4,749.00	3,840.00	11,328,000
Feb-23	5,131.15	4,605.05	231,031	5,135.00	4,603.35	6,985,000
Mar-23	4,950.00	4,303.30	190,136	4,950.00	4,300.10	6,990,000

(Source: www.bseindia.com and www.nseindia.com)

Graphical presentation of movement of the Company's stock price as compared to Nifty and Sensex from April 1, 2022, to March 31, 2023, is as follows:



xviii. American Depository Receipts/Global Depository Receipts/Warrants

As on March 31, 2023, the Company has no American Depository Receipts/Global Depository Receipts/Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the Financial Year 2023-24.

xix. Plant Locations

The Company is in software business and does not require manufacturing plants. However, it has software development centers/offices in India and abroad. The addresses of global development centers/offices of the Company are given elsewhere in the Annual Report.

xx. Calendar for declaring the financial statements for the quarters in the Financial Year 2023-24 (tentative, subject to change)

Quarter Ending	Tentative dates of the Board Meetings
June 30, 2023	July 19 and 20, 2023
September 30, 2023	October 19 and 20, 2023
December 31, 2023	January 19 and 20, 2024
March 31, 2024	April 23 and 24, 2024

12\ CEO and CFO Certification

As required by Regulation 17(8) of Listing Regulations, the CEO and CFO certification is provided in this Annual Report.

13\ Corporate Governance Handbook

The Company has proactively and voluntarily prepared the Corporate Governance Handbook encompassing set of guidelines and policies with respect to composition of the Board of Directors and Committees of the Board, meetings of the Board of Directors and Committees of the Board, Managerial Remuneration, Code of Conduct, Whistle Blower Policy, Risk Management Policy, Internal Control Procedures etc., being adhered to by the Company. The Corporate Governance Handbook is updated on an annual basis at https://www.persistent.com/investors/corporate-governance/

14\ Ethics Policy

The Company has continued to proactively and voluntarily implement the Ethics Policy in the Company. The objective of this policy is to explain guiding principles of Persistent's Ethics Policy (for benefit of employees and all other stakeholders like customers, vendors and investors) and to establish a framework for administration. The working of the Ethics Policy is monitored by the Ethics Committee chaired by an Independent Director/Senior Officer nominated by the Board of Directors.. https://www.persistent.com/ethical-practices-at-persistent-systems/ethics-policy/

15\ Fraud Risk Management Policy

The Company has proactively and voluntarily implemented the Fraud Risk Management Policy in the Company. The objective of this policy is to protect the brand, reputation and assets of the Company from loss or damage resulting from any incidents of fraud or misconduct by employees or other stakeholders of the Company.
https://www.persistent.com/ethical-practices-at-persistent-systems/fraud-risk-management-policy/

16\ Secretarial Standards

The Ministry of Corporate Affairs notified the Secretarial Standard on Meetings of the Board of Directors (SS– 1), Secretarial Standard on General Meetings (SS–2), Secretarial Standard on Dividend (SS–3) and Secretarial Standard on Report of the Board of Directors (SS-4).

The Company complies with Secretarial Standards and guidelines issued by the Institute of Company Secretaries of India (ICSI).

17\ Corporate Governance Voluntary Guidelines, 2009

The Company follows the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs.

18\ Compliance with the Discretionary Requirements

The Company has also ensured the implementation of non-mandatory items such as:
\ Unmodified Audit opinions/reporting
\ The Head of the Internal Audit Team reporting directly to the Audit Committee

19\ Particulars of Total Fees paid to the Statutory Auditors

Particulars of total fees paid to the Statutory Auditors form part of the Note no. 39 of the Consolidated Financial Statements provided in this Annual Report.

20\ Vendor Code of Conduct

In line with the best international governance practices, the Company has prepared the Vendor Code of Conduct that must be executed by all the vendors prior to providing their services to the Company. This Code is explicit about the provisions seeking favors and bribes and requires the vendors of the Company to follow the relevant legal and regulatory compliances applicable to them while working with the Company. They must follow acceptable business conduct while doing business with or on behalf of the Company. https://www.persistent.com/investors/corporate-governance/ethical-practices-at-persistent-systems/vendor-code-of- conduct/

21\ Best Corporate Governance Practices

a. Investors Day
Annual Investor Day is a complimentary one-day event to inform retail as well as institutional investors on the Company's road map ahead. The Company's future plans, business insights are conveyed to the Investor Community as a whole for better understanding of the Company's business model, revenue/growth model and opportunities for the Company and the IT sector as a whole in the times to come.

b. Investors Website
Pursuant to the requirements of the Act and the SEBI Listing Regulations, the Company has revamped its Investor relations website for providing all the necessary information required by the various stakeholders. Share price movement chart/data, financials of the Company and all press releases are uploaded on the website of the Company at https://www.persistent.com/investors/ for the easy access and analysis of the investors.

c. Investor Calls
The Company organizes Investor Calls at regular intervals after the announcement of the quarterly results. In the call, the Executive Directors and the Senior Management of the Company shares information about the Company's performance for the quarter and answer the investor queries.

22\ Other Matters

Shareholders holding shares in physical form are requested to notify to Link Intime India Private Limited, Registrar and Share Transfer Agent about any change in their address and Bank Account details under the signature of sole/first joint holder. Beneficial owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, if any, etc., directly to their Depository Participants (DP) as the same are maintained by the respective DPs.

Non-resident shareholders are requested to notify to Link Intime India Private Limited at the earliest on the following:
a\ Change in their residential status on return to India for permanent establishment;
b\ Particulars of their NRE Bank Account with a bank in India, if not furnished earlier; and
c\ E-mail address, if any.

23\ Nomination in Respect of Shares

Section 72 of the Act provides facility for making nominations by Members in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased Member to his/her nominee without being required to go through the process of obtaining Succession Certificates/Probate of the Will, etc. It would, therefore, be in the best interest of the Members holding shares as a sole holder to make such nomination. Members holding shares in physical mode are advised to submit form SH-13 which is available for download at https://www.persistent.com/wp-content/uploads/2022/01/Form-SH-13.pdf to the Registrar and Share Transfer Agent of the Company for making nomination. Members holding shares in demat form are advised to contact their DP for making nominations. Members are further requested to quote their E-mail IDs, Telephone/Fax numbers for prompt reply to their communication.

Chief Executive Officer and Chief Financial Officer Certification

We, to the best of our knowledge and belief, certify that:

A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that

   i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
   ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations

B. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, and we have

   i. Designed such disclosures controls and procedures or caused such internal control over financial reporting to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared
   ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with the Generally Accepted Accounting Principles (GAAP) in India
   iii. Evaluated the effectiveness of the Company's disclosure, control and procedures
   iv. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

D. We have indicated to the Statutory Auditors and the Audit Committee

   i. significant changes in internal control over financial reporting during the year
   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
   iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting
   iv. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal control over financial reporting including any corrective actions with regard to deficiencies

E. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.

F. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

For and on behalf of the Board of Directors

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

USA
June 6, 2023

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Mumbai
June 6, 2023

Certificate from Practicing Company Secretary on Corporate Governance

To,
The Members,
Persistent Systems Limited

We have examined the compliance of conditions of Corporate Governance by Persistent Systems Limited (hereinafter referred "the Company"), for the year ended on March 31, 2023 as stipulated in relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

We further state that, this certificate is neither an assurance as to the future viability of the Company nor efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664
Peer Review No: P2013MH075200
UDIN: F006156E000454197

Pune, June 6, 2023

Note: We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members
Persistent Systems Limited
'Bhageerath', 402 Senapati Bapat Road, Pune 411 016

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Persistent Systems Limited (hereinafter referred to as 'the Company'), having CIN–L72300PN1990PLC056696 and having registered office at Bhageerath 402 Senapati Bapat Road,Pune MH 411016 IN, produced before us by the Company on the e-mail for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **March 31, 2023** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Origional date of appointment
1\	Dr. Anand Suresh Deshpande	00005721	October 19, 1990
2\	Mr. Praveen Purushottam Kadle	00016814	April 23, 2020
3\	Ms. Roshini Hemant Bakshi	01832163	July 26, 2014
4\	Mr. Arvind Hari Goel	02300813	June 7, 2022
5\	Mr. Sandeep Kumar Kalra	02506494	June 11, 2019
6\	Mr. Sunil Yeshwant Sapre	06475949	January 27, 2018
7\	Ms. Avani Vishal Davda	07504739	December 28, 2021
8\	Mr. Ambuj Goyal	09631525	June 7, 2022
9\	Mr. Dan'l Donn Lewin	09631526	June 10, 2022
10\	Mr. Deepak Bhaskar Pathak	00046205	April 24, 2018
11\	*Dr. Anant Deep Jhingran	05116722	November 21, 2017
12\	*Mr. Pradeep Bhargava	00525234	April 26, 2012
13\	*Mr. Thomas (Tom) Kendra	07406678	January 22, 2016
14\	*Mr. Guy Eiferman	08101854	April 24, 2018

Note:
* Dr. Anant Deep Jhingran ceased to be an Independent Director w.e.f. November 20, 2022;
* Mr. Thomas (Tom) Kendra ceased to be a Non-Executive Non-Independent Director w.e.f July 19, 2022;
* Mr. Guy Eiferman ceased to be an Independent Director w.e.f July 19, 2022;
* Mr. Pradeep Bhargava ceased to be an Independent Director w.e.f July 19, 2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156 | **CP No:** 2664
Peer Review No: P2013MH075200
UDIN: F006156E000454197

Pune, June 6, 2023

Business Responsibility and Sustainability Report

Section A: General Disclosures

I. Details of the listed entity

1\ **Corporate Identity Number (CIN) of the Listed Entity:** L72300PN1990PLC056696

2\ **Name of the Listed Entity:** Persistent Systems Limited

3\ **Year of incorporation:** 1990

4\ **Registered office address:** 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016

5\ **Corporate address:** 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016

6\ **E-mail:** info@persistent.com

7\ **Telephone:** +91 (20) 6703 0000

8\ **Website:** www.persistent.com

9\ **Financial year for which reporting is being done:** April 1, 2022, to March 31, 2023

10\ **Name of the Stock Exchange(s) where shares are listed:**
BSE Limited (BSE) | National Stock Exchange of India Limited (NSE)

11\ **Paid-up Capital as on March 31, 2023:** 76,425,000 No. of Equity Shares of ₹ 10 each amounting to ₹ 764,250,000

12\ **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report**

Name: Mr. Amit Atre, Company Secretary
Telephone: +91 (20) 6703 0000
E-mail: corpsec@persistent.com

13\ **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).**
Consolidated Basis

II. Products/services

14\ **Details of business activities (accounting for 90% of the turnover):**
All the services are mentioned under Software and IT consulting.

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Software and IT consulting (GICS classification – Information Technology – Software and Services)	Software enabled product engineering and designing and R&D services	93%
2	IP products (IP LED Services)		7%

15\ **Products/Services sold by the entity (accounting for 90% of the entity's Turnover)**
All the services are mentioned under Software and IT consulting.

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1	Software enabled product engineering and designing and R&D services	620	93%
2	IP products	620	7%

16\ Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	20	20
International	Not applicable	50	50

17\ Markets served by the entity

a. Number of locations

Locations	Number
National (No. of States)	9
International (No. of Countries)	14

b. What is the contribution of exports as a percentage of the total turnover of the entity?

88.7% of the total turnover of Persistent's business is export.

c. A brief on types of customers

Business to Business Annual report covers the details of our customer segments.

IV. Employees

18\ Details as at the end of Financial Year

a. Employees and workers (including differently abled):

Persistent Systems Limited has full-time employees and contractors, consultants. The Company does not have any workers and hence it is not applicable.

Employees and workers						
Employees						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	21,429	14,829	69	6,600	31
2	Other than Permanent (E)	1,460	1,018	70	442	30
3	Total employees (D + E)	22,889	15,847	69	7,042	31
Workers - Not Applicable						

b. Differently abled Employees and workers:

Differently Abled Employees						
S. No.	Particulars		Male		Female	
		Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	36	29	81%	7	19%
2	Other than Permanent (E)	0	0	0	0	0%
3	Total employees (D + E)	36	29	81%	7	19%
Differently Abled Workers - Not Applicable						

19\ Participation/Inclusion/Representation of women

	No. and percentage of Females		
	Total (A)	No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel	4	0	0

20\ Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.1%	19.1%	19.7%	26.9%	25.1%	26.6%	12.2%	10.3%	11.7%
Permanent Workers	All of Persistent's workforce is categorized as 'Permanent Employees' and 'Other than Permanent Employees' and none as 'Workers'. Hence in all the sections, details sought of the 'Workers' category are Not Applicable to Persistent.								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21\ Names of holding / subsidiary / associate companies / joint ventures

S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
1\	Persistent Systems Inc., USA	Wholly owned subsidiary	100%	Yes
2\	Persistent Systems Pte. Ltd., Singapore	Wholly owned subsidiary	100%	Yes
3\	Persistent Systems France S.A.S., France	Wholly owned subsidiary	100%	Yes
4\	Persistent Systems Malaysia Sdn. Bhd., Malaysia	Wholly owned subsidiary	100%	Yes
5\	Persistent Systems Germany GmbH, Germany	Wholly Owned Subsidiary	100%	Yes
6\	Capiot Software Private Limited, India	Wholly Owned Subsidiary	100%	Yes
7\	MediaAgility India Private Limited*	Wholly Owned Subsidiary	100%	Yes
8\	Persistent Telecom Solutions Inc., USA	Subsidiary of Persistent Systems Inc	100%	Yes
9\	Persistent Systems Israel Ltd., Israel	Subsidiary of Persistent Systems Inc	100%	Yes
10\	Persistent Systems Mexico S.A. de C.V., Mexico	Subsidiary of Persistent Systems Inc	100%	Yes
11	Aepona Group Limited, Ireland	Subsidiary of Persistent Systems Inc	100%	Yes
12	Persistent Systems UK Limited (erstwhile Aepona Limited)	Subsidiary of Aepona Group Limited	100%	Yes
13	Persistent Systems Lanka (Private) Limited, Sri Lanka	Subsidiary of Aepona Group Limited	100%	Yes
14	Persistent Systems S.r.l., Italy	Subsidiary of Persistent Systems Inc	100%	Yes
15	Capiot Software Inc., USA	Subsidiary of Persistent Systems Inc	100%	Yes
16	Capiot Software Pte. Ltd, Singapore (Under voluntary strike off)	Subsidiary of Capiot Software Inc	100%	Yes
17	Persistent Systems Australia Pty. Ltd. (erstwhile Capiot Software Pty. Ltd.)	Subsidiary of Capiot Software Inc	100%	Yes

S. no.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / Subsidiary / Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated in column A participate in the Business Responsibility initiatives of the listed entity? (Yes / No)
18	Persistent Systems Switzerland AG (erstwhile PARX Werk AG)	Subsidiary of Persistent Systems Germany GmbH	100%	Yes
19	PARX Consulting GmbH, Germany	Subsidiary of Persistent Systems Switzerland AG	100%	Yes
20	Youperience GmbH, Germany	Subsidiary of Persistent Systems Germany GmbH	100%	Yes
21	Youperience Limited, UK	Subsidiary of Youperience GmbH	100%	Yes
22	Software Corporation International, USA	Subsidiary of Persistent Systems Inc	100%	Yes
23	Fusion360 LLC, USA	Subsidiary of Persistent Systems Inc	100%	Yes
24	Data Glove IT Solutions Limitada, Costa Rica	Subsidiary of Persistent Systems Germany GmbH	100%	Yes
25	Persistent Systems Soral., Romania**	Subsidiary of Persistent Systems Germany GmbH	100%	Yes
26	MediaAgility Inc., USA*	Subsidiary of Persistent Systems Inc	100%	Yes
27	MediaAgility Pte. Ltd., Singapore*	Subsidiary of MediaAgility Inc	100%	Yes
28	MediaAgility UK Ltd., UK*	Subsidiary of MediaAgility Inc	100%	Yes
29	Digitalagility S de RL de CV, Mexico*	Subsidiary of MediaAgility Inc	100%	Yes

* Acquired during the Financial Year 2022-23.

** Incorporated during the Financial Year 2022-23

VI. CSR Details

22i. Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

ii. Turnover in ₹ 51,175.53 Million

iii. Net worth in ₹ 39,416.48 Million

VII. Transparency and Disclosures Compliances

23\\ Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

A strong whistleblower policy is available to all our stakeholders. Our whistleblower policy is available at Whistle Blower Policy | Persistent Systems

For details on Investor Complaints, please refer the 'Investors' Grievances' section of the Corporate Governance Report. For details on Employee Grievances, refer to question 6 of Principle 5.

24\Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1\	Cyber-attack and hacking risk	Risk	External attacks on network, malware, compromised credentials, Business email compromise via. Phishing and other cyber security risks may result in data loss and loss of reputation	1\ Implementation of advance XDR solution on all endpoints to ensure advance end point security protection from Ransomware, malware. 2\ Quarterly phishing assessment to assess the user awareness. 3\ Implementation of Privileged Access Management solution to provide additional security to identity. 4\ Implementation of enhanced Data Leakage prevention platform to protect the critical data Deployment of Zero Trust to further secure the corporate infra, data & apps. 5\ Validation of security posture annually by third party 6\ Focus on endpoint patching to achieve desired compliance level, implementation of advanced endpoint protection solution, multifactor authentication enablement, Dark/ Deep web monitoring, cloud disaster recovery solution and information security awareness and trainings are some of the measures adopted to reduce this risk	Negative
2\	Data Privacy	Risk	Persistent operates globally and hence needs to be compliant with the data privacy laws of the local jurisdiction.	1\ ISO 27701:2019 - Privacy Information Management System certification 2\ Implementation of data classification at the time of data creation itself 3\ Enhanced Data Leakage prevention ensuring need to know basis data sharing. 4\ Privacy by design implementation in all the software development activities 5\ Role based access to critical corporate data. 6\ Enforced restriction on data movement. 7\ Frequent audits to ensure consistency in operations 8\ SOC 2 Type 2 Attestation; 9\ Implementation of Privacy by Design; Awareness sessions, trainings, and regular audits.	Negative
3	Foreign Exchange Risks	Risk	The inflationary pressures in the global economy and the geo-political situations are resulting in volatility in the currency market and may have an impact as Persistent Systems is operational in several geographies.	Net foreign exchange earnings are hedged on 12 months rolling basis to cover 45% to 70% of net open positions. Guidance from the Board members is obtained every quarter hedging quantum. Close monitoring of exchange rate movement is done.	Negative

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Risk of economic downturn	Risk	Higher inflation, rising interest rates, geopolitical and macro-economic developments may impact the growth of business.	Focus on an increase in the diverse customer base helps reduce this risk to some extent. More emphasis on up selling and cross-selling within industry verticals is thrust. Enhanced focus on customer connects and relationships.	Negative
5	Credit Risk	Risk	Delay in collection of customer dues as a result of the global economic situation.	Structured process of collection is in place. Regular follow-up process is done for all overdue invoices. Credit Control Policy has been formulated which limits the credit to be given to the customer based on credit check findings and monthly revenue run-rate of that customer.	Negative
6	Talent demand and employee attrition	Risk	During the year we have observed downward trend in attrition. However, demand for certain niche skills / talent continues.	1\ Renewed focus on assimilation of new talent and nurturing talent within organization 2\ Focus on employee wellbeing, wellness initiatives covering physical, financial, psychological wellbeing 3\ Enhanced employee engagement / retention practice 4\ Offices in locations closer to our employee to facilitate hybrid working model with effective collaboration and team bonding	Negative
7	Global regulatory risks (emerging risk)	Risk	Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, health and safety, employment laws, data privacy laws) where the company operates globally, may have an impact.	Company uses the Compliance Manager Tool to report and monitor the regulatory compliances applicable to the Company. The Company also updates the Tool on ongoing basis with the amendments in the existing regulations and inclusion of newly introduced legislations, if any. Compliance status is placed before the Audit Committee of the Board of Directors and the Board of Directors of the Company in their meetings at frequent intervals. The Company has also appointed the local consultants in various geographies to advise and help the Company to the ensure the compliances in respective geographies.	Negative
8	Social media risk	Risk	Disclosure of corporate or client information on social media by employees or former employees	Employee awareness trainings organized, and social media policy is in place.	Negative
9	Sustainability Risks - Climate change (emerging risk)	Risk	Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tropical cyclones, floods, cases of seasonal diseases, epidemics, and pandemics. Extreme weather events may have an associated threat to human safety and business operations.	1\ Persistent Systems facilities across India have been certified to ISO 14001:2015 2\ Persistent Systems has distributed operations, enablement of remote working, agile delivery focus and periodic testing of business continuity plans 3\ Employee awareness building around conservation of resources to strengthen our business resilience. As a responsible Corporate, Persistent Systems makes use of renewable energy to reduce carbon footprint.	Negative

Section B: Management and Process Disclosures

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1\	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
	c. Web Link of the Policies, if available	Refer to our Whistleblower Policy: Code of Conduct: Ethics: Anti-Corruption and Anti-Bribery Policy	Refer to our Vendor Code of Conduct: Information Security Certification	Refer to our EHS policy:	Refer to CSR Policy Environment, Health and Safety Policy	Refer to our Code of Conduct:	Refer to our EHS policy:	Refer to our Code of Conduct:	Refer to our Environment Health & Safety policy:	Refer to our Code of Conduct:
2\	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3\	Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4\	Name of the national and international codes/ certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI standard, UNGC, Principles of Corporate Governance	GRI standard, ISO 14001:2015	GRI standard, ISO 45001: 2018	GRI standard, ISO 45001:2018	Principles of Corporate Governance	ISO 45001:2018	Principles of Corporate Governance	GRI standard, CSR disclosures pursuant to Section 135 of the Companies Act, 2013Refer to our CSR at Persistent: Environment, Health and Safety policy:	GRI Standards, ISO 27001, ISO 27701 Refer to our Privacy Statement:
5\	Specific commitments, goals and targets set by the entity with defined timelines, if any.	**Refer to ESG report Goals** https://www.persistent.com/wp-content/uploads/2023/06/esg-sustainability-report-2022-23.pdf								
6\	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	**Refer to ESG report Performance highlights.** https://www.persistent.com/wp-content/uploads/2023/06/esg-sustainability-report-2022-23.pdf								

Governance, leadership and oversight

7\ **Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

Refer to Message from the Chairman
https://www.persistent.com/wp-content/uploads/2023/06/esg-sustainability-report-2022-23.pdf

8\ **Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

Name of highest authority	Dr. Anand Suresh Deshpande
Designation	Chairman and Managing Director
DIN	00005721

9\ **Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details**
Yes

The Stakeholder relationship and ESG Committee of the Board.
https://www.persistent.com/wp-content/uploads/2023/06/esg-sustainability-report-2022-23.pdf

10\ **Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with all applicable laws of the land at every location we are present.								

Subject for Review	Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Annually								

11\ **Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.

12\ **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**
Not Applicable

Section C: Principle Wise Performance Disclosure

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Our management team focuses on transparency, accountability, and integrity. We closely monitor and track all regulatory compliances applicable to our operations through a web-based Compliance Management Tool. Our company has developed a comprehensive set of policies to ensure adherence to the highest standards of corporate governance. These policies include the Ethics Policy, Code of Conduct for Directors and Employees, Vendor Code of Conduct, Code of Conduct for Prevention of Insider Trading, Anti-Corruption Policy, Fraud Risk Management Policy, Anti-human Trafficking Policy, Environmental Health & Safety (EHS) Policy, and Whistle-blower policy.

Essential Indicators

1\ Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programmed held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programme
Board of Directors Key Managerial Personnel	The Code of Conduct is an annual declaration taken from the Directors that helps remind them the importance of maintaining highest standards of ethical business conduct for the Company. In terms of the Code of Conduct, Directors must act within the guidelines of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders. Update on the status of the Code of Conduct is shared with the Board of Directors on a quarterly basis.		100%
Employees other than BoD and KMPs	Annual Policies Compliance: The Persistent group is committed to following the highest standards of business conduct, integrity and ethics across its global locations. All stakeholders at Persistent are expected to follow and practice in alignment with Persistent philosophy. As a part of compliance and awareness program at Persistent, all employees are trained in the following policies: - 1\ Ethics policy 2\ Anti-Corruption Policy 3\ Employee Invention Assignment and Confidentiality undertaking 4\ Anti-Harassment policy		99%*
Workers	Not Applicable	Not Applicable	NA

* % of employees who are not covered under Code of Conduct training are those who are on long leave and inactive status.

2\ **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**
None, we comply with all applicable laws of the land we operate in.

3\ **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed:** Not applicable

4\ **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy:** Yes

Persistent Group has a 'Zero Tolerance' approach to corruption and corrupt practices.
Web Link: Anti-Corruption Policy

5\ **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**
There have been no cases involving disciplinary action taken by any law enforcement agency for charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention.

6\ **Details of complaints with regard to conflict of interest:** None

7\ **Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest:**
Not Applicable

Leadership Indicators

1\ **Awareness programmes conducted for value chain partners on any of the Principles during the financial year:**
Every purchase order issued to our value chain partner covers clauses related to conducting business and governing themselves with integrity and follow ethical process. A vendor shall comply with all applicable laws (including labor laws), rules or regulations from time to time in addition to the Code of Conduct applicable to Purchaser's Vendors. – Vendor Code of Conduct.

2\ **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.**
Yes, the Company receives an annual declaration (or as per the frequency defined) from its Board members.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

We firmly believe in conducting affairs with the highest level of integrity and fairness. Our Vendor Code of Conduct ensures all Persistent Vendors shall conduct their business activities in full compliance with the applicable laws and regulations of their respective countries and in respect of their transactions while conducting business.

Essential Indicators

1\ **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	₹ 136.72 Million	Develop software systems and solutions that enhance the functionality and new capabilities to customers' existing software products
Capex	There was no capital expenditure on R&D		₹ 178.59 Million

2\ **Details on Sustainable Sourcing**

a. **Does the entity have procedures in place for sustainable sourcing?**
Yes

b. **If yes, what percentage of inputs were sourced sustainably?**
With our approach of extending our ethical practices beyond the organization, we ensure the highest level of fairness and integrity when operating with our vendors. Our Vendor Code of Conduct ensures that legal and regulatory compliance practices are adhered to across all vendors and suppliers engaged in various countries. We actively engage with our suppliers in identifying the green purchasing alternative to traditional purchasing. Our Purchase order has EHS clauses which focuses on Environment protection, complying with applicable environment compliances, protection of human rights and adherence to vendor Code of Conduct. Currently we are not tracking the percentage of inputs sourced sustainably.

3\ **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for**
Not applicable. We are an IT services company; we don't manufacture any products.

4\ **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**
Not Applicable, We are an IT services company; we don't manufacture any products.

Leadership Indicators

1\ **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**
Not applicable. We are an IT services company; we don't manufacture any products.

2\ **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same**
Not applicable. We are an IT services company; we don't manufacture any products.

3\ **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**
Not applicable. We are an IT services company; we don't manufacture any products.

4\ **Of the products and packaging reclaimed at end of life of products, amount (in metric tones) reused, recycled, and safely disposed, as per the following format**
Not applicable. We are an IT services company; we don't manufacture any products.

5\ **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**
Not applicable. We are an IT services company; we don't manufacture any products.

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

We prioritize the well-being of our people by providing a safe, secure and healthy workplace. Our Environmental Health & Safety (EHS) Policy underlines our dedication to creating a safe environment, encompassing regular safety trainings, and equipping our workforce with the necessary aids. With utmost empathy, we strive to foster a work culture that nurtures the physical and mental well-being of every individual. Our top priority at Persistent has always been to ensure the health and safety of our associates while safeguarding the interests of the communities in which we operate.

Essential Indicators

1a\ **Details of measures for the well-being of employees % of employees covered by**

		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
Category	Total (A)	Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	14,829	14,829	100%	14,829	100%	-	-	14,829	100%	Post Pandemic, majority of our people are working from home. Hence day care facilities are not availed.	
Female	6,600	6,600	100%	6,600	100%	6,600	100%	-	-		
Total	21,429	21,429	100%	21,429	100%	6,600	100%	14,829	100%		
Other than Permanent employees											
Male	1,018	1,018	100%	1018	100%	Not Applicable				Post Pandemic, majority of our people are working from home. Hence day care facilities are not availed	
Female	442	442	100%	442	100%						
Total	1,460	1,460	100%	1,460	100%						

b. **Details of measures for the well-being of workers:** Not Applicable

2\ **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.54%	NA	Y	99.37%	NA	Yes
Gratuity	99.57%	NA	Y	98.46%	NA	Yes
ESI	0.70%	NA	Y	1.99%	NA	Yes
Superannuation	4.06%	NA	NA	4.38%	NA	NA
National Pension Scheme	2.42%	NA	NA	1.91%	NA	NA

3\ **Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard: Yes. Both our physical and digital infrastructure are accessible by People with Disabilities.

Physical accessibility & assistive technologies: Persistent offices are accessible to differently abled people and have accessible parking spaces, accessible ramps at the entry points, disabled friendly washrooms, workstations are designed in such a way that the wheelchair users can easily access, height adjustable workstations and so on. We follow Web Content Accessibility Guidelines (WCAG) standards to make our digital infrastructure accessible and provide assistive technologies to individual where required. We continue to improve by making physical and digital infrastructure changes wherever necessary as per the reasonable accommodation request by the individuals.

4\ **Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy:** Yes. The entity has an equal opportunity Refer Diversity and Inclusion Policy

5\ **Return to work and Retention rates of permanent employees and workers that took parental leave.**
As of FY 2022-23

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	643	90%	Not Applicable	
Female	314	97%		
Total	957	–		

6\ **Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.**

	Yes/No	(If yes, then give details of the mechanism in brief)
Permanent Employees	Yes	All Employees and other stakeholders of the Company are encouraged to report either orally or in writing to the Whistle Blower Administrator, evidence/s of activity by the Company, departments or Employee/s that may constitute Improper Activities affecting the business or reputation of the Company.
Other than Permanent Employees	Yes	

7\ **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D / C)
We recognize the right to freedom of association through independent Trade Unions, Work Councils (WCs) or Collective Bargaining Agreements (CBAs) as per the regional laws where we operate. However, this is mostly voluntary through which our people participate and discuss.						

This data is applicable only for France. In other countries we do not have such association.

8\ **Details of training given to employees and workers:**

As we continue to grow, our team is persistently challenged with new problem statements related to scalability, security, adaptability, availability, reliability, and the likes. The L&D Team continuously strives to enable business growth, and our aim is to meet the demands of having the right talent pool available for immediate project requirements. Additionally, we are focused on proactively preparing future ready workforce through our up-skilling and cross-skilling programs in close collaboration with the business leaders. We leverage the best in class learning methodologies, tools, and technologies to create the finest learning experience for our employees. All our training programs are hands-on, involving real time problem statements and action learning projects across all the key competencies –Technical, Domain, Power Skills, Leadership, Project Management to ensure we act as catalysts to ensure a learning culture.

	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		On Health and safety measures			On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Training coverage: 89% includes all technical and non-technical offerings										
Workers - Not Applicable										

9\ **Details of performance and career development reviews of employees and workers:**

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	12,463	12,463	100%	Not Applicable		
Female	5,691	5,691	100%			
Total	18,154	18,154	100%			
Workers - Not Applicable						

10\ **Health and safety management system:**

a. **Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage of such system?**

Yes, Our Environmental health and management system adheres to ISO14001:2015 and ISO 45001:2018 standards, covering all our locations in India. Overseas, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

Refer EHS policy

b. **What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Persistent's Health and Safety Management System has always prioritized Risk management and Risk assessment to include Identification of work-related Hazards, the complexity of the operations, suitability of the methodologies of risk assessment, workplace conditions, and expert guidance.

We have a defined process established for Hazard Identification & Risk assessment. Operational hazards and risk arising from facility including routine and non-routine activities are identified and ranked on frequency, Severity and number of people affected. All operation within the facility has been covered under a detailed risk assessment checklist and appropriate control measures are implemented to mitigate any identified risk/hazard. All regular activities that planned like routine checks of critical equipment such as DG, UPS, HVAC, Data Center, pumps, and other equipment.

Persistent is highly aware that the perimeter for health and safety responsibility has increased many folds now. Necessary precautions of all the office locations have been taken by Persistent, which included sanitization of all premises, daily communication updates, regulated movements in common area and ensuring tele calling of major events. A plethora of measures have been identified and implemented to enhance the health and safety of the people in the workplace and is a continued effort.

c. **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**
Yes, any person can report work-related hazards.

d. **Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)**
Yes. All types of accidents are covered under our GPA Policy.

11\ **Details of safety related incidents, in the following format:**
We had Zero Safety incidents in current and previous Financial Year.

12\ **Describe the measures taken by the entity to ensure a safe and healthy workplace.**
We prioritize the well-being of our people by providing a safe, secure and healthy workplace. Our Environmental Health & Safety (EHS) Policy underlines our dedication to creating a safe environment, encompassing regular safety trainings and equipping our workforce with the necessary protective gear. With utmost empathy, we strive to foster a work culture that nurtures the physical and mental well-being of each individual. Our top priority at Persistent has always been to ensure the health and safety of our associates while safeguarding the interests of the communities in which we operate.

\ The EHS policy is followed in letter and spirit by every individual including our partners and supply chain.

\ Our Environmental health and management system adheres to ISO14001:2015 and ISO 45001:2018 standards, covering all our locations in India.

\ Overseas, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

\ We conduct comprehensive environmental, health, and safety impact assessments for our business activities and incorporating OHS considerations into our business decisions.

\ Our people participate in various committees and hobby clubs under My Life at Persistent. Through these committees our people consult with the committee members to discuss on well-being, fitness, Health & Safety, Food, Health benefits and other related matters.

\ We consult our stakeholders to provide necessary inputs to manage and mitigate EHS risks.

\ Hazard identification, risk assessment, and incident investigation process help us to identify work-related hazards and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks.

\ EHS trainings are provided to build awareness on environmental conservation, climate action and Health and safety aspects such as first-aid, fire safety, office safety, reporting of near-miss, accident and incidents are provided as and when necessary.

\ Job-specific training is regularly conducted for contractual staff during induction and later through refresher courses.

\ Persistent believes that it is no longer about Work Life balance, or work life integration but it is about Work Life Harmony. As part of My life @ Persistent we conduct events under four pillars - Physical Wellness, Emotional wellness, Social wellness and Financial wellness.

\ We evaluate and continually improve the Environment health and safety management system.

\ During the reporting year there has been no work related reportable injury/ill-health.

Refer EHS policy

13\ **Number of complaints on the following made by employees and workers**
No complaints have been registered during current and previous Financial Year.

14\ **Assessments for the year:**

Assessments for the year:	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)	
Health and safety practices	100%	Only India locations are covered under ISO 45001.
Working Conditions	100%	Only India locations are covered under ISO 45001.

15\ **Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

At Persistent, safety at the workplace is one of the highest priorities. Standard systems including work permits, training, LOTO (lockout / tagout), safety inspections, operational controls, audits and assessments, and others have been established and continuously monitored. Incident management process including incident reporting, investigation and corrective measure implementations has been established. Employees, contractual staff, and visitors are all given awareness sessions to report incidents including near-miss and potential hazards in addition to accidents. Awareness on emergency preparedness is given to employees periodically and training is conducted to partners as per the schedule to create awareness on health & safety.

Each office location has an identified team of Occupational health and safety committees. These committees are managed by Center heads and representation for Senior management and other functional teams.

Leadership Indicators

1\ **Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).**

Employees	Yes
Workers	Not applicable

2\ **Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.**
We conduct vendor audit, to check and ensure that the statutory dues have been deducted and deposited appropriately by the vendors.

3\ **Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**
There are no high consequence work-related injury /ill-health/ fatalities at any of Persistent locations.

4\ **Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?**
Yes, we connect with employee well before retirement date to help plan retiral benefits (PF, Gratuity, Superannuation) and medical insurance (continued coverage). Those intending to work, and we are able to offer them suitable work, we help them get on direct consulting assignment.

5\ **Details on assessment of value chain partners**

Assessments for the year:	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We are yet to initiate the assessment of value chain partners
Working Conditions	

6\ **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**
We are yet to initiate the assessment of value chain partners.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

The Company believes in raising the bar and upholding the highest standards of Corporate Governance as it enhances the long-term value of the Company for its stakeholders. The Company additionally requires the SRC to specifically collect inputs from management and other committees responsible for the relationships with different stakeholders, and to prepare and submit an annual brief to the Board.

Essential Indicators

1\ Describe the processes for identifying key stakeholder groups of the entity.

The Company always strives for the betterment of its stakeholders which include society, clients, partners, our employees, the shareowners, the Board of Directors, vendors, and even the environment.

Last year, as a part of our effort towards stakeholders' advancement, the Company went one step ahead and presented the list of key stakeholders of the Company and key initiatives taken and practices followed by the Company. The purpose of this was to maintain good relationships and to safeguard the rights and best interests of these stakeholders. As every stakeholder matters to us, we continued our dedicated efforts in the form of various initiatives for our stakeholders. The Company at every meeting of the Stakeholder Relationship and ESG Committee takes an update on initiatives taken towards the Company's stakeholders.

As every stakeholder matters to us, we continued our dedicated efforts in form of various initiatives for our stakeholders. The Company at every meeting of the Stakeholder Relationship and ESG Committee takes an update on initiatives taken towards the Company's stakeholder.

2\ List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Emails, Newspapers, Website, Stock Exchange Filings, Answers to Investor Grievances, R&T Agent communication	Annually / Half yearly / Quarterly / Need basis	We communicate with shareholders for various activities such as sending TDS communication, dividend credit intimations, other regulatory requirements, sending Annual Reports, notices of General Meetings etc. Investor and analyst calls are conducted regularly.
Vendors and Consultants	No	Emails, one-on-one Meetings, Annual Report	On going Basis	The Company ensured that all vendor payments are within the due date as per the agreed payment terms and there was not a single default. The Company also strives to strengthen the partnership framework further aligning to business and Organizational objectives. The Company aims to undertake activities for Onboard Hiring, Training, and Knowledge partners with our Vendors.
Customers and Partners	No	Client visit and meetings, customer satisfaction surveys, social media, e-mails	On going basis	The Company focuses highly on customer satisfaction and feedback from customer in terms of project delivery, timeline commitments, challenges during execution and strives to deliver customer excellence and help meet business objectives.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Directors	No	Quarterly meetings, Emails, website	On going Basis	The Company communicates with Directors of the Company on an ongoing basis for sending Notices, Agenda, Meeting invites, regulatory updates and other communication and information on an ongoing basis which helps in decision-making and adopting various control mechanisms. The company provided insights on management audits/process improvement initiatives that contribute to revenue growth, cost optimization, and other business objectives. While doing so, the Company study peer processes/ practices by reaching out to peer networks and available peer information and identify what can be implemented in the best interest of the Company.
Government Regulatory Authorities/ Government bodies/ Chamber of Commerce	No	Press Releases, Surveys by the authorities (RBI and MCCIA), Quarterly Results, Annual Reports, Sustainability / Integrated Reports, Stock Exchange and MCA filings, Representations	On going Basis	The Company engages with Governments and regulatory authorities for various matters, initiatives, filings and representations.
Society at large	No	In-person meetings, site visits, website, surveys	On going Basis	The Company engages with society at large for understanding their needs and through our CSR activities.
Employees	No	Notice Board, Website, emails	On going Basis	The Company engages with employees on a regular basis for providing various benefits such as trainings, providing world-class learning facilities.

Leadership Indicators

1\ **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**
Consultation with stakeholders on various topics is carried out by related departments of the Company who are responsible for stakeholders' engagement. The quarterly Stakeholders and ESG committee meeting provide an opportunity to share feedback with the Board on these consultations.

2\ **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.**
Yes-The Company is dedicated to working with our people, clients, partners, and communities to build a more equitable, sustainable and healthier world through the application of technology and engineering.

The ESG journey is a continuous and evolving process. There cannot be a hard stop or final destination. Instead, our journey towards excellence is monitored and measured through our goals which are represented as our ESG roadmap. Our objective is to continue inspiring our internal and external stakeholders.

3\ **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

Persistent foundation supports underprivileged sections of society, create opportunities and strive towards a more equitable society.

Principle 5 Businesses should respect and promote human rights

At Persistent, we are committed to upholding the highest standards of human rights in our operations and supply chain. We recognize that our responsibilities go beyond our legal obligations and extend to the communities in which we operate and the environment we all share. We will continue to work diligently to ensure that we respect and protect the human rights of all individuals impacted by our business.

Essential Indicators

1\ **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	21,429	21,175	99%	Not Tracked		
Other than permanent	1,460	1,102	75%			
Total Employees	22,889	22,277	97%			
Workers - Not Applicable						

2\ **Details of minimum wages paid to employees and workers, in the following format:**

All employees (Permanent & other than Permanent) have been paid more than minimum wage in accordance with the laws of the land in the countries we operate.

3\ **Details of remuneration/salary/wages, in the following format:**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category (in ₹)	Number	Median remuneration / salary / wages of respective category (in ₹)
Board of Directors (BoD)	9	3,228,767	2	4,625,000
Key Managerial Personnel	4	36,397,728	Nil	Nil
*Employees other than BoD and KMP	13,450	1,400,000	6,098	1,004,247
Workers	Not Applicable	Not Applicable	Not Applicable	Not Applicable

*India Employees

4\ **Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes, the Company has continued to proactively and voluntarily implement the Ethics Policy in the Company. The objective of this policy is to explain guiding principles of Persistent's Ethics Policy (for benefit of employees and all other stakeholders like customers, vendors and investors) and to establish a framework for administration. The working of the Ethics Policy is monitored by the Ethics Committee chaired by an Independent Director/Senior Officer nominated by the Board of Directors. https://www.persistent.com/ethical-practices-at-persistent-systems/ethics-policy/

5\ Describe the internal mechanisms in place to redress grievances related to human rights issues.

We are strongly committed to upholding the human rights of every individual in all the Code of Conduct. The Company believes that its constituents (Directors, Employees and others) should conduct their affairs in a fair and transparent manner by adopting the highest standards of professionalism, integrity, honesty and ethics. The role of the Employee/s in pointing out any breach of the Improper Activities of the Company cannot be undermined.

All Employee/s of the Company are encouraged to report either orally or in writing to the Whistle Blower Administrator E-mail may be sent to the Whistle Blower Administrator on the following e-mail ID: whistleblower@persistent.com, evidence/s of activity by the Company, department or Employee/s that may constitute Improper Activities affecting the business or reputation of the Company.

6\ Number of Complaints on the following made by employees and workers:

	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	2	0	All cases were reviewed and closed	4	0	All cases were reviewed and closed
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labor	Nil	Nil		Nil	Nil	
Forced Labor/ Involuntary Labor	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	8	Nil	All cases were reviewed and closed	1	Nil	All cases were reviewed and closed

7\ Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Reporting / submitting complaint under the Ethics Policy

8\ Do human rights requirements form part of your business agreements and contracts? (Yes/No): Yes

9\ Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labor	We are yet to initiate these assessments.
Forced / involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others — please specify	

10\ Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not Applicable

Leadership Indicators

1\ **Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.**
Persistent Systems Ltd enjoys a longstanding heritage of a high value system which is founded on principles of ethics, integrity and fair play. Since its inception in 1990, the Company has earned a reputation for being a role model of responsible corporate citizenship. The Company and its subsidiaries are committed to follow the highest standards of business conduct, integrity and ethics. The Ethics Policy of the Company is applicable to all the stakeholders of Persistent Systems Limited and its subsidiary companies, including permanent and temporary employees, employees on probation, consultants, contractors, contract labor, vendors, trainees, apprentice and interns. With a view to promote Stakeholders to report unethical action, the Policy provides for a threat free environment to submit a complaint under the Policy. More details are available at https://www.persistent.com/ethical-practices-at-persistent-systems/ethics-policy/

2\ **Details of the scope and coverage of any Human rights due diligence conducted.**
At Persistent, we deeply honor and safeguard the human rights of our diverse workforce, fostering an environment free from discrimination based on race, gender, religion, or any other defining trait. Our comprehensive Human Rights policies serves as a guiding compass, outlining our unwavering commitment to upholding these fundamental principles in all our operations. Persistent has a Compliance Management Tool. This tool has all compliance checklist for the respective state. It is a maker - checker tool. Every Quarter, CorpSec Team presents the health of Compliance to BOD.

For M&A Cases: We have a proper HR Due Diligence checklist. Whenever there is any acquisition, the list is circulated to the acquired entity and responses and evidence are gathered. Based on the response, High Risk, Medium Risk and Low Risk has been captured and shared with M&A Team."

3\ **Is the premise /office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**
Persistent offices are accessible to differently abled people as per the Rights of Persons with Disabilities Act, 2016. All our offices have accessible parking spaces, accessible ramps at the entry points, disabled friendly washrooms, workstations are designed in such a way that the wheelchair users can easily access, height adjustable workstations and so on. We continue to improve by making infrastructure changes wherever necessary as per the reasonable accommodation request by the individuals.

4\ **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Child labor	We are yet to initiate the assessment of value chain partners
Forced / involuntary labor	
Sexual harassment	
Discrimination at workplace	
Wages	
Others — please specify	

5\ **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above:** None

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Our unwavering dedication to reduce greenhouse gas emissions and prevent climate change is evident through our commitment and actions. We plan to achieve our climate action goals by investment in Renewable energy, green buildings, improve energy efficiency in existing buildings through operational controls in lighting, heating, cooling and ventilation, improve operational efficiency through capacity optimization and technological upgradation.

Essential Indicators

1\ Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total electricity consumption (A)	29,359 GJ	17,099 GJ
Total fuel consumption (B)	313 GJ	261 GJ
Energy consumption through other sources (C)	20,003 GJ	16,879 GJ
Total energy consumption (A + B + C)	49,675 GJ	34,239 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	-	-
Energy intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.	No

2\ Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any

Not Applicable

3\ Provide details of the following disclosures related to water, in the following format:

Applicable only for Persistent locations in India geo

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	Not Tracked
(ii) Groundwater	0	
(iii) Third party water	46,376 KL	
(iv) Seawater / desalinated water	0	
(v) Others	0	
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	46,376 KL	
Total volume of water consumption (in kiloliters)	46,376 KL	
Water intensity per rupee of turnover (Water consumed / turnover)	–	–
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.	No

4\ Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, Wastewater generated from operations is treated in Sewage treatment plants and Common treatment plants in India.

5\ Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Applicable only for Persistent locations in India geo

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	micro gram / m3	85.26	105.54
SOx	micro gram / m3	100.96	118.55
Particulate matter (PM) (PM2.5)	micro gram / m3	279.36	262.43
Persistent organic pollutants (POP)		0	0
Volatile organic compounds (VOC) CO	mg / m3	3.06	3.55
Hazardous air pollutants (HAP)		0	0
Others – please specify (PM10)	micro gram / m3	414.5	359.5
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		Yes, Our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.	No

6\ Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	314.08 MT CO2e	950.1 MT CO2e
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tons of CO2 equivalent	5,890.23 MT CO2e	6,597.50 MT CO2e
Total Scope 1 and Scope 2 emissions per rupee of turnover	Units		
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	Units	NA	NA
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.	No

7\ Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details: Yes

Green Building Initiatives

\ Adoption of Leadership in Energy and Environmental Design (LEED) Principles during the built and interior design stage..

\ 100% eco-certified furniture in new projects.

\ BEE 3 star rated/ Green Pro certified / Energy star appliances used

\ Use of Environmental friendly refrigerants 54% of occupied areas have natural daylight

\ Procurement of materials within a 500km radial distance to minimize carbon emissions

\ Use of low VOC paints, CRI Green Label Plus certified carpets, and Green Pro certified plywood to reduce VOC emissions

\ Sustainable construction practices such as double wall brickwork and the use of crush sand and fly ash bricks

\ Installation of double glass units with low 'e' glass for windows and facades, as well as double glass partitions for meeting rooms

\ Optimized material acoustic performance through the use of acoustic ceiling materials and CRI Green Label Plus certified partitions

\ We work closely with our supply chain partners to procure eco-friendly hardware, products, and materials, minimizing the generation of waste

Energy Efficiency Initiatives

HVAC Retrofit

\ Replaced existing air conditioning units with energy-efficient inverter-based ACs, resulting in a 15% reduction in electricity consumption
\ Replaced ductable AC units with energy-efficient inverter-based ACs, resulting in 12% reduction in electricity consumption
\ Upgraded the chiller system with high-efficiency systems, reducing energy and water consumption.

Operational Efficiency

\ Regulated and optimized schedules for lifts, vending machines, ventilation systems, water coolers, and other equipment, minimizing unnecessary energy usage.
\ Installed variable frequency drives (VFDs) in fresh air Air Handling Unit (AHU) systems for better control and adjustment, optimizing energy consumption.
\ Controlling and monitoring daily operations through building management system

Lighting Efficiency

\ Transitioned from CFLs to LED lamps
\ Smart lighting systems controlled by sensors and occupancy/motion sensors, optimizing energy usage.
\ High-efficiency modular online UPS systems, resulting in approximately 18% energy saving.

Renewable Energy Initiative

\ Installed rooftop solar plants with a combined capacity of 1.437 MWp, generating 19,04,900 kWh of renewable energy.
\ Installed 2 windmills with capacity of 2.1 MW each generating 3,651,547 kWh together

8\ Provide details related to waste management by the entity, in the following format:
Applicable only for Persistent locations in India geo

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
	Total waste generated (in metric tones)	
Plastic waste (A)	3.15 Tonnes	We did not track waste in FY 2021-22
E-waste (B)	8.42 Tonnes	We did not track waste in FY 2021-22
Bio-medical waste (C)	Not Tracked	We did not track waste in FY 2021-22
Construction and demolition waste (D)	4.54 Tonnes	We did not track waste in FY 2021-22
Battery waste (E)	0	We did not track waste in FY 2021-22
Radioactive waste (F)	0	We did not track waste in FY 2021-22
Other Hazardous waste. Please specify, if any. (G)	0.2 Tonnes	We did not track waste in FY 2021-22
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	46.1 Tonnes	We did not track waste in FY 2021-22
Total (A + B + C + D + E + F + G + H)	**62.4 Tonnes**	**We did not track waste in FY 2021-22**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tones)		
Category of waste		
(i) Recycled	57.6 Tonnes	Not Tracked
(ii) Re-used	Not Applicable	Not Applicable
(iii) Other recovery operations	Not Applicable	Not Applicable
Total	**57.6 Tonnes**	**We did not track waste in FY 2021-22**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tones)		
Category of waste		
(i) Incineration	0.2 Tonnes	We did not track waste in FY 2021-22
(ii) Landfilling	4.5 Tonnes	We did not track waste in FY 2021-22
(iii) Other disposal operations	Not Applicable	Not Applicable
Total	**4.7 Tonnes**	**We did not track waste in FY 2021-22**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt. Ltd.	Not declared

9\ **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Segregation of Dry and Wet Waste

Dry waste, including civil debris, furniture waste, paper, cardboard, plastic, and glass is collected separately from wet waste. Through this segregation process, we have successfully minimized the volume of waste sent to landfills.

E-waste and Hazardous Waste Disposal

E-waste and hazardous materials are diligently handed over to authorized agencies and we actively encourage our people to deposit their personal e-waste at our company facilities.

Refurbishing of End-of-Life Laptops

We have initiated a program to refurbish end-of-life (EOL) laptops and donate them to NGOs and educational institutes. This initiative not only helps in reduction of e-waste but also creates employment opportunities for people who need it.

Reducing Plastic Waste

We have taken several steps in reducing plastic waste generation. We are minimizing the use of plastic bags and encouraging the use of cloth or paper bags. To promote awareness on the harmful effects of plastic, we organize “No Plastic Day” and encourage our employees to adopt eco-friendly practices.

Banning Single-use Plastic

We have banned the use of single-use plastic crockeries thus promoting eco-friendly practices among our employees, our family. However, we do provide plastic bottles in client visits for hygiene/well-being purposes. This initiative has significantly reduced the generation of plastic waste at our end.

Zero Plate Wastage Week

We observe “Zero Plate Wastage” week twice a year to promote responsible consumption and reduce food waste.

Paperless Office

We have adopted a paperless approach wherever possible, both-side printing is set as the default mode to reduce paper consumption.

Composting Garden Waste

Garden waste is composed to manure, which is then used in our gardens.

10\ **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** Not Applicable

11\ **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** Not Applicable

12\ **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:**
Yes, we are compliant with the applicable environmental laws/regulations/guidelines.

Leadership Indicators

1\ **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	13,145.56 GJ	12,977.2 GJ
Total fuel consumption (B	6,857.63 GJ	3901.8 GJ
Energy consumption through other sources (C)	Not Applicable	Not Applicable
Total energy consumption (A+B+C)	20003.2 GJ	16,879 GJ
From non-renewable sources		
Total electricity consumption (D)	29,359.10 GJ	17,099.37 GJ
Total fuel consumption (E)	312.83 GJ	260.8 GJ
Energy consumption through other sources (F)	Not Applicable	Not Applicable
Total energy consumption (D+E+F)	29,671.94 GJ	17,360.17 GJ
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt Ltd.	No

2\ **Provide the following details related to water discharged**
Applicable only for Persistent locations in India geo

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	13,874 KL Water recycled using STP plant and utilized for Irrigation & Flushing	Not Tracked
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iii) To Seawater		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	Not Applicable	Not Applicable

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iv) Sent to third parties		
No treatment	17,245 KL	0
With treatment – please specify level of treatment		Not Tracked
(v) Others		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kiloliters)	Not Applicable	Not Applicable
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No	No

3\ **Water withdrawal, consumption and discharge in areas of water stress (in kiloliters)**

We recognize that we are working in countries which are water-stressed zones. We continue our efforts in water conservation through a combination of technological interventions, rainwater harvesting, recycling and reuse of wastewater, communication and employee engagement. We have over the years succeeded in recharging groundwater aquifers through the deep injection wells and lakes we have created, and this has benefitted local communities as well.

The information on consumption provided above is a consolidation of our water consumption across the globe. Going forward, we will report details of water withdrawal and consumption from water-stressed zones in the format prescribed by the BRSR.

For each facility / plant located in areas of water stress, provide the following information:

(i) **Name of the area:** Applicable only for Persistent locations in India

(ii) **Nature of operations**: IT-Services

(iii) **Water withdrawal, consumption and discharge in the following format:**

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	46,376 KL	Not Tracked
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	**46,376 KL**	**Not Tracked**
Total volume of water consumption (in kiloliters)	**46,376 KL**	**Not Tracked**
Water intensity per rupee of turnover (Water consumed / turnover)	-	Not Tracked
Water intensity (optional) – the relevant metric may be selected by the entity	NA	NA
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	13,874 KL	Not Tracked
(ii) To Groundwater		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	Not Applicable	Not Applicable

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
(iii) To Seawater		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	Not Applicable	Not Applicable
(iv) Sent to third parties		
No treatment		Not Applicable
With treatment – please specify level of treatment	17,245 KL	Not Tracked
(v) Others		
No treatment	Not Applicable	Not Applicable
With treatment – please specify level of treatment	Not Applicable	Not Applicable
Total water discharged (in kiloliters)	**Not Applicable**	**Not Applicable**
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency	No	No

4\ Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH4, N_2O, HFCs, PFCs, SF6, NF3, if available)	Metric tones of CO_2 equivalent	4,337.34 Mt CO2e	661.2
Total Scope 3 emissions per rupee of turnover	Units	Not Applicable	Not Applicable
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	Units	Not Applicable	Not Applicable
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency		Yes, our ESG disclosures undergo a thorough review internally by respective business units and externally assured by an independent assurance body named DNV India Business Assurance Pvt Ltd.	No

5\ With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities: Not Applicable

6\ If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Refurbishing old end of life	As part of our commitment to promote sustainability, we have initiated a program to refurbish end-of-life (EOL) laptops and donate them to NGOs and educational institutes. This initiative not only helps in reduction of e-waste but also creates employment opportunities for people who need it.	Reduction in E-Waste generation
2	No Plastic Days	We have taken several steps in reducing plastic waste generation. We are minimizing the use of plastic bags and encouraging the use of cloth or paper bags. To promote awareness on the harmful effects of plastic, we organize "No Plastic Day" and encourage our employees to adopt eco-friendly practices.	Reduction in Plastic waste generation in Persistent facilities

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
3	Green Energy	1\ Green Energy (solar+ wind) generation of 55,56,447kWh in FY23 for our own use. 2\ Persistent uses 100% eco-certified furniture. All the furniture including sofa, chair, table etc. are BIFMA certified in their upcoming projects. 3\ Persistent "Bhageerath" facility from Pune IGBC Platinum certified building. 4\ Optimum usage of daylight: 54% of the total regularly occupied areas achieve natural daylight of 300 lux or more. 5\ Our two buildings from Pune "Bhageerath" is BEE 2 Star & "Aryabhata–Pingala" is BEE 3 Star rated Buildings.	46% renewable energy in FY23
4	Chiller and AC replacement	1\ ACs of 1000 TR capacity in a 2600+ seating capacity building which were based on R-22 gas were replaced with energy efficient Inverter based ACs with energy efficient & environment friendly R-410 gas system. (15 % reduction in electricity consumption of air conditioning) 2\ Eco-friendly Refrigerants & Halons: Ductable ACs 80 TR which were based on R-22 gas were replaced with energy efficient inverter based ACs with environment friendly R-32 gas. (12 % reduction in electricity consumption of air conditioning) 3\ Replaced old chiller system in the corporate office building by a combination of high efficiency (lesser energy and water consumption) chiller system & by high efficiency VRV system.	15 % reduction in electricity consumption of air conditioning Emission reduction due to replacement of low emission refrigerant gas
5	CFL to LED replacement	Replaced CFLs by LED lamps: A total of 9,365 CFL-based light fittings replaced by LED lamps - indoor, outdoor & all common areas such as parking, lobbies, toilets etc. in our facilities.	15% reduction in electric consumption for lighting

7\ Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Persistent is certified for ISO 22301:2019 and has a well-defined Business Continuity Management System in place. This includes Business continuity and disaster recovery plans that are charted to ensure minimum impact to business and operation in case of emergency or disaster as well as regular testing including calls tree tests, data restoration tests, DR drills, etc which ensure high level of readiness for handling Business Continuity impact related events.

Persistent governance risk and compliance services have a structured BCP – DRP framework and methodology, which will assist the enterprise in overcoming all the challenges by analyzing business impact, defining the recovery strategy, and documenting plans for our BCP / DRP. We can also test the BCP / DRP to ensure it is current and meets the RTO/RPO requirements. https://www.persistent.com/services/enterprise-it-security/governance-risk-and-compliance/business-continuity-and-disaster-recovery/

8\ Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Since Persistent is an IT/ITES company, there is no raw and finished physical goods supply/distribution or linked manufacturing / transportation involved. We prioritize having a sustainable value chain that leads to a positive global impact. The generation of electronic waste is the only adverse impact that arises from our value chain. We take the necessary actions to insist our suppliers minimize e-waste. We have global norms for vendors and are insisting on authorized vendors.

9\ Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts: We are yet to initiate the assessment of value chain partners.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Our active participation in trade and industry associations allows us to stay informed about industry developments, contribute to policy discussions, and foster collaboration within the business community.

Essential Indicators

1a. Number of affiliations with trade and industry chambers/ associations: 6

1b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	National Association for Software and Services Companies (NASSCOM)	National
2	Confederation of Indian Industry (CII)	National
3	Mahratta Chamber of Commerce Industries and Agriculture (MCCIA)	State
4	Indo-German Chamber of Commerce (IGCC)	International
5	Software Exporters Association of Pune (SEAP)	State
6	Hinjawadi Industries Association, Pune (HIA)	State
7	The German Chambers of Commerce Abroad (AHK)	International
8	Indo-Australian Chamber of Commerce (IACC)	International

2\ **Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.** Not Applicable

Leadership Indicators

1\ **Details of public policy positions advocated by the entity:**
The Company proactively engages with various stakeholders including industry chambers, associations, governments, and regulators and provides its inputs on various areas. The Company is committed to engage in the public policy advocacy process in a responsible and ethical manner.

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Our active participation in trade and industry associations allows us to stay informed about industry developments, contribute to policy discussions, and foster collaboration within the business community.					

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

At Persistent, we recognize the immense value of diversity and inclusion in driving innovation and creating a thriving workplace culture. We are committed to fostering an environment where every individual feels empowered, respected, and valued, regardless of their background. Our dedication to Diversity, Equity, Inclusion, and Belonging (DEIB) is deeply ingrained in our core values and is reflected through our policies and practices. Diversity is driven at a strategic and cultural level to address the diversity-related needs of the organization

Essential Indicators

1\ **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.** None

2\ **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:** Not Applicable

3\ Describe the mechanisms to receive and redress grievances of the community.

The Company is committed to providing an open environment where employees, contractors and other stakeholders are comfortable speaking up whenever they have a question or concerns about our Code of Conduct or are of the opinion that laws, regulations, or the Code, may have been breached. All stakeholders are encouraged to raise concerns with the Company's management team or through the whistleblower mechanisms set up for this purpose. The Company has adopted a policy for the Prevention of Harassment at the workplace and the Internal Complaints Committee is duly constituted. During the year, your Company has received four complaints of sexual harassment and one complaint of harassment of non-sexual nature, which were heard by the Committee as per the guidelines and were resolved during the year under the report.

The Policy is available at https://www.persistent.com/ethical-practices-at-persistent-systems/anti-harassment-policy/ Also, the Company conducts an internal survey for obtaining feedback from the employees about the work culture in the Company, in the department and the inter se relationship between the superiors and subordinates.

4\ Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directly sourced from MSMEs/ small producers	Not Tracked	
Sourced directly from within the district and neighboring districts		

Leadership Indicators

1\ Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): Not Applicable

2\ Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: None

3\ **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No):** No

(b) From which marginalized /vulnerable groups do you procure? None

(c) What percentage of total procurement (by value) does it constitute? 0%

4\ Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not Applicable

5\ Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved: Not Applicable

6\ Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefitted from CSR Projects	% Of beneficiaries from vulnerable and marginalized group
1	Projects implemented for improving quality of education and infrastructure development, skill development and support for higher education	9,385	Not Tracked
2	Projects implemented in the area of curative health care focusing on geriatric and pediatric age group	5,485	
3	Tree plantation	13,420 Trees planted and nurtured taking overall total to 96,035	
4	Support for livelihood	242	
5	Compressive watershed development program	2,358	
6	Hydro Electric Power project	210	
7	Support for drinking water	280	

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Persistent Systems is a company that is committed to providing high-quality services to its clients while maintaining strong customer relationships. The organization places great emphasis on its customer relationships and has developed a structured approach to customer relationship management (CRM) that focuses onregular customer feedback, grievance redressal mechanisms, and customer satisfaction surveys.

Essential Indicators

1\ **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

Persistent Systems believes in seeking feedback on a regular basis for all projects in scope. To achieve this, the organization conducts project customer satisfaction surveys at key project milestones or at least once every six months. These surveys are designed to understand the key performance of the project on several important dimensions, including derived value, engagement satisfaction, loyalty, people, service, deliverables, other commitments, and overall experience.

The latest net promoter score (NPS) at the organization level for all project customer satisfaction surveys is 79, and the overall satisfaction score is 88%.

2\ **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:** Not Applicable

3\ **Number of consumer complaints in respect of the following:** None

4\ **Details of instances of product recalls on account of safety issues:** Not Applicable

5\ **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**
Yes, at Persistent, we take information security and privacy seriously and have implemented appropriate measures to safeguard both internal data and the data our customers entrust us with. To achieve this, Persistent continues to maintain continuous adherence to multiple global standards which demonstrates our ability to deliver solutions and services effectively and consistently to customers.

Persistent is certified for ISO 31000:2018 for Risk management Guidelines, ISO 27001:2013, ISO 27017, ISO 27018, and ISO 22301:2019 for data privacy, ISO 22301 for Business Continuity
Web link: https://www.persistent.com/company-overview/certifications/

6\ **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services:** Not applicable

Leadership Indicators

1\ **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**
Refer the below mentioned link: We are a trusted Digital Engineering and Enterprise Modernization partner, combining deep technical expertise and industry experience to help our clients anticipate what's next and answer questions before they're asked. Our offerings and proven solutions create a unique competitive advantage for our clients by giving them the power to see beyond and rise above. https://www.persistent.com/services/

2\ **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**
Not Applicable

3\ **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**
Refer to principle 6, question 7 of Leadership indicators, in this report.

4\ Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes, Persistent Systems believes in seeking feedback on a regular basis for all projects in scope. To achieve this, the organization conducts project customer satisfaction surveys at key project milestones or at least once every six months. These surveys are designed to understand the key performance of the project on several important dimensions, including derived value, engagement satisfaction, loyalty, people, service, deliverables, other commitments, and overall experience. Based on the feedback received, the applicable root cause and corrective actions are taken by the project team. The feedback is triggered in a formal process through surveys, and the process is standardized across all projects in the organization.

Customer Satisfaction Surveys: Persistent Systems conducts Customer Satisfaction Surveys to understand the level of customer satisfaction and the health of the relationship with the customer. Engagement/project level surveys are conducted once every six months, while relationship level surveys (annual CSAT) are conducted once a year. The engagement level CSAT survey is focused on seeking project level feedback from the customer contacts who are involved in project activities. The relationship level CSAT survey is focused on seeking feedback about Persistent's relationship with the customer organization and other key business aspects. Typically, CXO, senior, and mid-management are involved in this.

5\ Provide the following information relating to data breaches:

a. **Number of instances of data breaches along-with impact**: Zero Instances of data breach

b. **Percentage of data breaches involving personally identifiable information of customers:** 0

Management Discussion and Analysis

Market Overview

Global economic activity is experiencing slowdown with central banks raising interest rates to battle inflation which has risen sharply through 2022. The slow withdrawal of accommodative monetary policy which was fueling the economy during the pandemic, is weighing on growth outlook. Enterprises are realigning their strategies to navigate through this uncertain outlook, which is reflected in moderation of demand for technology companies.

While entering financial year 2023-24, the tech companies will have to grapple with potential economic slowdown by trimming costs, increasing efficiency and staying agile and innovative to build a strong competitive position. Access to funds will remain selective as capital tries to find resilient companies which will be able to grow profitability.

Amid this scenario, Gartner forecasts worldwide IT spending to grow by 5.5% in 2023.

Company Overview

We are a trusted Digital Engineering Enterprise Modernization partner for software product companies and enterprises, combining deep technical expertise and industry experience. Our offerings and proven solutions create unique competitive advantage for our clients. Our partner ecosystem enables us to create innovative and flexible solutions for our clients across industries and technology domains bringing differentiated business value to their business.

We are focused on outsourced software product development for our customers. We work with companies who build and deploy software products and we partner with them across all phases of the product lifecycle. Our team is trained with its proprietary techniques, time-to-market accelerators, connectors and integration services which help our customers to deliver products to their end users efficiently.

We are pleased to report that we have achieved an important milestone of $ One Billion in annual revenue during FY23, with YoY revenue growth of 35.3%. This achievement is a testimony to our clients' confidence in our ability to continuously innovate and deliver exceptional business value. We are thankful to all our clients and partners for their trust and support.

Opportunities & Challenges

While there may be some challenges ahead, there are several reasons to believe that the tech industry will navigate through the uncertain business environment.

Technology has become not only increasingly important but also essential in our daily lives. This trend is set to continue with emerging technologies including artificial intelligence (AI) poised to become even more widespread in the coming years. In the period of economic downturn, enterprises often turn to technology to help them increase the productivity and cut costs. Companies that provide solutions in the space like cloud computing, cybersecurity are well positioned to benefit from the shift towards digital transformation which got accelerated during the pandemic.

Overall, while the tech industry cannot be immune to the effects of recession, it is likely to be more resilient than many other sectors. Its ability to meet the increasing demand for innovation will enable it to handle the economic challenges.

Business Strategy

We continue to stay close to our customers and proactively work with them to solve their business challenges. Increased emphasis by enterprises on ROI on various technology programs provides us an opportunity. The need for optimizing costs by accessing R&D capabilities with partners, adoption of newer technologies including AI and increased spend on cybersecurity are creating a need for agile and innovative partner. We see that as an opportunity.

Talent Management

Talent management at Persistent has been with an emphasis on finding the best talent and helping them to grow, mentor, accomplish personal career goals and take on leadership roles. Our talent management team is able to strike a balance between our current capabilities and anticipated future demand.

Our growth in the last two years has been at an accelerated pace. We have added over 4,000 new team members in each of the last two years. Our workforce management policy is focused on diversity and is relevant to keep us competitive in the talent market. Our inclusive work environment offers opportunities for growth and is an important step towards creating more resilient community and more equitable world.

In the emerging technology context, the workforce needs a diverse range of skills. Innovating and succeeding in the constantly evolving corporate landscape is challenging. Our Learning and Development team deals with these complex challenges and has prioritized on upskilling and reskilling initiatives to ensure that our workforce is prepared for future. During the year, we invested in a state-of-the-art Learning and Development facility, which we have named Ramanujan, in the city of Pune.

We are an equal opportunity employer. Our diversity parameters include gender, religion, color, age, nationality, language, socio-economic status, disability, etc. We believe that diverse workforce can help to nurture creativity. Our progressive policies are instrumental in creating equitable and inclusive work environment. We ensure that all our employee policies support highest standard of transparency and accountability.

Innovation Highlights

In FY 2022-23, Persistent Innovation Labs delivered 40 Innovative offerings, leveraging emerging technologies, across multiple industry verticals. As part of our Innovation as a Service (IAAS) offering, we delivered time-boxed innovation for one of the top banks in APAC and co-developed banking solutions on low-code platforms.

Team Persistent won the Google Cloud Next Big Thing Hackathon, held as a part of Google Cloud Next 2022. Our cross-domain experts from Healthcare, Life Sciences & AI Research Labs came together to deliver the winning solution 'Zacharias' - an innovative, time-sensitive AI powered cancer cell imaging solution that can make a difference in the lives of millions of cancer patients around the world. Google recently created the 'Hum Banayenge' film based on Zacharias to showcase the innovations built by the developers on 'Solving for India'! Persistent also won the prestigious 'Prof. Ashok Vaidya Award' at the SAC– American College for Clinical Pharmacology Conference for AI-generated Knowledge Graphs for post-hoc analysis of failed clinical trials. Our experts presented Innovation insights based on Persistent's R&D work at many events and forums to forge a stronger Industry – Academia connect.

The 11th edition of Semicolons – Persistent's Iconic Annual Global Hackathon witnessed overwhelming participation & broke all previous records! Our 900 participants (including 250+ students) across 5 countries participated in Semicolons and came up with 104 innovative solutions that left our 70 judges mighty impressed. To motivate our participants, we introduced 10 new 'category awards' this year, like Best Use of Persistent Accelerators, Most Creative Use of Generative AI, Best Use of Low-Code/No-Code Platforms, Best Use of Cloud Accelerators, etc. We collaborated with 'Google Developers' who were the official sponsors for the Best Use of GCP Award at Semicolons 2023. We also invited an AI expert from Google who conducted a workshop on 'Operationalizing Machine Learning Models using Vertex AI' for participants of Semicolons 2023. We successfully ran a pilot of the 'Ingenious' initiative that focused on encouraging and rewarding Intrapreneurship & Innovation among our employees

Internal Audit & Control

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Companies Act, 2013. The CEO and CFO certification provided under Report on Corporate Governance section of Annual report discusses the adequacy and procedure of internal control over financial reporting.

We have an in-house internal audit team of experts with professional qualifications and certifications in audit related areas. Audit areas which require industry-specific expertise are co-sourced/outsourced to consulting experts, as and when deemed necessary in line with the audit plan.

The head of internal audit team reports to the Chairman of the Audit Committee and is a permanent invitee to the quarterly meetings of the Audit Committee and the Risk Management Committee. Findings of the internal audits are presented to the Audit Committee at its quarterly meetings.

An extensive program of internal audits and management reviews supplements the process of internal financial control framework. The function provides an independent, objective assessment of operations and suggestions to improve Business Units operations. The audits are carried out throughout the year and are based on an internal audit plan that is reviewed and approved by the Audit Committee every quarter. In line with industry practices and regulatory requirements, the internal audit function covers mandatory areas such as review of Internal Financial Controls, Business and Financial operations and Regulatory Compliances.

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Financial Analysis

The following discussion is based on the audited consolidated financial statements of Persistent Systems Limited, and its following wholly-owned subsidiaries, step-down subsidiaries and controlled trust:

1\ Persistent Systems Inc.

2\ Persistent Systems Pte. Ltd.

3\ Persistent Systems France SAS

4\ Persistent Systems Malaysia Sdn. Bhd.

5\ Persistent Systems Germany GmbH

6\ CAPIOT Software Private Limited

7\ Persistent Telecom Solutions Inc. (step-down subsidiary)

8\ Persistent Systems UK Limited (formerly known as Aepona Limited) (step-down subsidiary)

9\ Persistent Systems Lanka (Private) Limited (step-down subsidiary)

10\ Aepona Group Limited (step-down subsidiary)

11\ Persistent Systems Mexico S.A. de C.V. (step-down subsidiary)

12\ Persistent Systems Israel Ltd. (step-down subsidiary)

13\ Persistent Systems Switzerland AG (formerly known as PARX Werk AG) (step-down subsidiary)

14\ PARX Consulting GmbH (step-down subsidiary)

15\ Youperience GmbH (step-down subsidiary)

16\ Youperience Limited (step-down subsidiary)

17\ CAPIOT Software Inc. (step-down subsidiary)

18\ Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd) (step-down subsidiary)

19\ CAPIOT Software Pte Limited (step-down subsidiary)

20\ Persistent Systems S.R.L. (step-down subsidiary)

21\ Software Corporation International (step-down subsidiary)

22\ SCI Fusion360 LLC (step-down subsidiary)

23\ Data Glove IT Solutions Limitada (step-down subsidiary)

24\ MediaAgility India Private Limited

25\ MediaAgility Inc. (step-down subsidiary)

26\ Digitalagility S de RL de CV (step-down subsidiary)

27\ MediaAgility UK Limited (step-down subsidiary)

28\ Media Agility Pte Ltd (step-down subsidiary)

29\ Persistent Systems S.R.L. Romania (step-down subsidiary)

30\ PSPL ESOP Management Trust

In this report, Persistent Systems and its subsidiaries, step-down subsidiaries and controlled trust collectively have been referred to as “the Company”, reflecting the financial position in the consolidated financial statements. The Financial Year 2022-23 has been referred to as “the year” and the Financial Year 2021-22 has been referred to as “the previous year”.

The consolidated financial statements have been prepared in accordance with IndAS.

Financial Position and Results of Operations

Persistent Systems Limited was listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) on April 6, 2010.

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, equity settled employee stock options and initial recognition of assets acquired under business combinations which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for 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.

Financial performance summary

Particulars	Unit	Financial Year 2022-23	% to revenue	Financial Year 2021-22	% to revenue	Growth
Revenue	₹ Million	83,505.92		57,107.46		46.23%
Revenue	$ Million	1,035.98		765.59		35.32%
Earnings before interest, depreciation, amortisation and taxes	₹ Million	15,191.25	18.19%	9,581.71	16.78%	58.54%
Profit Before Tax	₹ Million	12,408.52	14.86%	9,242.79	16.18%	34.25%
Profit After Tax	₹ Million	9,210.93	11.03%	6,903.86	12.09%	33.42%
Earnings Per Share (EPS)						
Basic	₹	123.73		90.34		36.96%
Diluted	₹	120.52		90.34		33.41%

Share Capital

The authorized share capital of the Company as at March 31, 2023 was ₹ 2,000.00 Million divided into 200 Million equity shares of ₹ 10 each. The paid-up share capital as at March 31, 2023 was ₹ 764.25 Million divided into 76.425 Million equity shares of ₹ 10 each. (Previous year ₹ 764.25 Million divided into ₹ 76.425 Million equity shares of ₹ 10 each). There were no changes in the authorized and paid-up share capital during the year.

In April 2023, the Company has allotted 500,000 shares to the ESOP Trust by way of fresh issue, thereby increasing the paid up capital to ₹ 76.925 Million. These shares have been issued to the ESOP Trust at a price of ₹ 2,789, based on the exercise price of the underlying options, which will be due for exercise during the year 2023-24.

Other Equity

The Other Equity as at March 31, 2023 stood at ₹ 38,886.53 Million as against ₹ 32,917.95 Million as at March 31, 2022, showing a growth of 18.13%. The details of Other Equity are as below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
General Reserve	20,824.45	17,376.65
Share Options Outstanding Reserve	2,222.02	1,144.84
Gain on bargain purchases	62.67	57.80
Capital redemption reserve	35.75	35.75
Retained Earnings	16,607.36	13,553.90
Treasury shares	(2,435.67)	-
PSL ESOP trust reserve	70.31	-
Effective portion of cash flow hedges	(5.76)	41.80
Exchange differences on translating the financial statements of foreign operations	1,505.40	707.21
Total	38,886.53	32,917.95

General Reserve

During the Financial Year 2022-23, the Company transferred ₹ 3,164.51 Million out of the profits of the year to General Reserve in accordance with the Company's Policy of Transfer of Profits to General Reserve. Further, there has been transfer of ₹ 283.10 Million from Share Options Outstanding Reserve on exercise/expiry of stock options by the employees. The balance in General Reserve stood at ₹ 20,824.45 Million as at March 31, 2023 as against ₹ 17,376.65 Million as at March 31, 2022.

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Share Options Outstanding Reserve

In accordance with Ind AS 102 – "Share Based Payments," the cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period following graded vesting method.

The amount of stock options outstanding as at March 31, 2023 was ₹ 2,222.02 Million for 0.83 Million options exercisable as on that date (The corresponding amount in stock options outstanding account as on March 31, 2022 was ₹ 1,144.84 Million for 0.78 Million options exercisable as on that date). The increase in the liability represents fair value of options granted (including Restricted Stock Units) during the year to the employees. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Gain on Bargain Purchases

As per Ind AS 103- "Business Combinations," if the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised as Gain on bargain purchases under other comprehensive income. The Company has carried out the fair valuation of all identifiable assets, liabilities and contingent liabilities acquired under the business acquisitions after the date of transition to Ind AS (i.e. April 1, 2015). Based on this, the Gain on bargain purchases stood at ₹ 62.67 Million as at March 31, 2023 as compared to ₹ 57.80 Million as at March 31, 2022. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Capital Redemption Reserve

Capital redemption reserve represents the nominal value of the shares bought back; and is created and to be utilized in accordance with Section 69 of the Companies Act, 2013. The Capital redemption reserve was unchanged and stood at ₹ 35.75 Million as at March 31, 2023 and March 31, 2022. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Retained Earnings

The balance retained in the Statement of Profit and Loss as at March 31, 2023 is ₹ 16,607.36 Million, after appropriation towards dividend of ₹ 2,980.58 Million and transfer to General Reserve of ₹ 3,164.51 Million.

The details of changes in Retained Earnings are as follows:

(In ₹ Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Opening balance	**13,553.90**	11,564.42
Net profit for the year	**9,210.93**	6,903.86
Items recognised in / from other comprehensive income for the year	**(12.38)**	(183.87)
Dividend	**(2,980.58)**	(1,987.05)
Transfer to general reserve	**(3,164.51)**	(2,743.46)
Closing balance	16,607.36	13,553.90

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details

Treasury shares

Treasury shares represents the numbers of shares held by ESOP Trust. In view of consolidation of the financials of ESOP Trust with the Company financials w.e.f. current financial year i.e. 2022-23, the treasury shares have been reduced from the equity of the company. The treasury shares have balance of ₹ 2,435.67 Million as at March 31, 2023, while it will be nil for the previous year since the Trust was not consolidated in the previous year. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

PSPL ESOP Management Trust reserve

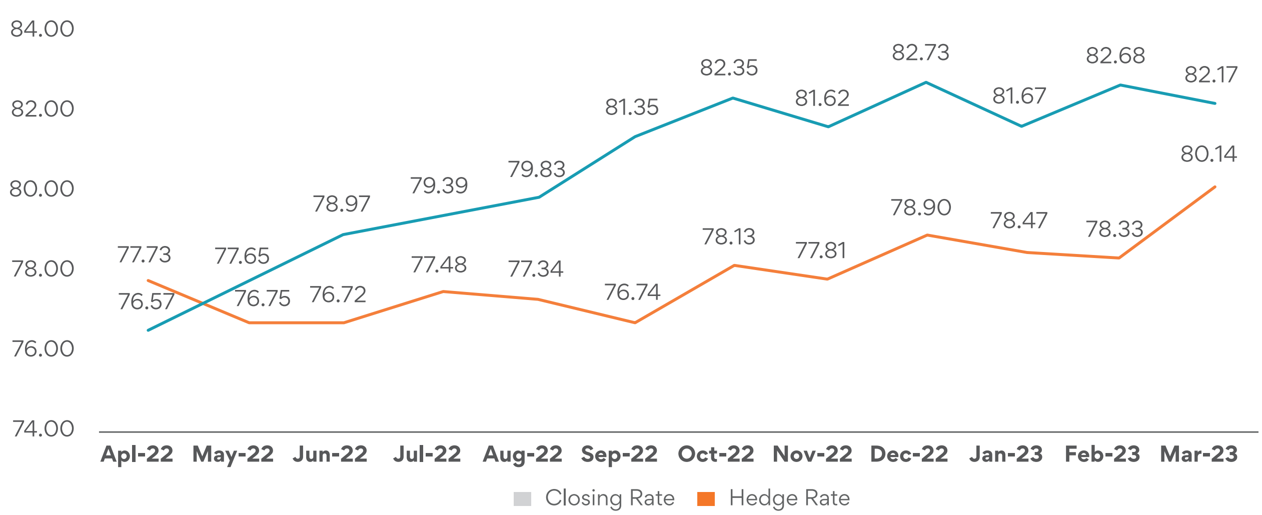
PSPL ESOP Management Trust reserve represents the dividend received by the ESOP Trust from the Company. PSPL ESOP Management Trust reserve has balance of ₹ 70.31 Million as at March 31, 2023 while it is Nil for previous year being the year with no consolidation of Trust. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Effective Portion of Cash Flow Hedges

The Company derives a substantial part of its revenues in foreign currency while a major part of its expenses is incurred in Indian Rupees. This exposes the Company to the risk of loss due to fluctuations in foreign currency rates.

The following chart shows movement of monthly spot and forward rates of the Rupee against the USD in Financial year 2022-23, indicating the volatility that the currency faced throughout the year:

₹/$ Currency Movement



The Company minimizes the foreign currency fluctuation risk as per Company's Foreign Exchange Risk Management Policy. The Company holds plain vanilla forward contracts against expected future receivables in USD to hedge the risk of changes in exchange rates.

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 recognised in 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 recognised 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 recognised 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.

Accordingly, the Hedge Reserve (net of tax effects) as at March 31, 2023 stood at a debit balance of ₹ (5.76) Million as against a credit balance of ₹ 41.80 Million as at March 31, 2022. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Exchange Differences on Translating the Financial Statements of Foreign Operations

While consolidating the financial statements of subsidiaries (including step down subsidiaries) with the financial statements of the Parent Company, the assets and liabilities are stated in Indian Rupees by applying the closing exchange rates, equity is stated in Indian Rupees by applying the historical exchange rates and income and expenditure are stated in Indian Rupees by applying the average exchange rates. This creates exchange difference on consolidation which is accumulated under foreign currency translation reserve.

The balance in the foreign currency translation reserve was ₹ 1,505.40 Million as at March 31, 2023 as against ₹ 707.21 Million as at March 31, 2022. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Non-current Assets (other than non-current financial assets)

The Non-current assets (other than non-current financial assets) as at March 31, 2023 stood at ₹ 23,574.67 Million as against ₹ 16,406.93 Million as at March 31, 2022. The details are as below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Property, Plant and Equipment	**4,859.95**	2,917.67
Capital work-in-progress	**161.38**	1,071.20
Right of use assets	**2,198.21**	1,358.21
Goodwill	**7,183.71**	2,790.22
Other Intangible assets	**9,171.42**	8,269.63
Total	23,574.67	16,406.93

Property, Plant and Equipment

The gross block of Property, Plant and Equipment amounted to ₹ 11,936.12 Million as at March 31, 2023 as against ₹ 8,970.12 Million as at March 31, 2022. The increase is primarily because of acquisition of computers along with purchase of land and civil work carried out at Company premises during the year. The Company also capitalized various office equipments and furniture and fixtures during the year.

Below are the details of primary additions in Property, Plant and Equipment during the Financial Year:

(In ₹ Million)

Particulars	Amount
Computers	756.85
Freehold Land	784.61
Building	421.84
Plant and Equipment	568.53
Furniture	348.40
Office Equipment	24.73
Leasehold Improvements	14.04
Vehicles	8.64
Total	**2,927.64**

Capital Work-in-progress

Capital work-in-progress (Capital WIP) stood at ₹ 161.38 Million as at March 31, 2023 as against ₹ 1,071.20 Million as at March 31, 2022. The decrease is primarily due to capitalization of renovated office premises in Pune.

Right of Use Assets

The gross block of Right of use asset stood at ₹ 3,126.27 Million as at March 31, 2023 as against ₹ 1,879.25 Million as at March 31, 2022. Net additions of ₹ 1,191.66 Million have been made towards renewals/ additions of leased office premises.

Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired Company. The Goodwill as at March 31, 2023 was ₹ 7,183.71 Million as against ₹ 2,790.22 Million as at March 31, 2022. The increase is due to amounts recognised on acquisitions made during the year.

Other Intangible Assets

The gross block of intangible fixed assets amounted to ₹ 18,644.66 Million as at March 31, 2023 as against ₹ 16,541.28 Million as at March 31, 2022. The additions mainly pertain to software and acquired contractual rights, including those acquired through business combinations.

Please refer note no. 44 of the consolidated financial statements for details.

Non-current Financial Assets

The non-current financial assets as at March 31, 2023 were ₹ 5,587.70 Million as against ₹ 7,740.46 Million as at March 31, 2022. The details of non-current financial assets are as follows:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Trade receivable	125.54	-
Investments	4,516.00	3,877.72
Loans	-	3,522.00
Other non-current financial assets	**946.16**	**340.74**
Total	**5,587.70**	**7,740.46**

Non-current Financial Assets: Trade receivable

In some IP deals in Accelerite portfolio, we have deferred credit arrangement with certain large enterprise customers. These receivables to the extent realizable after 12 months, are shown as Non-current trade receivables, amounting to ₹ 125.54 Million as at March 31, 2023.

Non-current Financial Assets: Investments

The total non-current investments as on March 31, 2023, stood at ₹ 4,516.00 Million as against ₹ 3,877.72 Million in the previous year. Please refer Note 6 of the consolidated financials for details.

Non-current Financial Assets: Loans

The non-current loans as at March 31, 2023 is Nil as compared to ₹ 3,522.00 Million as at March 31, 2022. This relates to loan given to the ESOP Trust. As the Trust financials have been consolidated effective current year i.e. Financial Year 2022-23, the same has been eliminated from the books and hence appears as Nil as at March 31, 2023. Please refer Note 7 of the consolidated financials for details.

Other Non-current Financial Assets

Other non-current financial assets consist of the non-current deposits with banks and the financial institutions including interest accrued on these deposits.

The Company has fully provided for the deposits of ₹ 130.00 Million with IL&FS Ltd and ₹ 300.00 Million with IL&FS Financial Services Ltd.

During the year, the Company has placed deposits of ₹ 400.00 Million with HDFC Limited. Please refer Note 8 of the consolidated financials for details.

Deferred Tax Assets and Deferred Tax Liabilities

The net deferred tax assets on March 31, 2023 amounted to ₹ 1,129.29 Million as against ₹ 1,122.72 Million as on March 31, 2022.

Please refer Note 9 of the consolidated financials for component-wise details of deferred tax balances.

Other Non-current Assets

Other non-current assets include capital advance and Prepayments. The amount of Other non-current assets was ₹ 720.78 Million as at March 31, 2023 as against ₹ 531.61 Million as at March 31, 2022. The details for the same are given below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital advances	**629.15**	104.95
Balance with Government Authorities	-	296.55
Prepayments	**91.63**	130.11
Total	**720.78**	**531.61**

The increase in capital advance is mainly due to capital advances paid for acquiring land at Hinjawadi in Pune for future expansion. Balance with Government authorities as at March 31, 2022, included the amount of ₹ 255.52 Million refunded under protest along with interest of ₹ 41.03 Million aggregating to ₹ 296.55 Million against claims for export incentives received in earlier years. Though the Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue, during 2022-23, with the intention of avoiding prolonged litigation, the Company has applied before the Settlement Commission requesting for settlement of the case. The Company has provided for this amount during the year,thereby removing the same from non-current asset. Please refer the note 42 on this item in this connection.

Current Financial Assets

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Investments	1,879.66	4,346.91
Trade receivables (net)	15,704.64	9,484.29
Cash and cash equivalents	4,670.12	2,977.99
Bank balances other than cash and cash equivalents	4,362.68	6,166.59
Other current financial assets	4,855.61	3,231.00
Total	31,472.71	26,206.78

Current Investments

As per the Investment Policy approved by the Board of Directors, the Company invests its surplus funds in liquid and debt schemes and fixed maturity plans of some reputed mutual funds with a focus on capital preservation, liquidity and optimization of returns.

Investment in mutual funds classified under current investments stood at ₹ 1,879.66 Million as at March 31, 2023 as compared to at ₹ 4,346.91 Million as at March 31, 2022. During the year, the company has redeemed certain investments to fund the acquisition of MediaAgility which was completed in May'22.

Trade Receivables

Trade receivables (net of provision for doubtful debts) amounted to ₹ 15,704.64 Million as at March 31, 2023 as against ₹ 9,484.29 Million as at March 31, 2022.

The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the historical payment track record of customers. Further, the policy incorporates the provisioning of all customer balances which are overdue for a period of more than 180 days.

Provision for doubtful debts stood at ₹ 188.96 Million as at March 31, 2023 as against ₹ 165.78 Million as at March 31, 2022. Please refer Note 12 of the consolidated financials for details.

DSO as at March 31, 2023 was at 68 days as against 59 days as at March 31, 2022. The increase in DSO is partly attributable to spill-over of some collections to the month of April'23 as a result of the Company redirecting collections from Silicon Valley Bank to other banks and partly due to few IP deals on deferred credit in Accelerite portfolio.

Cash and Cash Equivalents

Cash and cash equivalents include bank balances and cash on hand. Cash and cash equivalents stood at ₹ 4,670.12 Million as at March 31, 2023 as compared to ₹ 2,977.99 Million as at March 31, 2022.

Bank balances other than cash and cash equivalents

Deposits with banks having maturity of more than twelve months from the balance sheet date including interest thereon and the balances on unpaid dividend accounts are considered under other bank balances. These deposits amounted to ₹ 4,359.63 Million as at March 31, 2023 as compared to ₹ 6,163.65 Million as at March 31, 2022. The balances on unpaid dividend accounts was ₹ 3.05 Million as at March 31, 2023 as against ₹ 2.94 Million as at March 31, 2022. Please refer Note 14 of the consolidated financials for details.

Other Current Financial Assets

Other current financial assets were ₹ 4,855.61 Million as at March 31, 2023 as compared to ₹ 3,231.00 Million as at March 31, 2022. Following are the components of other current financial assets:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Forward contracts receivable	-	84.59
Other receivable	184.38	16.10
Unbilled revenue	4,671.23	3,130.31
Total	4,855.61	3,231.00

Unbilled revenue represents revenue recognised in relation to work done until the Balance Sheet date for which billing has not taken place.

Please refer Note 16 of the consolidated financials for details.

Other Current Assets (other than financial assets)

Other Current assets other than financial assets include following:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax assets (net)	451.71	179.57
Other current assets	3,254.59	2,002.94
Total	3,706.30	2,182.51

Other current assets include advances recoverable in cash or kind within period of twelve months from the Balance Sheet date and VAT receivable, Service Tax and GST receivable.

Current ratio was 1.80 as at March 31, 2023 as against 1.99 as at March 31, 2022.

Non-current Liabilities

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
Borrowings (non-current portion)	2,057.59	2,800.79
Lease liabilities	1,592.20	1,114.29
Provisions	373.03	245.54
Other financial liabilities	2,888.92	**2,088.60**
Other non-current liabilities	47.86	-
Total	6,959.60	6,249.22

Non-current Financial Liabilities- Borrowings

Under the scheme of NMITLI (New Millennium India Technology Leadership Initiative), the Company has undertaken a project on the 'System based Computational Model of Skin'. As a part of this scheme, Council for Scientific and Industrial Research (CSIR) has granted a financial help in the form of a loan at a nominal rate of interest of 3% p.a. Based on the project costs, an amount of ₹ 40.71 Million had been sanctioned as a long-term loan. The loan is repayable in ten equal annual instalments commencing from October 2015. Loan amount outstanding under this scheme amounted to ₹ 3.69 Million as on March 31, 2023 as against ₹ 5.55 Million as on March 31, 2022.

Under the COVID-19 scheme for medium and small scale industries by the Government of Switzerland, the step-down subsidiary company has received an interest free loan in March 2020, for a term of 5 years for an amount of CHF 500,000, equivalent to ₹ 33.61 Million as on March 31, 2023, (Previous year: 37.54 ₹ Million).

The Company has obtained the loans from HSBC for funding the business acquisitions of SCI Fusion, Data Glove and MediaAgility. The Parent Company has provided a Letter of Comfort to the Lender.

Following are the key terms of loans:

Repayment terms	₹ Million	Interest rate
Loan 1: Repayable over a period of 3 years in monthly equal instalments commencing from No-vember 2021	1,084.19	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in monthly equal instalments commencing from April 2022	1,917.30	**SOFR + 155 bps**
Loan 3: Repayable over a period of 3 years in monthly equal instalments commencing from May 2022	1,246.24	SOFR + 155 bps
Total	4,247.73	

The overall break-up of total borrowings summarized below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Term Loans		
India Rupee loan	3.69	5.55
Interest accrued but not due	0.06	0.08
Foreign Currency loan from others		
Loan from Govt. of Switzerland	33.61	37.54
Loan from HSBC	4,247.73	4,282.18
Total	4,285.10	4,325.35

Out of the total outstanding balance of ₹ 4,285.10 Million, the balance of ₹ 2,227.45 Million is repayable within twelve months from the Balance Sheet date and hence, reclassified to Other Current Financial Liabilities.

Please refer Note 19 of the consolidated financials for details.

Debt-equity ratio as at March 31, 2023 was 0.11:1 as against 0.13:1 as at March 31, 2022.

Non-current Liabilities- Lease liabilities

The balance of ₹ 1,592.20 Million represents the non-current portion of Lease Liability as at March 31, 2023 as against previous year balance of ₹ 1,114.29.

Non-current Liabilities- Provisions

The long-term provisions are those provisions which are not expected to be settled within twelve months from the date of the Balance Sheet. Long term provisions include the liability towards long service award. The total long-term provisions have increased to ₹ 373.03 Million as at March 31, 2023 as compared to ₹ 245.54 Million as at March 31, 2022 mainly due to increase in headcount.

Non-current Liabilities- Other financial liabilities

The balance of ₹ 47.86 Million represents the non-current portion of Unearned revenue and other liabilities as at March 31, 2023.

Current Liabilities

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Financial liabilities		
- Trade payables	5,689.08	4,298.71
- Lease liabilities	676.39	**342.58**
- Borrowings	2,227.51	**1,524.56**
- Other financial liabilities	3,944.70	**2,173.60**
Other current liabilities	2,100.01	1,621.76
Provisions	4,649.24	3,949.66
Current tax liabilities (net)	294.14	348.72
Total	19,581.07	14,259.59

Trade Payables

Trade payables increased to ₹ 5,689.08 Million as at March 31, 2023 from ₹ 4,298.71 Million as at March 31, 2022 essentially on account of the growth in operations of the Company.

Lease Liability

The balance of ₹ 676.39 Million represents the current portion of Lease Liability as at March 31, 2023 as against previous year balance of ₹ 342.58 Million, the increase being due to lease of premises in new locations within India.

Other Current Financial Liabilities

Other current financial liabilities include capital creditors, current maturity of borrowings including interest thereon, accrued employee liabilities, unpaid dividend and other contractual liabilities. Other current financial liabilities have increased to ₹ 3,944.70 Million as at March 31, 2023 from ₹ 2,173.60 Million as at March 31, 2022 due to increase in Contingent Consideration payable for acquisition of Business which represents the amount of deferred purchase consideration in form of Earnouts payable upon achievement of targets as specified in the agreements and also due to increase in accrued employee liabilities.

The details of major components of other current financial liabilities are shown below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Capital creditors	**583.07**	204.49
Accrued employee liabilities	**840.04**	144.61
Accrued interest on borrowings	**21.85**	-
Unpaid dividend	**3.05**	2.94
Other liabilities	**12.11**	8.41
Foreign exchange forward contracts	**67.67**	-
Contingent Consideration payable for acquisition of Business This should be worded as a provision for contingent consideration payable to selling shareholders in acquired entities – please check Infosys/ TCS reports (this amount is not deter-mined as Payable, as it is linked to achievement of earnout, hence we should not refer to it as Payable)	**2,416.91**	1,813.15
Total	3,944.70	2,173.60

Other Current liabilities

Other current liabilities include unearned revenue, advances from customers and statutory and other liabilities. Unearned revenue represents the billing in respect of contracts for which the revenue will be recognised in future. The other current liabilities have increased to ₹ 2,100.01 Million as at March 31, 2023 from ₹ 1,621.76 Million as at March 31, 2022. Please refer Note 24 of the consolidated financials for details.

Current Liabilities: Provisions

The short term provisions denote the employee liabilities and other provisions expected to be settled within a period of twelve months from the date of the Balance Sheet. The short term provisions were ₹ 4,649.24 Million as at March 31, 2023 as against ₹ 3,949.66 Million as at March 31, 2022. The details of the components of short term provisions are given below:

(In ₹ Million)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employee Benefits		
Gratuity	**0.09**	9.96
Leave encashment	**1,167.97**	975.49
Long service awards	**34.18**	24.54
Other Employee benefits	**3,447.00**	2,939.67
Total	4,649.24	3,949.66

The increase in other Employee benefits is mainly due to increase in headcount.

Current Tax Liabilities

Current tax liabilities were ₹ 294.14 Million as at March 31, 2023 as against 348.72 Million as at March 31, 2022. Refer Note 33 of Consolidated Financial Statements for details.

Revenue from Operations (Net)

The Company provides product engineering services, platform-based solutions and IP-based software products for global customers. The Company derives a significant portion of revenues from export of software product engineering services and products.

The revenue for the year in USD terms was up by 35.32% at USD 1,035.98 Million against USD 765.59 Million in the previous year. In Rupee terms the revenue was ₹ 83,505.92 Million against ₹ 57,107.46 Million representing a growth of 46.23% over the previous year. The average rate of rupee depreciated by 8.1 % during the year against US Dollar.

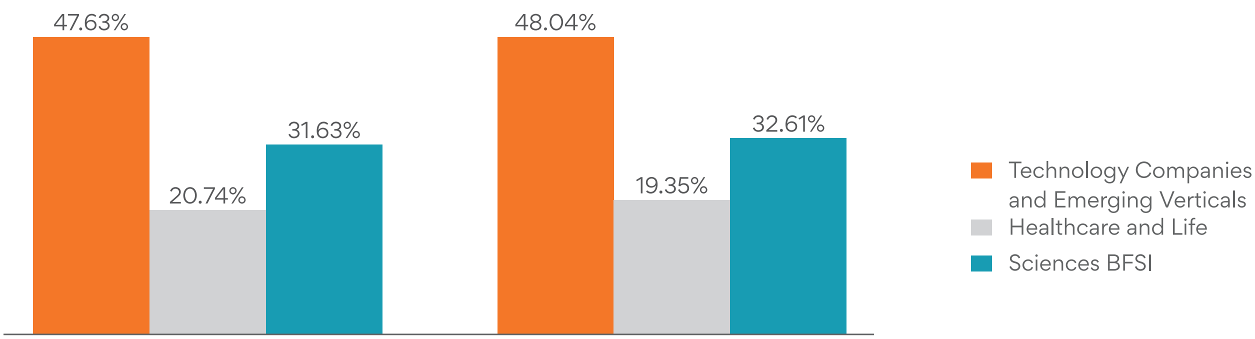
The operating segments of the Group are:

\ Banking, Financial Services and Insurance (BFSI)

\ Healthcare & Life Sciences

\ Software, Hi-Tech and Emerging Industries

Following is the graphical presentation of the contribution of the segments in the total revenue:



Revenue Shares by Segments

(In ₹ Million)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022	Growth
Segmental revenue			
- BFSI	27,231.45	18,063.65	50.75%
- Healthcare & Life Sciences	16,161.07	11,842.75	36.46%
- Software, Hi-Tech and Emerging Industries	40,113.40	27,201.06	47.47%
Total	**83,505.92**	**57,107.46**	**46.23%**
Segmental Operating income			
- BFSI	10,004.47	6,184.33	61.77%
- Healthcare & Life Sciences	8,013.54	6,063.74	32.16%
- Software, Hi-Tech and Emerging Industries	12,282.50	9,269.10	32.51%
Total	**30,300.51**	**21,517.17**	**40.82%**
Segmental Operating margin %			
- BFSI	36.74%	34.24%	
- Healthcare & Life Sciences	49.59%	51.20%	
- Software, Hi-Tech and Emerging Industries	30.62%	34.08%	

In terms of geographical mix of revenue, North America continued to dominate by contributing 77.97% of the total revenue. Contribution from Europe was 9.04%, from India it was 11.30% while Rest of the World contributed 1.69% of total revenue.

The details in respect of percentage of revenues generated from top customer, top 5 customers and top 10 customers are as under:

Revenue Concentration	2022-23	2021-22
Top 1	9.22%	16.23% (How much of this drop is due to Kyndryl spin-off)
Top 5	27.00%	35.09%
Top 10	36.74%	44.63%

The decline in revenue from our top customer is partly attributed to the ramp downs that we witnessed on account of the structured cost saving program undertaken by the customer and partly due to corporate restructuring at the customer's end.

Other Income

As explained in Note 27 of the consolidated financials, Other Income consists of income from investment of surplus funds in the form of dividend from mutual funds, profit on sale of investments, interest on deposits and bonds, foreign exchange gain and miscellaneous income. Other income has decreased to ₹ 706.17 Million for the year ended March 31, 2023 from ₹ 1,439.55 Million for the year ended March 31, 2022. One of the major reasons for a decline in other income was exchange loss of ₹ 133.24 million as against exchange gain of ₹ 269.41 million in the previous year. The use of funds for acquisitions reduced the treasury surplus, which in turn reduced the interest income. Further, as a result of consolidation of ESOP Trust financials with Company's financials, the interest on the loan given to ESOP Trust has been eliminated in the current year.

The details of other income are given below:

(In ₹ Million)

Particulars	For the Year ended March 31, 2023	For the Year ended March 31, 2022	Growth
Investment income (including interest, dividend, fair value gain/loss and profit on sale of invest-ments)	709.15	954.52	(25.71%)
Foreign exchange gain	(133.24)	269.41	(149.46%)
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	130.26	215.62	(39.59%)
Total	706.17	1,439.55	(50.95%)

Personnel Expenses

Personnel Expenses for the year amounted to ₹ 60,121.66 Million against ₹ 42,567.28 Million for the previous year, showing an increase of 41.24%. As a percentage of revenue, these expenses were 72.00% during the year as compared to 74.54% in the previous year.

The overall headcount of the company increased by 23% which also included employees added through acquired entities. As a result of rising inflation, the pay-hikes given during the year were also higher compared to the previous year. The Company recruited over 3,000 fresh graduates in its campus recruitment drive to optimize the talent pool. All of these resulted in increased personnel cost.

Please refer Note 28 of the consolidated financials for details.

Other Expenses

Operating and other expenses for the year amounted to ₹ 8,193.01 Million against ₹ 4,958.47 Million in the previous year. As a percentage of Revenues from Operations , the expenses increased to 9.81% from 8.68%.

The main reasons for variations in Operating and other expenses are as below:

- Travelling and conveyance costs went up by ₹ 848.21 Million due to travel opening up and increase in tariffs.
- Purchase of software licenses cost went up by ₹ 1,804.73 Million mainly due to increased headcount and an increase in the cost of software used in project delivery.
- Legal and professional fees increased by ₹ 97.79 Million on account of due diligence and other legal fees incurred for acquisitions.

Please refer Note 29 of the consolidated financials for more details.

Profit Before Interest, Tax, Depreciation and Amortisation

During the year, the Company reported Profit before interest, tax, depreciation and amortisation of ₹ 15,191.25 Million representing an increase of 58.54% over Profit before interest, tax, depreciation and amortisation of ₹ 9,581.71 Million during the previous year. The margin of Profit before interest, tax, depreciation and amortisation increased to 18.19% during the year from 16.78% in the previous year.

Depreciation and Amortisation

The depreciation and amortisation for the year amounted to ₹ 2,718.95 Million as against ₹ 1,660.12 Million in the previous year. Increase is mainly on account of amortisation arising from business combinations and new addition during the year in Property, Plant and Equipment. The Company has invested in an owned facility for Learning and Development at Hinjawadi, Pune.

Depreciation and amortisation as a percentage of Revenues from Operations was 3.26% for the year against 2.91% for the previous year. The details on depreciation and amortisation are as given below:

(In ₹ Million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On Property, Plant and Equipment	1,008.93	720.11
On Other Intangible assets	484.08	651.50
On Right of Use assets	1,225.94	288.51
Total	2,718.95	1,660.12

Exceptional item

During the year company has taken a provision towards the export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, aggregating to ₹ 296.55 million, the Parent Company had filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. However, based on consultation with subject matter specialists, this matter is likely to involve a prolonged litigation. With the intention of avoiding prolonged litigation and settling the dispute, the Parent Company has requested the relevant authorities for settlement of the case and has submitted an application before the Settlement Commission on December 29, 2022. As part of this settlement, the Parent Company has offered to forego ₹ 296.55 million. While the hearing against the settlement application is awaited, the Parent Company has accordingly recognised a provision of ₹ 296.55 million in the financial statements for the quarter ended December 31, 2022. The Company's management reasonably expects that this matter, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition.

The amount recognised during the year, is shown as an "exceptional item" in the statement of profit and loss.

Tax Expense

Tax expense consists of current tax and deferred tax.

The Company's two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

The tax expense for the year amounted to ₹ 3,111.77 Million (including tax charge in respect of earlier years of ₹ (3.54) Million) against ₹ 2,365.42 Million (including tax charge in respect of earlier years of ₹ 42.57 Million) in the previous year. The deferred tax debit for the year was ₹ 85.82 Million against deferred tax credit of ₹ 26.49 Million in the previous year.

This reduction in deferred tax credit by ₹ 112.31 Million is on account of discontinuance of R&D related activities post Sept 2021

The total tax expense for the year amounted to ₹ 3,197.59 Million against ₹ 2,338.93 Million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 25.77% as compared to 25.31% in the previous year.

Please refer Note 33 for reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss.

Net Profit after Tax

The Net Profit for the year amounted to ₹ 9,210.93 Million against ₹ 6,903.86 Million for the previous year, an increase of 33.42%. The Net Profit margin on Revenues from Operations for the year was 11.03% as compared to 12.09% in the previous year.

Dividend

The total dividend per share for the FY 2022-23 will be ₹ 50 per share which includes interim dividend of ₹ 28 and a recommended final dividend of ₹ 12 per share along with a special dividend of ₹ 10 per share for the Company achieving an important milestone of annual revenue over US$ 1 Billion.

For the previous year i.e. FY 2021-22, the total dividend was ₹ 31 per share.

The total appropriation towards interim dividend for the year was ₹ 2,139.90 Million as against ₹ 1,528.50 Million for the previous year.

On approval of final dividend of ₹ 12 per share and Special Dividend of ₹ 10 per share which was recommended by the Board in its meeting held in April 2023, the amount of ₹ 923.10 Million and ₹ 769.25 Million respectively, totalling ₹ 1,692.35 Million will be appropriated from reserves. Subject to approval in the AGM, dividend will be paid on the basis of outstanding shares as on the date of distribution.

Summary of dividends declared

		Financial Year 2022-23			Financial Year 2021-22	
Type of Dividend		**Interim**	**Final**	**Special**	**Interim**	**Final**
Month of Declaration/recommendation		Jan-23	Apr-23	Apr-23	Jan-22	Apr-22
Amount of Dividend Per Equity Share						
of ₹ 10 each	(In ₹)	28	12	10	20	11
% of Dividend		280%	120%	100%	200%	110%
Total Dividend*	(In ₹ Million)	2,139.90	923.10	769.25	1,528.50	840.68
Total Dividend Outflow for the Year		(In ₹ Million)		3832.25		2,369.18

The dividend payout ratio (including proposed final dividend) for the year was 41.61% as compared to 34.32% for the previous year.

*Subject to approval in the AGM, dividend will be paid on the basis of outstanding shares as on the date of distribution.

Earnings Per Share (EPS)

Basic and Diluted earnings per share went up to ₹ 123.73 per share and ₹ 120.52 per share respectively, compared to ₹ 90.34 per share in the previous year, recording an increase of 36.96% and 33.41% respectively. For the calculation of EPS in 2022-23, the shares held by ESOP Trust have been excluded.

Ratio Analysis and its Elements

Sr. No	Ratio	March 31, 2023	March 31, 2022	% change	Reason for variance (If more than 25%)
1\	Current ratio	1.80	1.99	-9.55%	
2\	Debt-Equity ratio	10.81%	12.84%	-2.03%	-
3\	Debt Service Coverage ratio	6.58	6.05	8.76%	
4\	Return on Equity ratio	25.66%	22.97%	2.68%	-
5\	Trade Receivables turnover ratio	5.18	5.92	-12.54%	-
6\	Trade payables turnover ratio	3.23	2.98	8.25%	-
7\	Net capital turnover ratio	5.35	4.04	32.46%	Revenue growth along with higher efficiency on working capital im-provement has resulted in an im-provement in the ratio.
8\	Net profit ratio	11.03%	12.09%	-1.06%	-
9\	Return on Capital employed	31.44%	28.36%	3.08%	-
10\	Return on investment	5.28%	5.90%	-0.62%	-

** Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortisation - Other income - Lease payments

Report on Risk Management

Persistent has a well-defined Risk Management framework that includes a risk management policy, risk management processes, risk governance and risk awareness programmes. We have setup an Enterprise Risk Management (ERM) function, headed by the Chief Risk Officer (CRO) supported by his team to enable achievement of the Company's strategic objectives. CRO works closely with the various organizational units and their leadership to facilitate the risk management process. This encompasses identification of risks, assessing them in the business context, framing and developing the risk response strategy, prioritizing the risks, continuous monitoring and reporting to the executive leadership and Risk Management Committee (RMC) of the Board for their regular oversight. ERM framework encompasses all Company's risks, such as strategic, operational, reputational, financial and compliance risks.

Given the changing global landscape of macro-economic (increasing inflation levels, higher interest rates), geopolitical, climate change and disrupting technologies, thorough adoption of Enterprise Risk Management processes has become a necessity for strengthening business resilience. Operating in an uncertain and ever-changing environment brings new risks and may amplify existing risks thus strong enterprise risk management practice will be instrumental in keeping the Company focused and ensuring the strategic objectives are achieved.

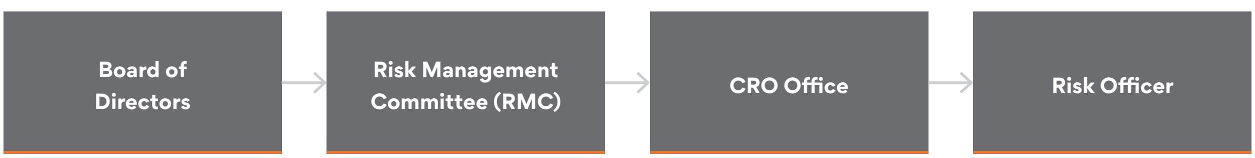
Enterprise Risk Management Framework at Persistent is as follows:

Risk Governance Structure

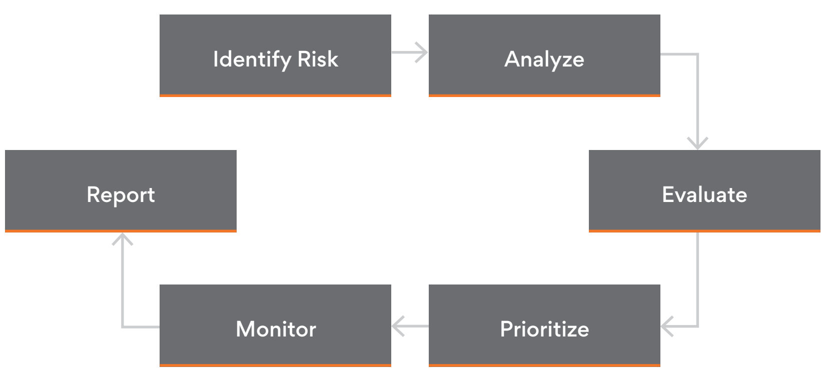
In the evolving business environment with innovations, accelerated diversified business activities, changing regulatory landscape and increased security risks, it becomes necessary to have robust but agile approach to help us navigate mitigating the risks and keep threats under control. Efficient risk management should be built around four key aspects: (1) maintaining strategic alignment, (2) focusing on vulnerabilities, (3) facilitating decision-making and (4) building a dynamic risk mitigation culture. There are dedicated forums involving leadership and CRO Office to address operational and contractual risks.

Developing an agile risk-based approach is required to mitigate threats and to make timely decisions to explore potential opportunities.

The risk management governance structure at Persistent is as follows:



Below is the risk management process followed at Persistent:



\ To analyse existing as well as newly identified risks to form the basis of determining how risks are managed in terms of its probability and impact. The risk areas are categorized into strategic, financial, operational, reputational and compliance perspective for further assessment.

\ Prioritization of risks by respective organizational unit heads to address them and accomplish common organizational objective.

\ To maintain a risk register and monitor and update emerging risks for continuous risk assessment.

\ To build risk management based internal audit plan to enhance risk and control framework effectively.

\ To integrate mitigation plans devised by the risk owners in the day-to-day activities and to monitor them very closely.

\ To seek re-assessment of risk and revised mitigation plans if those are found ineffective.

\ To report the risk to the Executive Management and the Risk Committee.

Our Enterprise risk management framework provides guidance for early identification and handling of risks involving multiple stakeholders. It is an inclusive approach to frame, assess, evaluate, manage, and communicate important and complex risks. There is an open, transparent communication by engaging stakeholders in both assessing and managing risks.

Highlights of FY23

As the Company continues its growth journey beyond $1B in revenues, we are relooking to enhance our risk management program to evaluate emerging risks, risks emanating from changing economic landscape, rapidly evolving technological disruptions with the guidance from the RMC of the Board. This will help the Company to have a holistic understanding and better management of key risks as it plans to achieve its strategic goals and objectives.

At Persistent, successful governance of critical risks is a strategic investment for sustainable growth. It is meant to prepare the Company for a wide range of possible challenges in its growth journey.

Some of the key risks in the current business environment are given below:

Sr. No.	Key risks	Risk triggers	Measures for risk mitigation
1	Cyber-attack and hacking risk	External attacks on network, malware, compromised credentials, Business email compromise via. Phishing and other cyber security risks may result in data loss and loss of reputation	\ Implementation of advance XDR solution on all endpoints to ensure advance end point security protection from Ransomware, malware \ Quarterly phishing assessment to assess the user awareness \ Implementation of Privileged Access Management solution to provide additional security to identity \ Implementation of enhanced Data Leakage prevention platform to protect the critical data Deployment of Zero Trust to further secure the corporate infra, data & apps \ Validation of security posture annually by third party \ Focus on endpoint patching to achieve desired compliance level, implementation of advanced endpoint protection solution, multifactor authentication enablement, Dark/ Deep web monitoring, cloud disaster recovery solution and information security awareness and trainings are some of the measures adopted to reduce this risk
2	Data privacy	Persistent operates globally and hence needs to be compliant with the data privacy laws of the local jurisdiction	\ ISO 27701:2019 - Privacy Information Management System certification \ Implementation of data classification at the time of data creation itself \ Enhanced Data Leakage prevention ensuring need to know basis data sharing \ Privacy by design implementation in all the software development activities \ Role based access to critical corporate data \ Enforced restriction on data movement \ Frequent audits to ensure consistency in operations \ SOC 2 Type 2 Attestation \ Implementation of Privacy by Design Awareness sessions, trainings, and regular audits.

Sr. No.	Key risks	Risk triggers	Measures for risk mitigation
3	Foreign Ex-change Risks	The inflationary pressures in the global economy and the geo-political situations are resulting in volatility in the currency market and may have an impact as the Company is operational in several geogra-phies	Net foreign exchange earnings are hedged on 12 months rolling basis to cover 45% to 70% of net open positions. Guidance from the Board members is obtained every quarter hedging quantum Close monitoring of exchange rate movement is done
4	Risk of economic downturn	Higher inflation, rising interest rates, geo-political and macro-economic developments may impact the growth of business	Focus on an increase in the diverse customer base helps reduce this risk to some extent. More emphasis on upselling and cross-selling within industry verticals is thrust. Enhanced focus on customer connects and relationships.
5	Credit Risk	Delay in collection of customer dues as a result of the global economic situation	Structured process of collection is in place. Regular follow-up process is done for all overdue invoices Credit Control Policy has been formulated which limits the credit to be given to the customer based on credit check findings and monthly revenue run-rate of that customer
6	Talent demand and employee attrition	During the year we have observed downward trend in attrition. However, demand for certain niche skills/ talent continues and finding these skills takes time	\ Renewed focus on assimilation of new talent and nurturing talent within organization \ Focus on employee wellbeing, wellness initiatives covering physical, financial, psychological wellbeing \ Enhanced employee engagement / retention practices \ Offices in locations closer to our employees to facilitate hybrid working model with effective collaboration and team bonding
7	Global regulatory risks (emerging risk)	Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, health and safety, employment laws, data privacy laws) where the company operates globally, may have an impact	The Company uses the Compliance Manager Tool to report and monitor the regulatory compliances applicable to the Company. The Company also updates the Tool on ongoing basis with the amendments in the existing regulations and inclusion of newly introduced legislations, if any Compliance status is placed before the Audit Committee of the Board of Directors and the Board of Directors of the Company in their meetings at frequent intervals The Company has also appointed the local consultants in various geographies to advise and help the Company to the ensure the compliances in respective geographies
8	Social media risk	Disclosure of corporate or client information on social media by employees or former employees	Employee awareness trainings organized, and social media policy is in place
9	Sustainability Risks - Climate change (emerging risk)	Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tropical cyclones, floods, cases of seasonal diseases, epidemics, and pandemics. Extreme weather events may have an associated threat to human safety and business operations	\ The Company's facilities across India have been certified to be ISO 14001:2015 compliant \ The Company has distributed operations, enablement of remote working, agile delivery focus and periodic testing of business continuity plans \ Employee awareness building around conservation of resources to strengthen our business resilience \ As a responsible Corporate citizen, the Company makes use of renewable energy to reduce carbon footprint. As of March' 23, 46 % of energy requirement of the Company is met from renewable sources

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Consolidated Financials

Independent Auditor’s Report

To the Members of Persistent Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1\ We have audited the accompanying consolidated financial statements of Persistent Systems Limited (‘the Holding Company’) and its subsidiaries and its controlled trust (the Holding Company, its subsidiaries and its controlled trust together referred to as ‘the Group’), , as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2023, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of the significant accounting policies and other explanatory information.

2\ In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries and controlled trust the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (‘the Act’) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards (‘Ind AS’) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group as at 31 March 2023, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3\ We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (‘ICAI’) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

4\ The following Emphasis of Matter paragraphs included in audit report of the financial results of certain subsidiaries, audited by an independent firm of Chartered Accountants, vide their audit reports dated 22 April 2023 which are reproduced by us as under:

<table>
<tr><th>Name of the subsidiary</th><th>Emphasis of matter</th></tr>
<tr><td>CAPIOT Software Inc</td><td rowspan="5">Without qualifying our opinion, we hereby draw attention to Note XX, which states that the financial statements have been prepared by management on going concern principle based on factors such as future business plans, continued financial support from parent and measures implemented to control loss.</td></tr>
<tr><td>SCI Fusion 360 LLC</td></tr>
<tr><td>CAPIOT Software Private limited</td></tr>
<tr><td>PARX Consulting GmbH</td></tr>
<tr><td>Youperience GmbH</td></tr>
<tr><td>Youperience Limited</td><td rowspan="5">In our opinion, material uncertainty exists relating to going concern in view of the facts stated hereafter. Management has decided to close the business because of events or conditions affecting the commercial viability. Further, application for liquidation has been filed with local authorities.</td></tr>
<tr><td>Persistent Systems Australia Pty Ltd</td></tr>
<tr><td>Persistent Systems S.r.l.</td></tr>
<tr><td>CAPIOT Software Pte Limited</td></tr>
<tr><td>Persistent Systems Israel Ltd.</td></tr>
</table>

Our opinion is not modified in respect of the above matters.

Key Audit Matters

5\ Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

6\ we have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1	**Accuracy of revenues and onerous obligations in respect of fixed-price contracts** Refer Note 4.3(i) in notes forming part of the Consolidated Financial Statements. The Group has entered into various fixed-price software development contracts, for which revenue is recognized by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to: - Test key information technology (IT) controls over IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; and - Test the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and - Test the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project. \ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. \ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. \ Performed analytical procedures for reasonableness of incurred and estimated efforts. \ Evaluated management's identification of onerous contracts based on estimates tested as above. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
2\	**ESOP valuation and consolidation of ESOP Trust** As noted in the Accounting Policies in note 4.3(r) and note 35 of the Consolidated Financial Statements, the Group has recognized liability for share-based payments: As required by Ind AS 102, based on a fair valuation performed by a management's valuation specialist, the Group has recognised the cost of share-based payments to employees and Share Option Outstanding Reserve. Measuring the share based payments requires management to make multiple estimates and assumptions including volatility of share, performance factor, attrition rate, non-acceptance factors and fair value of options. We have considered the above matters of most significance to our current year audit considering the materiality of the amounts involved, assumptions of management for fair value of options. During the year, PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') has amended the existing deed w.e.f. 1 April 2022. The Group has evaluated the criteria given in Ind AS 110 for control over the ESOP Trust and included ESOP Trust in it's consolidated financial statements. We have considered the above matters of most significance to our current year audit considering the materiality of the amounts involved, judgement involved in assumptions management estimates for the valuation performed and control assessment in accordance with Ind As 110.	Our audit procedures relating to ESOP valuation made by the Group included but was not restricted to the following procedures: \ Obtained an understanding of the terms and arrangements of Employee stock option plans \ Tested the design and operating effectiveness of management controls over the ESOP Valuation. \ Evaluated management's assumptions in respect of various estimates; \ Reviewed the report from management's valuation specialist considered for valuation of grants during the year; \ Evaluated independence, competency and objectivity of valuation specialist; \ Assessed the reasonableness of the management assumptions, estimates; \ Involved our auditor's internal valuation specialists to validate the valuation methodology and approach considered by the management's specialist and ascertained arithmetical accuracy of computation of share-based payment expense and related Share Option Outstanding Reserve; \ Obtained an understanding of the terms and arrangements of updated Trust deed. \ Evaluated that management's assessment of control over ESOP Trust as per Ind AS 110. \ Ascertained whether accounting for consolidation of ESOP trust is in accordance with Ind AS 110. \ Ascertained appropriateness of presentation and disclosures.

3\	**Accounting for Business Combinations** Refer Note 3 in notes forming part of the Consolidated Financial Statements. During the year ended 31 March 2023, the Group has acquired the business of MediaAgility Inc., Media Agility Pte. Ltd., Media Agility UK Ltd., Digital agility S de RL de CV and Media Agility India Private Limited for total consideration of ₹ 5,534.76 million, based on Share Purchase Agreement (SPA) and other related arrangements. The Group has primarily acquired Customer related intangibles and non-compete commitments as a result of these acquisitions. Further, the Group has completed a purchase price allocation in the current year ended 31 March 2023 in respect of the acquisitions concluded during the year ended 31 March 2022 as further described in the note. The Group has accounted for aforementioned business acquisitions in accordance with Ind AS 103, Business Combinations, which requires the recognition of identifiable assets and liabilities including identifiable intangibles, in a business combination at fair value on the date of acquisition, with the excess of the acquisition price over the identified fair values recognised as goodwill. The details of the assets and liabilities acquired along with their fair values, the resultant goodwill recognised and the consideration (including contingent consideration) for the acquisitions have been disclosed in Note 44 to the accompanying consolidated financial statements including the management's decision to avail the measurement period exemption under Ind AS 103 for purchase price allocation of one year from acquisition date. Contingent consideration payables are remeasured at fair value at each reporting date, and may be affected by changes in the estimation of post-acquisition performance of the acquired businesses. Any resulting gain or loss is recognised in the consolidated profit and loss account. For the year ended 31 March 2022, no gain/loss was recognised in the consolidated profit and loss account. Management has appointed an independent valuation expert to allocate the purchase price to the identifiable assets and liabilities and identified intangible assets. Basis such valuation, the management has recognised identifiable assets (including identifiable intangible assets), liabilities at respective fair values and resulting goodwill as on the date of acquisition. The business valuations involved multiple estimates and assumptions including the model used, growth rate of the business acquired, customer attrition rate, discount rates etc. We have considered the above business combinations to be a matter of most significance to our current year audit considering multiple transactions, and materiality of the amounts involved, complexity involved in assumptions and management estimates for the valuation performed consideration of the requirements of Ind AS 103, identification of intangible assets, calculation of contingent consideration.	Our audit procedures relating to acquisitions made by the Group included but was not restricted to the following procedures: \ Obtained and understood the terms and arrangements for various business acquisitions made by the Group during the year to assess the control over the business and the acquisition date, in accordance with Ind AS 103, by obtaining required understanding and representations from the Group management; \ Obtained report of the management's external valuation specialist for the valuation of intangibles including the purchase price allocation and assessed the competence, capabilities and objectivity of the management's expert and gained an understanding of the work done by the valuation expert; \ Assessed the reasonableness of the management estimates and judgements used to fair value the identifiable assets and liabilities and identifiable intangible assets; \ Understood the criterion for contingent consideration payable under the respective contracts and the accounting as per Ind AS 103 and thereby tested the management estimates involved in the same. \ Tested the identifiable assets and liabilities which form part of working capital including any adjustment thereof, to assess the reasonableness / appropriateness of the amounts used for purchase price allocation; \ Involved our auditor's valuation experts to assist us in validating the valuation assumptions and methodology considered by the management's expert to allocate the purchase price to identifiable assets and liabilities; \ Assessed the reasonableness of the recoverable amount of goodwill recorded as on the date of acquisition by evaluating the valuation model applied including the management estimates and judgement; \ Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

7\ The Holding Company's Board of Directors are responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Annual report but does not include the consolidated financial statements and our auditor's report thereon.

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

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

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

8\ The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9\ In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

10\ Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

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

12\ As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

\ Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

16\ We did not audit the financial statements of twenty eight subsidiaries and one controlled trust, whose financial statements reflect total assets of ₹12,401.24 million and net assets of ₹ 4,230.70 million as at 31 March 2023, total revenues of ₹ 9,808.10 million and net cash outflows amounting to ₹ (40,940.31) million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled trust, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and controlled trust are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17\ As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two subsidiary companies incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

18\ As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 16 above, of companies included in the consolidated financial statements for the year ended 31 March 2023 and covered under the Act we report that:economic decisions of users taken on the basis of these consolidated financial statements.

A\ Following is the qualification/adverse remark reported by us in the order report of the companies included in the consolidated financial statements for the year ended 31 March 2023 for which such order report have been issued till date:

Sr. No.	Name	CIN	Holding Company / subsidiary / Associate / Joint Venture	Clause number of the CARO report which is qualified or adverse
1	Persistent Systems Limited	L72300PN1990PLC056696	Holding Company	(iii) (c)

19\ As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d. In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e. On the basis of the written representations received from the directors of the Holding Company, its subsidiary companies, and taken on record by the Board of Directors of the Holding Company, its subsidiary companies {and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 42 to the consolidated financial statements;

ii. The Holding Company, its subsidiary companies and controlled trust did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies during the year ended 31 March 2023;

iii.

a. The respective managements of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, respectively that, to the best of their knowledge and belief , on the date of this audit report other than as disclosed in note 50 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries that, to the best of their knowledge and belief, on the date of this audit report as disclosed in the note 51 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

iv. The interim dividend declared and paid by the Holding Company during the year ended 31 March 2023 and until the date of this audit report is in compliance with section 123 of the Act.

The final dividend paid by the Holding Company during the year ended 31 March 2023 in drespect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

v. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 22101797AHXQAO2838

Place: USA
Date: 24 April, 2023

Annexure A referred to in Paragraph 19(f) of the to the Independent Auditor's Report of even date to the members of Persistent Systems Limited on the consolidated financial statements for the year ended 31 March 2023

Independent Auditor's report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1\ In conjunction with our audit of the consolidated financial statements of Persistent Systems Limited ('the Holding Company'), its subsidiaries and its controlled trust (the Holding Company, its subsidiaries and its controlled trust together referred to as 'the Group'), as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2\ The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3\ The audit of internal financial controls with reference to financial statements of one subsidiary, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI and prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

4\ Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

5\ We believe that the audit evidence we have obtainedandthe audit evidence obtained by the other auditor in terms of their report referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

6\ A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7\ Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8\ In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary company,, the Holding Company, its subsidiary company, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2023, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by the ICAI.

Other Matter

9\ We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 1,452.15 million and net assets of ₹485.88 million as at 31 March 2023, total revenues of ₹ 939.58 million and net cash inflows amounting to ₹ 98.93 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditors whose report has been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 22101797AHXQAO2838

Place: USA
Date: 24 April, 2023

Consolidated Balance Sheet as at March 31, 2023

	Notes	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	4,859.95	2,917.67
Capital work-in-progress	5.2	161.38	1,071.20
Right of use assets	5.3	2,198.21	1,358.21
Goodwill	5.4	7,183.71	2,790.22
Other Intangible assets	5.5	9,171.42	8,269.63
		23,574.67	16,406.93
Financial assets			
- Trade receivables	12	125.54	-
- Investments	6	4,516.00	3,877.72
- Loans	7	-	3,522.00
- Other non-current financial assets	8	946.16	340.74
Deferred tax assets (net)	9	1,129.29	1,122.72
Other non-current assets	10	720.78	531.61
		31,012.44	25,801.72
Current assets			
Financial assets			
- Investments	11	1,879.66	4,346.91
- Trade receivables (net)	12	15,704.64	9,484.29
- Cash and cash equivalents	13	4,670.12	2,977.99
- Bank balances other than cash and cash equivalents	14	4,362.68	6,166.59
- Other current financial assets	16	4,855.61	3,231.00
Current tax assets (net)		451.71	179.57
Other current assets	17	3,254.59	2,002.94
		35,179.01	**28,389.29**
TOTAL		66,191.45	54,191.01
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18	764.25	764.25
Other equity		38,886.53	32,917.95
		39,650.78	33,682.20
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	19	2,057.59	2,800.79
- Lease liabilities	20	1,592.20	1,114.29
- Other financial liabilities	23	2,888.92	2,088.60
Other non-current liabilities	24	47.86	-
Provisions	21	373.03	245.54
		6,959.60	6,249.22
Current liabilities			
Financial liabilities			
- Borrowing	19	2,227.51	1,524.56
- Lease liabilities	20	676.39	342.58
- Trade payables	22		
- Total outstanding dues of micro and small enterprises		34.04	10.30
- Total outstanding dues of creditors other than micro and small enterprises		5,655.04	4,288.41
- Other financial liabilities	23	3,944.70	2,173.60
Other current liabilities	24	2,100.01	1,621.76
Provisions	25	4,649.24	3,949.66
Current tax liabilities (net)		294.14	348.72
		19,581.07	**14,259.59**
TOTAL		54,140.97	54,191.01
Summary of significant accounting policies	4		

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Consolidated Statement of Profit & Loss for the year ended March 31, 2023

	Notes	For the year ended March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Income			
Revenue from operations (net)	26	83,505.92	57,107.46
Other income	27	706.17	1,439.55
Total income (A)		**84,212.09**	**58,547.01**
Expenses			
Employee benefits expense	28.1	49,695.65	34,593.10
Cost of professionals	28.2	10,426.01	7,974.18
Finance costs (refer note 48)		473.40	118.35
Depreciation and amortization expense	5.6	2,718.95	1,660.12
Other expenses	29	8,193.01	4,958.47
Total expenses (B)		**71,507.02**	**49,304.22**
Profit before exceptional items and tax (A-B)		**12,705.07**	**9,242.79**
Exceptional item			
Provision for export incentives (refer note 42)		296.55	-
Profit before tax		**12,408.52**	**9,242.79**
Tax expense			
Current tax		3,115.31	2,322.85
Tax charge in respect of earlier years		(3.54)	42.57
Deferred tax credit		85.82	(26.49)
Total tax expense		**3,197.59**	**2,338.93**
Net Profit for the year (C)		**9,210.93**	**6,903.86**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / asset		(17.69)	(248.05)
- Income tax effect on above		5.31	64.18
		(12.38)	**(183.87)**
Items that may be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		(63.55)	(130.49)
- Income tax effect on above		15.99	32.84
- Exchange differences in translating the financial statements of foreign operations		798.19	138.96
		750.63	**41.31**
Total other comprehensive income / (loss) for the year (D) + (E)		**738.25**	**(142.56)**
Total comprehensive income for the year (C) + (D) + (E)		**9,949.18**	**6,761.30**
Earnings per equity share [Nominal value of share ₹ 10 (Previous year: ₹ 10)]	30		
Basic (In ₹)		123.73	90.34
Diluted (In ₹)		120.52	90.34
Summary of significant accounting policies	4		

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Consolidated Cash Flow Statement for the year ended March 31, 2023

		For the year ended	
		March 31, 2023 In ₹ million	March 31, 2023 In ₹ million
Cash flow from operating activities			
Profit before tax		**12,408.52**	**9,242.79**
Adjustments for:			
Interest income		(512.63)	(600.22)
Finance costs		473.40	118.35
Depreciation and amortization expense		2,718.95	1,660.12
Unrealised exchange loss/ (gain) (net)		190.68	(25.92)
Change in foreign currency translation reserve		491.89	305.64
Exchange loss on derivative contracts		88.69	79.38
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents		(10.54)	1.70
Bad debts		82.33	65.27
Allowance / (Reversal) for expected credit loss (net)		3.03	(105.06)
Employee stock compensation expenses		1,357.14	950.23
Loss / Impairment of non current investments		-	148.40
Remeasurements of the defined benefit liabilities / asset (before tax effects)		(17.69)	(183.87)
Excess provision in respect of earlier years written back		(32.44)	(66.00)
Profit on sale/ fair valuation of financial assets designated as FVTPL		(196.52)	(354.30)
Profit on sale of property, plant and equipment (net)		(1.69)	(12.45)
Provision for export incentives (refer note 42)		296.55	-
Operating profit before working capital changes		**17,339.67**	**11,224.06**
Movements in working capital :			
Decrease in non-current and current loans		1.83	5.69
Decrease / (Increase) in other non current assets		435.75	(147.89)
Increase in other financial assets		(1,541.68)	(869.22)
(Increase) / Decrease in other current assets		(1,233.36)	146.71
Increase in trade receivables		(5,554.83)	(3,508.56)
Increase in trade payables, current liabilities and non current liabilities		2,687.81	2,489.72
Increase in provisions		827.07	1,476.47
Operating profit after working capital changes		**12,962.26**	**10,816.98**
Direct taxes paid (net of refunds)		(3,404.64)	(2,367.12)
Net cash generated from operating activities	(A)	**9,557.62**	**8,449.86**
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(4,332.99)	(3,853.97)
Proceeds from sale of property, plant and equipment		11.98	46.02
Acquisition of step-down subsidiaries/businesses including cash and cash equivalents: ₹ 642.81 Million (Previous year ₹ 61.07 million)		(4,310.57)	(6,154.02)
Purchase of bonds		(237.41)	(711.90)
Proceeds from sale/ maturity of bonds		31.49	499.95
Investments in mutual funds		(37,285.09)	(33,456.80)
Proceeds from sale / maturity of mutual funds		40,054.82	35,762.24
Proceeds from maturity of bank deposits having original maturity over three months		1,715.51	1,121.92
Investments in deposits with financial institutions		(400.00)	(100.00)
Investment in common / preferred stocks		-	(123.61)
Loan to ESOP Trust		-	(3,522.00)
Interest received		539.16	718.74
Net cash used in investing activities	(B)	**(4,213.10)**	**(9,773.43)**

Consolidated Cash Flow Statement for the year ended March 31, 2023

		For the year ended	
		March 31, 2023 In ₹ million	March 31, 2023 In ₹ million
Cash flows from financing activities			
Repayment of long term borrowings in Indian rupee		(1.86)	(1.84)
Net proceeds from foreign currency long term borrowings		(38.37)	4,280.99
Payment of lease liabilities		(545.22)	(350.83)
Interest paid		(473.42)	(118.38)
Dividends paid		(2,980.58)	(1,987.05)
Net cash (used in) / generated from financing activities	**(C)**	**(4,039.45)**	**1,822.89**
Net increase in cash and cash equivalents (A + B + C)		1,305.07	499.32
Cash and cash equivalents at the beginning of the year		2,977.99	2,419.30
Cash and cash equivalents acquired on acquisition		642.81	61.07
Effect of exchange difference on translation of foreign currency cash and cash equivalents		10.54	(1.70)
Impact of ESOP Trust consolidation		(266.29)	-
Cash and cash equivalents at the end of the year		**4,670.12**	**2,977.99**
Components of cash and cash equivalents			
Cash on hand (refer note 14)		0.25	0.24
Balances with banks			
On current accounts # (refer note 14)		3,583.44	2,337.96
On saving accounts (refer note 14)		33.21	1.64
On exchange earner's foreign currency accounts (refer note 14)		638.90	259.20
On Other accounts (refer note 14)		414.32	378.95
Cash and cash equivalents		**4,670.12**	**2,977.99**

Of the cash and cash equivalent balance as at March 31, 2023, the Group can utilise ₹ 125.39 Million (Previous year: ₹ 35.75 Million) only towards certain predefined activities specified in the agreement.

'The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows" notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Summary of significant accounting policies - refer note 4

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

As per our report of even date

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

For and on behalf of the Board of Directors of Persistent Systems Limited

Shashi Tadwalkar
Partner

Membership No.: 101797

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

A. Share capital

(refer note 18)

(In ₹ million)

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
764.25	-	764.25

(In ₹ million)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
764.25	-	764.25

This space is intentionally kept blank.

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

B. Other equity

(In ₹ million)

	Reserves and surplus							Items of other comprehensive income		
Particulars	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Total
Balance as at April 1, 2022	17,376.65	1,144.84	57.80	35.75	13,553.90	-	-	41.80	707.21	32,917.95
Profit for the period	-	-	-	-	9,210.93	-	-	-	-	9,210.93
Items recognised in / from other comprehensive income for the year	-	-	-	-	(12.38)	-	-	(47.56)	798.19	738.25
Dividend	-	-	-	-	(2,980.58)	-	-	-	-	(2,980.58)
Dividend Paid to ESOP trust	-	-	-	-	-	-	70.31	-	-	70.31
Shares held by ESOP trust	-	-	-	-	-	(2,435.67)	-	-	-	(2,435.67)
Transfer to general reserve	3,164.51	-	-	-	(3,164.51)	-	-	-	-	-
Adjustments towards employees stock options	283.10	(283.10)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	1,357.14	-	-	-	-	-	-	-	1,357.14
Other changes during the year	0.19	3.14	4.87	-	-	-	-	-	-	8.20
Balance at March 31, 2023	**20,824.45**	**2,222.02**	**62.67**	**35.75**	**16,607.36**	**(2,435.67)**	**70.31**	**(5.76)**	**1,505.40**	**38,886.53**

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income		
	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Total
Balance as at April 1, 2021	14,356.53	470.70	57.31	35.75	11,564.42	139.45	568.25	27,192.41
Profit for the period	-	-	-	-	6,903.86	-	-	6,903.86
Items recognised in / from other comprehensive income for the year	-	-	-	-	(183.87)	(97.65)	138.96	(142.56)
Dividend	-	-	-	-	(1,987.05)	-	-	(1,987.05)
Transfer to general reserve	2,743.46	-	-	-	(2,743.46)	-	-	-
Employee stock compensation expenses	-	950.23	-	-	-	-	-	950.23
Adjustments towards employees stock options	276.84	(276.84)	-	-	-	-	-	-
Other changes during the year	(0.18)	0.75	0.49	-	-	-	-	1.06
Balance at March 31, 2022	**17,376.65**	**1,144.84**	**57.80**	**35.75**	**13,553.90**	**41.80**	**707.21**	**32,917.95**

Summary of significant accounting policies - refer note 4

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 27, 2022

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place: USA
Date: April 24, 2023

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place: USA
Date: April 24, 2023

Praveen Kadle
Independent Director
DIN: 00016814
Place: USA
Date: April 24, 2023

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949
Place: USA
Date: April 24, 2023

Amit Atre
Company Secretary
Membership No. A20507
Place: USA
Date: April 24, 2023

Consolidated statement of changes in equity for the year ended March 31, 2023

Nature and purpose of reserves

a. General reserve

General reserve represents amounts transferred from profit/loss for the year and the amounts from Share options outstanding reserve to the extent they relate to exercise / expiry of employee share options. It is a free reserve in terms of section 2 (43) of the Companies Act, 2013.

b. Share options outstanding reserve

Share options outstanding reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised / expired upon which such amount is transferred to General reserve.

c. Gain on bargain purchase

The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements.

d. Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares bought back; and is created and utilised in accordance with Section 69 of the Companies Act, 2013.

e. Cash flow hedge reserve

When a derivative is designated as cashflow hedging instrument, the effective portion of changes in the fair value of derivative is recognised in Other comprehensive income (OCI) and accumulated in cashflow hedge reserve. Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs / hedging instruments are settled/ cancelled.

f. Foreign currency translation reserve

The foreign 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 amount is transferred to retained earnings upon disposal of investment in foreign operation.

g. PSL ESOP Trust reserve and Treasury shares

"PSL ESOP Trust reserve and Treasury shares The Group has formed PSPL ESOP Management Trust (""PSL ESOP Trust"") for implementation of the schemes that are notified or may be notified from time to time under the plans providing share based payment to its employees.

PSL ESOP Trust is a controlled entity of the Group and shares held by PSL ESOP Trust are treated as treasury shares. Profit/ (Loss) on sale of treasury shares and dividend earned on the same by PSL ESOP Trust is recognised in PSL ESOP Trust reserve."

Notes forming part of consolidated financial statements

1\ Nature of operations

Persistent Systems Limited (the “Parent Company” or “PSL”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (“the Act”). The shares of PSL are listed on Bombay Stock Exchange and National Stock Exchange. PSL is a global company specializing in software products, services and technology innovation. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as ‘the Group’.The Group offers complete product life cycle services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2023 and authorised for issue on April 24, 2023.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation.

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

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. operates as the holding Company of Persistent Systems UK Ltd.

Persistent Systems UK Limited (formerly knows as Aepona Limited, a UK based wholly owned subsidiary of Aepona Group Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or “business logic”) to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH (wholly owned subsidiary of PSL) operates as the holding Company of Persistent Systems Switzerland AG, Youperience GmbH, Data Glove IT Solutions Limitada and Persistent Systems S.r.l., Romania

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in the business of software products, services and technology innovation in the digital practice.

PARX Consulting GmbH (a Germany based wholly owned subsidiary of Persistent Systems Switzerland AG) is engaged in the business of software products, services and technology innovation in the digital practice.

Data Glove IT Solutions Limitada (a Costa Rica based wholly owned subsidiary of Persistent Systems Germany GmbH) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Youperience GmbH (a Germany based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in Salesforce related implementation services.

Youperience Limited (a United Kingdom based wholly owned subsidiary of Youperience GmbH) is engaged in Salesforce related implementation services.

Persistent Systems S.R.L. Romania is incorporated on Jun 17, 2022 and a wholly owned subsidiary of Persistent Systems Germany GmbH is engaged in software development and services.

CAPIOT Software Private Limited (a India based wholly owned subsidiary of PSL) is engaged in enterprise integration and modernization with expertise in MuleSoft, Red Hat and TIBCO.

CAPIOT Software Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of CAPIOT Software Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

CAPIOT Software Pte Limited (a Singapore based wholly owned subsidiary of CAPIOT Software Inc) is engaged in enterprise and data integration services across platforms.

Persistent Systems SRL is a subsidiary of Persistent Systems Inc. and is incorporated on March 23, 2021.

Software Corporation International (a US based wholly owned subsidiary of Persistent Systems Inc) is specialized in payment solutions, integration, and support services for BFSI clients.

SCI Fusion360 LLC (a US based wholly owned subsidiary of Persistent Systems Inc) provides application development, maintenance, and support for leading payment platforms.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) (acquired with effect from April 29, 2022) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

DIGITALAGILITY S DE RL DE CV (a Mexico based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

2\ Basis of preparation

2.1 Historical cost convention

The consolidated financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, equity settled employee stock options and initial recognition of assets acquired under business combinations which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The accounting policies are consistently applied by the Group 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.

2.2 Compliance with Ind AS

These consolidated financial statements are prepared in accordance with Indian Accounting Standard, the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. These consolidated financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The functional currency of PSL and its Indian subsidiaries in INR and the functional currencies of other subsidiaries are their respective local currencies. Consolidated financial statements are presented in INR million unless otherwise specified.

2.3 New and amended standards adopted by the company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3\ Basis of consolidation

The consolidated financial statements of the Parent Company and its subsidiaries ("the Group") for the year ended March 31, 2023 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the parent company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The consolidated financial statements of the Parent Company, its subsidiary companies and its controlled trust have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements . The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the consolidated financial statements. Goodwill arising on consolidation is not amortized. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

The subsidiary companies and controlled trust considered in consolidated financial statements are as follows:

Name of the subsidiary/associate	Ownership Percentage as at		Country of incorporation
	March 31, 2023	March 31, 2022	
Persistent Systems, Inc.	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	France
Persistent Telecom Solutions Inc.	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	Malaysia
Aepona Group Limited	100%	100%	Ireland
Persistent Systems UK Limited (formerly known as Aepona Limited)	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	Germany
Persistent Systems Switzerland AG (formerly known as PARX Werk AG)	100%	100%	Switzerland
PARX Consulting GmbH	100%	100%	Germany
Youperience GmbH	100%	100%	Germany
Youperience Limited	100%	100%	United Kingdom
CAPIOT Software Private Limited (Acquired w.e.f. October 29, 2020)	100%	100%	India
CAPIOT Software Inc. (Acquired w.e.f. November 7, 2020)	100%	100%	USA
Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd)	100%	100%	Australia
CAPIOT Software Pte Limited (Acquired w.e.f. November 7, 2020)	100%	100%	Singapore
Persistent Systems S.R.L. (Incorporated on March 23, 2021)	100%	100%	Italy
Software Corporation International (Acquired w.e.f October 5, 2021)	100%	100%	USA
SCI Fusion360 LLC (Acquired w.e.f October 5, 2021)	100%	100%	USA
Data Glove IT Solutions Limitada (Acquired w.e.f. March 1, 2022)	100%	100%	Costa Rica
Klisma e-Services India Pvt. Ltd. (Dissolved w.e.f August 10, 2021)	-	-	India
MediaAgility India Private Limited (Acquired w.e.f. April 29, 2022)	100%	-	India
MediaAgility Inc. (Acquired w.e.f. May 4, 2022)	100%	-	USA
DIGITALAGILITY S DE RL DE CV (Acquired w.e.f. May 4, 2022)	100%	-	Mexico
MediaAgility UK Limited (Acquired w.e.f. May 4, 2022)	100%	-	UK
Media Agility Pte Ltd (Acquired w.e.f. May 4, 2022)	100%	-	Singapore
Persistent Systems S.R.L. Romania (Incorporated on Jun 17, 2022)	100%	-	Romania
PSPL ESOP Management Trust (Refer Note 1)	100%	-	India

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated profit	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of consolidated Total Comprehensive Income	Amount (₹ million)
Parent Company:								
Persistent Systems Limited	77.79%	39,652.25	78.28%	7,911.28	105.67%	(63.33)	78.12%	7,847.95
Subsidiaries:								
Persistent Systems, Inc.	13.86%	7,066.82	13.28%	1,342.02	-	-	13.36%	1,342.02
Persistent Systems Pte. Ltd.	0.07%	34.15	-0.01%	(1.15)	-	-	-0.01%	(1.15)
Persistent Systems France SAS	0.20%	102.08	-0.14%	(13.91)	-	-	-0.14%	(13.91)
Persistent Telecom Solutions Inc.	0.34%	171.92	0.60%	60.98	-	-	0.61%	60.98
Persistent Systems Malaysia Sdn. Bhd.	0.51%	260.82	0.70%	70.46	-	-	0.70%	70.46
Aepona Group Limited	0.07%	36.72	0.02%	2.12	-	-	0.02%	2.12
Persistent Systems UK Limited	0.01%	4.85	1.50%	151.89	-	-	1.51%	151.89
Persistent Systems Lanka (Private) Limited	0.49%	248.01	0.51%	51.35	-8.51%	5.10	0.56%	56.45
Persistent Systems Israel Ltd.	0.32%	161.57	0.01%	1.15	-	-	0.01%	1.15
Persistent Systems Mexico, S.A. de C.V.	0.11%	56.67	0.29%	29.80	-	-	0.30%	29.80
Persistent Systems Germany GmbH	2.51%	1,278.57	-0.96%	(96.91)	-	-	-0.96%	(96.91)
PARX Werk AG	0.52%	265.24	0.40%	40.19	-	-	0.40%	40.19
PARX Consulting GmbH	-0.25%	(127.39)	-0.86%	(87.06)	-	-	-0.87%	(87.06)
Youperience Limited	0.00%	(0.43)	-0.01%	(0.91)	-	-	-0.01%	(0.91)
Youperience GmbH	-0.34%	(171.37)	-0.69%	(69.46)	-	-	-0.69%	(69.46)
CAPIOT Software Private Limited	0.11%	57.55	0.09%	9.53	-	-	0.09%	9.53
CAPIOT Software Inc.	-0.01%	(3.97)	-0.42%	(42.74)	-	-	-0.43%	(42.74)
Persistent Systems Australia Pty Ltd	-0.01%	(2.63)	-0.03%	(3.41)	-	-	-0.03%	(3.41)
CAPIOT Software Pte Limited	0.00%	0.00	0.11%	10.90	-	-	0.11%	10.90
Persistent Systems S.R.L	-0.01%	(3.40)	-0.01%	(1.36)	-	-	-0.01%	(1.36)
Software Corporation International	0.57%	289.95	0.57%	57.33	-	-	0.57%	57.33
SCI Fusion360 LLC	0.04%	21.54	0.10%	10.17	-	-	0.10%	10.17
Data Glove IT Solutions Limitada	0.48%	245.56	1.51%	153.07	-	-	1.52%	153.07
MediaAgility India Private Limited	0.95%	485.90	1.86%	188.42	2.84%	(1.70)	1.86%	186.72
MediaAgility Inc.	1.84%	937.26	2.86%	288.62	-	-	2.87%	288.62
MediaAgility UK LTD	-0.03%	(14.50)	0.01%	1.17	-	-	0.01%	1.17
DIGITALAGILITY S DE RL DE CV	-0.09%	(46.36)	-0.05%	(4.57)	-	-	-0.05%	(4.57)
MediaAgility Pte Ltd	0.03%	13.75	-0.01%	(1.13)	-	-	-0.01%	(1.13)
Persistent Systems S.R.L.- Romania	0.02%	8.94	-0.01%	(0.92)	-	-	-0.01%	(0.92)
PSPL ESOP Management Trust	-0.11%	(57.02)	0.49%	49.28	-	-	0.49%	49.28
Subtotal	100.00%	50,973.05	100.00%	10,106.20	100.00%	(59.93)	100.00%	10,046.26
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	798.19	-	798.19
Consolidation adjustments	-	(11,322.27)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(526.18)	-	-	-	(526.18)
DTA on items recognised on consolidation	-	-	-	(7.66)	-	-	-	(7.66)
Dividend from subsidiaries	-	-	-	(92.53)	-	-	-	(92.53)
Others	-	-	-	(268.90)	-	-	-	(268.90)
Total		39,650.78		9,210.93	100.00%	738.26		9,949.18

4\ Significant accounting policies

4.1 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements

4.2 Critical accounting estimates

a. Use of estimates and judgements

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

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

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

In respect of the contracts where the transaction price is payable as revenue share at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

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

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

b. **Income taxes**

The Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits are available against which deductible temporary differences & tax losses can be utilized. Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the Group Company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. **Business combination**

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

d. **Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the Group. 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 Group'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.

e. **Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

f. **Provisions and contingent liabilities**

The Group estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Group uses significant judgements to assess contingent liabilities

g. **Defined benefits and compensated absences**

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

h. **Share based payments**

The share based compensation expense is determined based on the Group's estimate of equity instruments that will eventually vest.

i. **Impairment of assets**

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

4.3 Summary of significant accounting policies

a. **Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 (the "Act"). Operating cycle is the time between the acquisition of resources / assets for processing their realisation in cash and cash equivalents. and Based on the nature of products/ services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months.

b. **Property, Plant and Equipment**

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

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

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

c. **Intangible assets**

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization which is recognized from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs of preparing the asset 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 Group can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

d. Depreciation and amortization

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

The estimated useful lives for the Property, Plant and Equipment are as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System) *	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Thus, useful lives of these assets are different from useful lives as prescribed under Part C of Schedule II to Companies Act 2013.

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

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

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

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

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

e. Borrowing costs

Borrowing cost includes interest and 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 in which they occur.

f. Leases

The Group 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 Group assesses whether:

\ the contract involves the use of an identified asset
\ the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
\ the Group has the right to direct the use of the asset

Where the Group is a lessee

The Group 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 Group 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 Group 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 Group uses incremental borrowing rate.

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

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

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

Group as a lessor

At the inception of the lease, the Group 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 Group recognises lease payments received under operating leases as income over the lease term on a straight line basis.

g. **Impairment of Non-financial assets**

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded groups or other available fair value indicators.

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

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

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

"Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. If recoverable amount cannot be determined for an individual asset, an entity identifies the lowest aggregation of assets that generate largely independent cash inflows. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments."

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The synergy benefits derived from Goodwill are enjoyed interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Based on the testing, no impairment was identified as at March 31, 2023 and 2022 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples) did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

h. **Financial instruments**

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

Initial recognition and measurement

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

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

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

Non-derivative financial instruments
Subsequent measurement

Financial assets

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

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

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

Net gains or net losses on items at fair value through profit or loss include interest or dividend income received from these assets.

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.

Financial liabilities

Financial liabilities at amortised cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

Derivative financial instruments

The Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group documents the hedging relationship between the hedging instrument and hedged item including whether the changes in cash flows of the hedging instruments are expected to offset the changes in cash flows of the hedged items. The Group documents its objective and strategy for undertaking its hedging transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at fair value at each reporting date.

For cash flow hedges that qualify for hedge accounting, the effective portion of fair value of derivatives are recognised in cash flow hedging reserve within equity through OCI.

Gains or losses relating to the ineffective portion is immediately recognised in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit and loss or hedged future cash flows are no longer expected to occur.

Derivatives which do not qualify for hedge accounting are accounted as fair value through profit or loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

The Group derecognizes financial liabilities when the Group'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.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Fair value of financial instruments

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

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

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

Impairment of financial assets

The Group 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 Group 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.The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

i. Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Group has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Group’s contracts may include variable consideration including rebates, volume discounts and penalties. The Group includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and products

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

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

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

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

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

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

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 Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend

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

Contract balances

Contract assets

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

Contract liabilities

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

j. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants relating to incurrance of revenue expenses are deducted while reporting the related expenses in profit and loss statement.

k. Foreign currency translation

Foreign currency transactions and balances

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

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

Conversion

Foreign currency monetary items are converted using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined. For foreign currency transactions recognized in profit and loss statement the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Exchange differences

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

Translation of foreign operations

The Group presents the consolidated financial statements in INR. For the purpose of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

l. Employee benefits

<u>**Defined contribution plan**</u>

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the eligible salary of the entitled employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

<u>**Defined benefit plan**</u>

Gratuity

Gratuity is a defined benefit obligation plan operated by the Group for its employees covered under respective Company's Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

<u>**Compensated absences and long service awards**</u>

Leave encashment

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group 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 beyond twelve months after the reporting date.

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

Long service awards

Long service awards are other long term benefits to all eligible employees, as per Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Other employee benefits

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

m. **Income taxes**

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

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

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period in which the temporary differences originate.

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

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

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

n. **Segment reporting**

i. **Identification of segment**

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker are identified as operating segments.

ii. **Allocation of income and direct expenses**

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

iii. **Unallocated items**

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segregation of assets, liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented except for trade receivables and unbilled revenue as these items are used interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate these items to individual segments and an ad-hoc allocation will not be meaningful.

iv. **Inter-segment transfers**

There are no inter-segments transactions.

v. **Segment accounting policies**

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the consolidated financial statements of the Group as a whole.

o. Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders of the parent company 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 of parent company 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 consolidated financial statements by the Board of Directors.

p. Provisions

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

q. Contingent liabilities and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group 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. Contingent assets are neither recognised nor disclosed in consolidated financial statements.

r. Share based payments

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

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

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

The expense or credit recognized in the statement of profit and loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense with a corresponding increase in stock options outstanding reserve in equity. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

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

s. Equity

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

t. Treasury shares

The group has created an PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by trust are treated as treasury shares. Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

u. Dividend

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

v. Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree at fair value.

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

w. Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as gain on bargain purchase. Subsequent to initial recognition, Goodwill is measured at cost less accumulated impairment losses.

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5.1\ Property, plant and equipment

(In ₹ million)

	Land - Freehold	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2022	221.62	2,455.16	4,003.93	100.38	1,399.89	47.69	734.18	7.27	8,970.12
Additions	784.61	421.84	756.85	24.73	568.53	14.04	348.40	8.64	2,927.64
Additions through business combinations (refer note 44)	-	-	29.34	2.69	-	4.40	6.02	-	42.45
Disposals	-	0.20	79.32	0.98	9.04	3.73	5.74	0.03	99.04
Effect of foreign currency translation from functional currency to reporting currency	0.91	4.09	63.03	3.97	1.53	4.78	16.64	-	94.95
As at March 31, 2023	**1,007.14**	**2,880.89**	**4,773.83**	**130.79**	**1,960.91**	**67.18**	**1,099.50**	**15.88**	**11,936.12**
Accumulated Depreciation									
As at April 1, 2022	-	1,281.98	2,767.92	90.52	1,188.81	45.01	672.26	5.95	6,052.45
Additions through business combination (refer note 44)	-	-	21.01	2.32	-	4.18	5.14	-	32.65
Charge for the year	-	109.57	731.08	6.28	103.95	2.59	54.10	1.36	1,008.93
Disposals	-	0.18	75.38	0.89	8.93	3.55	5.03	0.03	93.99
Effect of foreign currency translation from functional currency to reporting currency	-	1.92	49.26	3.41	1.99	4.32	15.23	-	76.13
As at March 31, 2023	**-**	**1,393.29**	**3,493.89**	**101.64**	**1,285.82**	**52.55**	**741.70**	**7.28**	**7,076.17**
Net block as at March 31, 2023	**1,007.14**	**1,487.60**	**1,279.94**	**29.15**	**675.09**	**14.63**	**357.80**	**8.60**	**4,859.95**

5.1\ Property, plant and equipment (Continued)

(In ₹ million)

	Land - Freehold	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2021	221.91	2,455.09	2,943.59	96.51	1,416.28	44.29	699.80	7.24	7,884.71
Additions	-	1.35	1,068.37	5.36	70.39	2.71	63.59	-	1,211.77
Additions through business combinations	-	-	21.13	1.35	4.15	-	0.48	0.03	27.14
Disposals	-	-	32.03	4.24	90.21	0.77	34.93	-	162.18
Effect of foreign currency translation from functional currency to reporting currency	(0.29)	(1.28)	2.87	1.40	(0.72)	1.46	5.24	-	8.68
As at March 31, 2022	**221.62**	**2,455.16**	**4,003.93**	**100.38**	**1,399.89**	**47.69**	**734.18**	**7.27**	**8,970.12**
Accumulated Depreciation									
As at April 1, 2021	-	1,183.45	2,289.84	86.41	1,224.51	39.84	654.28	4.98	5,483.31
Additions through business combination	-	-	-	-	-	-	-	-	-
Charge for the year	-	99.08	502.93	7.11	55.60	4.55	49.87	0.97	720.11
Disposals	-	-	30.16	4.24	90.05	0.69	34.52	-	159.66
Effect of foreign currency translation from functional currency to reporting currency	-	(0.55)	5.31	1.24	(1.25)	1.31	2.63	-	8.69
As at March 31, 2022	**-**	**1,281.98**	**2,767.92**	**90.52**	**1,188.81**	**45.01**	**672.26**	**5.95**	**6,052.45**
Net block as at March 31, 2022	**221.62**	**1,173.18**	**1,236.01**	**9.86**	**211.08**	**2.68**	**61.92**	**1.32**	**2,917.67**

* Note: Buildings include those constructed on leasehold land:

a. Gross block as on March 31, 2023 ₹ 1,455.94 million (Previous year ₹ 1,455.94 million)

b. Depreciation charge for the year ₹ 59.08 million (Previous year ₹ 59.07 million)

c. Accumulated depreciation as on March 31, 2023 ₹ 676.22 million (Previous year ₹ 617.14 million)

d. Net book value as on March 31, 2023 ₹ 779.72 million (Previous year ₹ 838.80 million)

5.2\ Capital work-in-progress

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Capital work-in-progress		
As at April 1, 2022	1,071.20	112.33
Additions	2,017.82	1,098.06
Capitalised during the year	2,927.64	139.19
As at March 31, 2023	**161.38**	**1,071.20**

5.2\ Capital work in progress (CWIP) ageing schedule

(In ₹ million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	161.38	-	-	-	**161.38**
As at March 31, 2023	**161.38**	**-**	**-**	**-**	**161.38**

(In ₹ million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,071.20	-	-	-	**1,071.20**
As at March 31, 2022	**1,071.20**	**-**	**-**	**-**	**1,071.20**

5.3\ Right-of-use assets

(In ₹ million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2022	37.50	1,841.75	1,879.25
Additions during the period	94.47	1,230.91	1,325.38
Disposals	-	133.72	133.72
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	55.36	55.36
As at March 31, 2023	**131.97**	**2,994.30**	**3,126.27**
Accumulated Depreciation			
As at April 1, 2022	1.76	519.28	521.04
Charge for the year	1.46	482.62	484.08
Disposals	-	126.78	126.78
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	49.72	49.72
As at March 31, 2023	**3.22**	**924.84**	**928.06**
Net block as at March 31, 2023	**128.75**	**2,069.46**	**2,198.21**

(In ₹ million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2021	37.50	1,208.13	1,245.63
Additions during the period	-	831.31	831.31
Disposals	-	201.25	201.25
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	3.56	3.56
As at March 31, 2022	**37.50**	**1,841.75**	**1,879.25**
Accumulated Depreciation			
As at April 1, 2021	1.18	391.87	393.05
Charge for the year	0.58	287.93	288.51
Disposals	-	158.44	158.44
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(2.08)	(2.08)
As at March 31, 2022	**1.76**	**519.28**	**521.04**
Net block as at March 31, 2022	**35.74**	**1,322.47**	**1,358.21**

5.4\ Goodwill

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Cost		
Balance at beginning of year	2,790.22	85.94
Additions on business combinations	-	2,636.81
Addition on purchase price allocation of business combination (refer note 44 a & b)	4,051.66	-
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	341.83	67.47
Balance at end of year	**7,183.71**	**2,790.22**

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

The allocation of goodwill to operating segments as at March 31, 2023 and March 31, 2022 is as follows:

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Segment		
a. Banking, Financial Services and Insurance (BFSI)	2,402.01	2,241.84
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	4,781.70	548.38
Total	**7,183.71**	**2,790.22**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows :

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Long-term growth rate	15% to 25%	15% to 25%
Operating margins	25% to 35%	25% to 35%
Discount rate	5% to 15%	5% to 15%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Based on testing, no impairment loss was identified during current year and previous year.

5.5\ Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2022	3,031.45	6,813.53	6,696.30	16,541.28
Additions	502.81	-	-	502.81
Additions through business combination (refer note 44)	10.63	-	4,870.68	4,881.31
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination (refer note 44)	-	2,771.88	(6,823.54)	(4,051.66)
Adjustment due to change in purchase consideration	-	-		-
Effect of foreign currency translation from functional currency to reporting currency	157.95	507.92	495.75	1,161.62
As at March 31, 2023	**3,312.14**	**10,093.33**	**5,239.19**	**18,644.66**
Accumulated Amortization				
As at April 1, 2022	2,864.32	5,352.04	55.29	8,271.65
Charge for the period	110.59	591.68	523.67	1,225.94
Additions on business combinations (refer note 44)	9.43	-	-	9.43
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination	-	374.82	(374.82)	-
Effect of foreign currency translation from functional currency to reporting currency	151.26	187.67	17.99	356.92
As at March 31, 2023	**2,744.90**	**6,506.21**	**222.13**	**9,473.24**
Net block as at March 31, 2023	**567.24**	**3,587.12**	**5,017.06**	**9,171.42**

(In ₹ million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2021	2,912.77	5,744.93	-	8,657.70
Additions	62.65	182.63	-	245.28
Additions through business combination	-	980.16	6,651.74	7,631.90
Disposals	2.44	0.04	-	2.48
Effect of foreign currency translation from functional currency to reporting currency	58.47	(94.15)	44.56	8.88
As at March 31, 2022	**3,031.45**	**6,813.53**	**6,696.30**	**16,541.28**
Accumulated Amortization				
As at April 1, 2021	2,736.80	4,691.40	-	7,428.20
Charge for the year	70.76	526.18	54.56	651.50
Disposals	1.78	0.01	-	1.79
Effect of foreign currency translation from functional currency to reporting currency	58.54	134.47	0.73	193.74
As at March 31, 2022	**2,864.32**	**5,352.04**	**55.29**	**8,271.65**
Net block as at March 31, 2022	**167.13**	**1,461.49**	**6,641.01**	**8,269.63**

5.6\ Depreciation and amortization

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
On Property, Plant and Equipment	1,008.93	720.11
On Right of Use assets	484.08	288.51
On Other Intangible assets	1,225.94	651.50
Total	2,718.95	1,660.12

6\ Non-current financial assets: Investments

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Investments carried at amortised cost		
Quoted Investments		
In bonds	**3,005.16**	**2,801.81**
[Market value ₹ 2,933.21 million (Previous year ₹ 2,863.32 million)]		
Add: Interest accrued on bonds	**80.43**	77.48
Total investments carried at amortised cost (A)	3,085.59	2,879.29
Designated as fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 6a)	**1,255.28**	836.42
	1,255.28	836.42

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Investments in Common Stocks / Preferred Stocks		
- Others*		
Ciqual Limited [Holding 2.38% (Previous year 2.38%)]		
0.04 million (Previous year: 0.04 million) shares of GBP 0.01 each, fully paid up	16.73	15.16
Add / (less): Change in fair value of investment	(16.73)	(15.16)
	-	-
Altizon Systems Private Limited	6.00	6.00
3,766 equity shares (Previous year: 3,766 equity shares) of ₹ 10 each, fully paid up		
	6.00	6.00
Hygenx Inc.	16.43	15.16
0.25 million (Previous year: 0.25 million) Preferred stock of $ 0.001 each, fully paid up		
Add / (less) : Change in fair value of investment	(16.43)	(15.16)
	-	-
Trunomi Inc.	20.54	18.95
0.28 million (Previous year: 0.28 million) Preferred stock of $ 0.0002 each, fully paid up		
	20.54	18.95
Monument Bank	134.01	123.61
0.024 million (Previous year: 0.024 million) Stock of GBP 50 each), fully paid up		
	154.55	142.56

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
DxNow	10.27	9.47
0.17 million Preferred Shares of $ 0.00001 each (Previous year : 0.17 million Preferred Shares of $ 0.00001)		
Add / (less) : Change in fair value of investment	(10.27)	(9.47)
	-	-
Akumina Inc.	14.58	13.45
0.40 million Preference shares of $ 0.443 each (Previous year : 0.40 million Preference shares of $ 0.443 each)		
	14.58	13.45
Total Investments carried at Fair Value (B)	1,430.41	998.43
Total investments (A) + (B) + (C)	4,516.00	3,877.72
Aggregate amount of impairment in value/change in fair value of investments	43.43	39.79
Aggregate amount of quoted investments	3,085.59	2,879.29
Aggregate amount of unquoted investments	1,473.84	1,038.22

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

6a. Details of fair value of investment in long term mutual funds

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Bandhan Mutual Fund (formaerly known as IDFC Mutual Fund)	733.59	365.27
Axis Mutual Fund	491.04	471.15
HDFC Mutual Fund	30.65	-
	1,255.28	836.42

7\ Non-current financial assets: Loans

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Carried at amortised cost		
Other loans and advances		
Unsecured, considered good - Loan to ESOP trust*	-	3,522.00
Unsecured, credit impaired	0.58	0.58
	0.58	3,522.58
Less: Impairment of non-current loans	(0.58)	(0.58)
	-	3,522.00

* Refer note no. 1 in accounting policy. The loan balance has been eliminated post consolidation of the ESOP Trust.

8\ Other non-current financial assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Considered good		
Carried at amortised cost		
Deposits with banks (refer note 14) *	41.60	3.19
Add: Interest accrued but not due on bank deposits (refer note 14)	0.98	0.17
Deposits with banks	42.58	3.36
Deposit with financial institutions	500.00	100.00
Add: Interest accrued but not due on deposit with financial institutions	20.22	0.41
Deposits with financial institutions	520.22	100.41
Security deposits	383.36	236.97
Credit impaired		
Deposit with financial institutions-credit impaired	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions-credit impaired	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)
	946.16	340.74

* Out of the balance, fixed deposits of ₹ 2.05 million (Previous year: ₹ 3.03 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

9\ Deferred tax asset (net) *

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	75.28	89.31
Capital gains	22.82	51.11
Others	10.84	7.54
	108.94	147.96
Deferred tax assets		
Provision for leave encashment	270.80	224.94
Provision for long service awards	222.45	134.29
Allowance for expected credit loss	36.85	43.27
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	176.31	170.18

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Brought forward and current year losses	161.70	99.41
Tax credits	135.40	407.13
ROU asset and lease liability	42.68	31.71
Provision for shared based payments to employees	68.94	48.56
Cashflow on Hedges	1.94	-
Others	121.16	111.19
	1,238.23	**1,270.68**
Deferred tax assets after set off	**1,129.29**	**1,122.72**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

10\Other non-current assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Capital advances (Unsecured, considered good)	**629.15**	104.95
Balances with government authorities (refer note 42)	**-**	296.55
Prepayments	**91.63**	130.11
	720.78	**531.61**

Movement in deferred tax assets (net) during the year ended March 31, 2023

	As at April 1, 2022	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2023
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	89.31	(14.03)	-	75.28
Capital gains (net)	51.12	(28.30)	-	22.82
Cash flow hedges	14.06	-	(16.00)	(1.94)
Others	7.54	50.50	-	58.04
	162.03	**8.17**	**(16.00)**	**154.20**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	170.18	6.13	-	176.31
Provision for leave encashment	224.94	45.86	-	270.80
Provision for long service awards	134.29	88.16	-	222.45
Allowance for expected credit loss	44.98	(8.13)	-	36.85
Tax credit	407.13	(271.70)	-	135.43
Right of use asset and lease liability	31.71	10.94	-	42.65
Others	271.52	127.48	-	399.00
	1,284.75	**(1.26)**	**-**	**1,283.49**
	1,122.72	**(9.43)**	**16.00**	**1,129.29**

Movement in deferred tax assets (net) during the year ended March 31, 2022

	As at April 1, 2021	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2022
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	89.31	-	89.31
Capital gains (net)	61.06	(9.94)	-	51.12
Cash flow hedges	46.90	-	(32.84)	14.06
Others	19.57	(12.03)	-	7.54
	127.53	**67.34**	**(32.84)**	**162.03**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	63.43	106.75	-	170.18
Provision for leave encashment	184.65	40.29	-	224.94
Provision for long service awards	117.05	17.24	-	134.29
Allowance for expected credit loss	93.49	(48.51)	-	44.98
Tax credit	435.71	(28.58)	-	407.13
Right of use asset and lease liability	31.74	(0.03)	-	31.71
Others	239.07	32.45	-	271.52
	1,165.14	**119.61**	**-**	**1,284.75**
	1,037.61	**52.27**	**32.84**	**1,122.72**

11\ Current financial assets: Investments

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Designated as fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 11a)	**1,879.66**	4,346.91
	1,879.66	4,346.91
Total carrying amount of investments	**1,879.66**	**4,346.91**
Aggregate amount of unquoted investments	**1,879.66**	4,346.91

11a. Details of fair value of current investment in mutual funds

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Aditya Birla Sun Life Mutual Fund	**246.52**	883.65
ICICI Prudential Mutual Fund	**245.54**	399.94
HDFC Mutual Fund	**200.17**	-
Kotak Mutual Fund	**200.12**	521.63
UTI Mutual Fund	**195.74**	337.68
Axis Mutual Fund	**195.72**	672.70
SBI Mutual Fund	**115.64**	120.01
Bandhan Mutual Fund (formaerly known as IDFC Mutual Fund)	**100.10**	457.54
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	**100.02**	472.88

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Invesco Mutual Fund	**50.03**	-
Mirae Asset Mutual Fund	**50.03**	-
Tata Mutual Fund	**50.02**	**-**
HSBC Mutual Fund	**50.00**	**-**
DSP Mutual Fund	**50.00**	443.20
Sundaram Mutual Fund	**30.01**	37.68
	1,879.66	**4,346.91**

12\ Trade receivables

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
- Current		
Unsecured, considered good	15,704.64	9,484.29
Unsecured, credit impaired	188.96	165.78
	15,893.60	9,650.07
Less : Allowance for expected credit loss	(188.96)	(165.78)
	15,704.64	9,484.29
- Non Current		
Unsecured, considered good	125.54	-
Unsecured, credit impaired	-	-
	125.54	-
Less : Allowance for expected credit loss	-	-
	125.54	-
	15,830.18	9,484.29

Trade receivables ageing schedule

(In ₹ million)

		Outstanding for following periods from due date of payment					
	Current but not due	**Less than 6 Months**	**6 months – 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables – considered good	11,237.10	4,448.39	19.15	-	-	-	15,704.64
Undisputed Trade receivable – credit impaired	-	53.06	82.79	14.02	4.29	34.80	188.96
As at March 31, 2023	**11,237.10**	**4,501.45**	**101.94**	**14.02**	**4.29**	**34.80**	**15,893.60**
Expected loss rate (Refer note 32)	**-**	**1.18%**	**81.21%**	**100.00%**	**100.00%**	**100.00%**	
Undisputed Trade receivables – considered good	7,316.44	2,066.68	64.91	6.22	14.56	15.48	9,484.29
Undisputed Trade receivable – credit impaired	-	24.94	71.10	13.21	40.29	16.24	165.78
As at March 31, 2022	**7,316.44**	**2,091.62**	**136.01**	**19.43**	**54.85**	**31.72**	**9,650.07**
Expected loss rate (Refer note 32)	**-**	**1.19%**	**52.28%**	**67.99%**	**73.45%**	**51.20%**	

13\ Cash and cash equivalents

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash in hand	0.25	0.24
Balances with banks		
On current accounts #	3,583.44	2,337.96
On saving accounts	33.21	1.64
On Exchange Earner's Foreign Currency accounts	638.90	259.20
On other accounts	414.32	378.95
	4,670.12	2,977.99

Of the cash and cash equivalent balance as at March 31, 2023, the Group can utilise ₹ 125.39 Million (Previous year: ₹ 35.75 Million) only towards certain predefined activities specified in the agreement.

14\ Bank balances other than cash and cash equivalents

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Deposits with banks*	4,271.04	5,986.55
Add: Interest accrued but not due on deposits with banks	131.17	180.46
Deposits with banks (carried at amortised cost)	4,402.21	6,167.01
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(41.60)	(3.19)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.98)	(0.17)
	4,359.63	6,163.65
Balances with banks on unpaid dividend accounts**	3.05	2.94
	4,362.68	6,166.59

* Out of the balance, fixed deposits of ₹ 1,216.85 million (Previous year : ₹ 644.36 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

** The Group can utilize these balances only towards settlement of the respective unpaid dividend.

15\ Current financial assets: Loans

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	24.60	22.78
Interest accrued but not due at amortised cost	1.97	1.72
Less: Impairment	(26.57)	(24.50)
	-	-

16\ Other current financial assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	84.59
Carried at amortised cost		
Other receivables	184.38	16.10
Unbilled revenue	4,671.23	3,130.31
	4,855.61	3,231.00

17\ Other current assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	900.09	846.73
Prepayments	1,237.78	498.68
Excess fund balance with Life Insurance Corporation (refer note 31)	**53.32**	42.19
Other advances		
VAT receivable (net)	**22.10**	16.69
Service tax and GST receivable (net) (refer note 42)	**1,041.30**	598.65
	1,063.40	615.34
	3,254.59	2,002.94

18\ Share capital

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Authorized shares (No. in million) 200 (Previous year: 200) equity shares of ₹ 10 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million) 76.43 (Previous year: 76.43) equity shares of ₹ 10 each	764.25	764.25
Issued, subscribed and fully paid-up share capital	**764.25**	**764.25**

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated, borrowings and equity. The Group is not subject to any externally imposed capital requirements.

The Board of Directors of the Company at its meeting held on Wednesday, March 22, 2023, approved the issuance of 500,000 (Five Hundred Thousand only) Equity Shares of ₹10 each to the PSPL ESOP Management Trust ('ESOP Trust') at the allotment price of ₹ 2,789 per Equity Share, aggregating to the total consideration of ₹ 1,394.50 Million and the Board has authorized the Stakeholders Relationship and ESG Committee to allot the said Equity Shares to the ESOP Trust. The ESOP Trust made the payment of the consideration on April 5, 2023, and accordingly, 500,000 (Five Hundred Thousand only) Equity Shares of ₹ 10 each were allotted to the ESOP Trust on April 6, 2023. Consequent to this, the paid-up share capital of the Company is increased from 76.43 Million Equity Shares to 76.93 Million Equity Shares. Listing of the 500,000 shares on the Stock Exchanges is completed.

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

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

(In million)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	**Amount ₹**	No. of shares	Amount ₹
Number of shares at the beginning of the year	**76.43**	**764.25**	76.43	764.25
Less: Changes during the period	**-**	**-**	-	-
Number of shares at the end of the year	**76.43**	**764.25**	**76.43**	**764.25**

b. Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of Parent Company declared interim dividend of ₹ 28 per share on January 18, 2023 on the face value of ₹ 10 each; for the Financial Year 2022-23.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However, no such prefrential amounts exist currently.

Dividend distribution made and proposed:

(In ₹ million)

	For the year ended	
	March 31, 2023 In ₹ Million	March 31, 2023 In ₹ Million
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2022: ₹ 11 per share (31 March 2021: ₹ 6 per share)	840.68	458.55
Interim dividend for the year ended on 31 March 2023: ₹ 28 per share (31 March 2022: ₹ 20 per share)	2,139.90	1,528.50
	2,980.58	1,987.05
Proposed dividends on Equity shares: Proposed dividend for the year ended on 31 March 2023: ₹ 22 per share (31 March 2022: ₹ 11 per share)	1,681.35	840.68
	1,681.35	840.68

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2023.

c. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2023 (No. in million)	For the period of five years ended March 31, 2022 (No. in million)
Equity shares bought back	**3.575**	3.575

d. Details of shareholders holding more than 5% shares in the Group

Name of the shareholder*	As at March 31, 2023		As at March 31, 2022	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	**22.97**	**30.06**	22.97	30.06

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Group including register of shareholders / members.

e. Details of shares held by promoters

As at March 31, 2023

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,860,840	11,000	22,871,840	29.93%	0.01%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	400,025	-	400,025	0.52%	-
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	6,000	(5,500)	500	0.00%	(0.01)%
Mr. Arul Anand Deshpande	10,000	-	10,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	10,000	-	10,000	0.01%	-
Mr. Hemadri N Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	(4,500)	500	0.00%	(0.01)%
Mr. Padmakar Govind Khare	880	(880)	-	0.00%	(0.00)%
Mr. Chinmay Hemadri Buzruk	10,000	-	10,000	0.01%	-

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,849,840	11,000	22,860,840	29.91%	0.01%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	400,025	-	400,025	0.52%	-
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	46,000	(40,000)	6,000	0.01%	(0.05)%
Mr. Arul Anand Deshpande	10,000	-	10,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	10,000	-	10,000	0.01%	-
Mr. Hemadri N Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	880	-	880	0.00%	-
Mr. Chinmay Hemadri Buzruk	10,000	-	10,000	0.01%	-

19\ Non-current financial liabilities: Borrowings

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	**3.69**	5.55
Interest accrued but not due on term loans	**0.06**	0.08
Foreign currency loan from others	**4,281.35**	4,319.72
	4,285.10	**4,325.35**
Less: Current maturity of long-term borrowings	**(2,227.45)**	(1,524.48)
Less: Current maturity of interest accrued but not due on term loan	**(0.06)**	(0.08)
	(2,227.51)	**(1,524.56)**
	2,057.59	**2,800.79**

Indian rupee loan from Government department ₹ 3.69 million (Previous year ₹ 5.55 million) at 3% p.a. in ten equal annual installments over a period of ten years commencing from October 2015.

Foreign currency loan from Government of Switzerland to a subsidiary company ₹ 33.61 million (Previous year ₹ 37.54 million). The interest free loan is given under a Covid-19 scheme for medium and small scale Industries by the with a repayment period of five years from March 2020.

Foreign currency loan ₹ 4,247.73 million (Previous year: ₹ 4,282.18 million). The Parent Company has provided the Letters of Comfort to the Lender.

Key terms of loan are as below:

Repayment terms	In ₹ million	Interest rate
Loan 1: Repayable over a period of 3 years in equal instalments commencing from Nov 2021	1,084.19	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from April 2022	1,917.30	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from May 2022	1,246.24	SOFR + 155 bps
	4,247.73	

20\ Non-current financial liabilities: Lease liabilities (refer note 36)

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Lease liabilities	**2,268.59**	1,456.87
Less: Current portion of lease liabilities	**(676.39)**	(342.58)
	1,592.20	1,114.29

Movement of lease liabilities

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Opening balance	**1,456.87**	938.17
Additions	**1,230.91**	831.31
Deletions	**(260.50)**	(42.81)
Add: Interest recognised during the year	**137.86**	84.06
Less: Payments made	**(545.22)**	(350.83)
Translation differences	**248.67**	(3.03)
Closing balance	2,268.59	1,456.87

21\ Non current liabilities: Provisions

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Provision for employee benefits		
- Gratuity	3.52	-
- Long service awards	369.51	245.54
	373.03	245.54

22\ Trade payables

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Trade payables		
- Total outstanding dues of small enterprises and micro enterprises	**34.04**	10.30
- Total outstanding dues of creditors other than small enterprises and micro enterprises	**5,655.04**	4,288.41
	5,689.08	4,298.71

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Parent Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Parent Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

23\ Other current financial liabilities

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Capital creditors	583.07	204.49
Accrued employee liabilities	840.04	144.61
Accrued interest on borrowings	21.85	-
Unpaid dividend*	3.05	2.94
Other liabilities_Financial	12.11	8.41
Payable to selling shareholders (refer note 44)	5,305.83	3,901.75
Less: Non-current portion of Payable to Selling Shareholders	(2,888.92)	(2,088.60)
	2,416.91	1,813.15
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	67.67	-
	3,944.70	2,173.60

* Unpaid dividend is transferred to Investor Education and Protection Fund as and when due.

24\ Other liabilities

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
- Current		
Unearned revenue	1,043.75	978.32
Advance from customers	42.99	43.21
Other payables		
- Statutory liabilities	780.93	541.83
- Others*	232.34	58.40
- Non Current		
Unearned revenue	22.96	-
Others	24.90	-
	2,147.87	1,621.76

*Includes balance of ₹ 125.39 million (Previous year: ₹ 35.64 million) to be utilised against certain predefined activities specified in the agreement. There are no unfulfilled conditions or contingencies attached to these grants.specified in the agreement.

25\ Current liabilities: Provisions

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Provision for employee benefits		
- Gratuity (refer note 31)	0.09	9.96
- Leave encashment	1,167.97	975.49
- Long service awards - Short term provisions	34.18	24.54
- Other employee benefits	3,447.00	2,939.67
	4,649.24	3,949.66

Trade payables ageing schedule

(In ₹ million)

	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	34.04	-	-	-	34.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,331.22	280.89	5.95	36.98	5,655.04
As at March 31, 2023	**5,365.26**	**280.89**	**5.95**	**36.98**	**5,689.08**
Total outstanding dues of micro enterprises and small enterprises	10.30	-	-	-	10.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,937.50	303.79	14.51	32.61	4,288.41
As at March 31, 2022	**3,947.80**	**303.79**	**14.51**	**32.61**	**4,298.71**

26\ Revenue from operations (net)

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Software services	**79,993.40**	55,721.12
Software licenses	**3,512.52**	1,386.34
	83,505.92	**57,107.46**

The table below presents disaggregated revenues from contracts with customers by segments, geography and type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Revenue by industry segments		
BFSI	**27,231.45**	18,063.65
Healthcare & Life Sciences	**16,161.07**	11,842.75
Technology Companies and Emerging Verticals	**40,113.40**	27,201.06
Total	**83,505.92**	**57,107.46**
Geographical disclosure		
India	**9,432.50**	6,028.37
North America	**65,107.83**	44,812.10
Rest of the World	**8,965.59**	6,266.99
Total	**83,505.92**	**57,107.46**
Customers' Industry wise disclosure		
IP Led	**6,217.73**	6,754.69
Offshore	**48,411.12**	32,062.36
Onsite	**28,877.07**	18,290.41
Total	**83,505.92**	**57,107.46**

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

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

During the year, ₹ 3,130.21 million (Previous Year: ₹ 2,172.77 million) of opening unbilled revenue (contract assets) has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the Company recognised revenue of ₹ 906.74 million (Previous Year: ₹ 937.81 million) arising from opening unearned revenue (contract liabilities).

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management's judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 464.52 million (Previous Year: ₹ 622.86 million).

27\ Other income

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Interest income		
- On deposits carried at amortised cost	**296.25**	315.69
- On Others	**216.38**	284.53
Other non operating income		
Foreign exchange gain (net)	**(133.24)**	269.41
Profit on sale of property, plant and equipment (net)	**1.69**	12.45
Net profit on sale/ fair valuation of financial assets designated as FVTPL	**196.52**	354.30
"Excess provision in respect of earlier years written back"	**32.44**	66.00
Miscellaneous income	**96.13**	137.17
	706.17	**1,439.55**

28\ Personnel expenses

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
28.1 Employee benefits expense		
Salaries, wages and bonus	**44,367.70**	31,061.63
Contribution to provident and other funds (refer note 31)	**3,022.40**	2,059.54
Staff welfare expenses	**948.41**	521.70
Share based payments to employees (refer note 35)	**1,357.14**	950.23
	49,695.65	**34,593.10**
28.2 Cost of professionals	**10,426.01**	7,974.18
	60,121.66	**42,567.28**

29\ Other expenses

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Travelling and conveyance	1,260.25	412.04
Electricity expenses (net)	120.28	76.07
Internet link expenses	82.59	68.59
Communication expenses	96.25	87.05
Recruitment expenses	414.85	428.06
Training and seminars	123.30	119.58
Royalty expenses	65.19	92.54
Purchase of software licenses	3,411.70	1,606.97
Bad debts	82.33	65.27
Allowance / (Reversal) for expected credit loss (net)	3.03	(105.06)
Rent (refer note 36)	147.45	101.88
Insurance	52.89	50.34
Rates and taxes	145.39	99.30
Legal and professional fees	926.27	828.48
Repairs and maintenance		
- Plant and Machinery	140.13	141.71
- Buildings	33.63	20.46
- Others	28.10	26.96
Selling and marketing expenses	57.38	4.89
Advertisement, conference and sponsorship fees	159.78	85.67
Computer consumables	18.37	10.55
Auditors' remuneration (refer note 39)	11.84	11.39
Corporate social responsibility expenditure (refer note 43)	120.12	115.78
Books, memberships, subscriptions	83.12	32.90
Directors' sitting fees	8.00	7.43
Directors' commission	27.95	20.83
Loss / Impairment of non current investments	-	148.40
Miscellaneous expenses	572.82	400.39
	8,193.01	4,958.47

30\ Earnings per share

		For the year ended	
		March 31, 2023	March 31, 2022
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	9,210.93	6,903.86
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	74,443,693	76,425,000
Denominator for Diluted EPS			
Number of equity shares	(C)	76,425,000	76,425,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	123.73	90.34
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	120.52	90.34

	For the year ended	
	March 31, 2023	March 31, 2022
Number of shares considered as basic weighted average shares outstanding	76,425,000	76,425,000
Less: Weighted average number of treasury shares*	1,981,307	-
Number of shares considered as weighted average shares and potential shares outstanding	**74,443,693**	**76,425,000**

* Consequent to amendment in the trust deed w.e.f. April 1, 2022, the Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated w.e.f. April 1, 2022 on a prospective basis. Accordingly, treasury shares are deducted while calculating number of shares outstanding.

31\ Defined benefits (Gratuity):

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit (gratuity) plans. Each employee in these companies is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss)

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Current service cost	194.87	156.08
Interest cost on benefit obligation	82.38	63.81
Expected return on plan assets	(86.68)	(74.30)
Other	-	-
Net benefit expense	**190.57**	**145.59**
Net actuarial loss recognized in the year	35.01	231.16
Due to Demographic assumptions	-	166.40
Due to Financial assumptions	(64.18)	(60.45)
Due to Experience assumptions	99.19	125.21
Net actuarial loss recognized in the year	**35.01**	**231.16**

Balance sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	1,226.01	1,050.79
Expected return	86.68	74.30
Adjustment to expected return	19.01	(14.29)
Contribution by employer	3.62	324.02
Benefits paid	(3.62)	(208.81)
Closing fair value of plan assets	**1,331.70**	**1,226.01**

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	**1,193.78**	975.49
Interest cost	**82.38**	63.81
Current service cost	**194.87**	156.08
Benefits paid	**(223.55)**	(215.11)
Actuarial losses on obligation	**35.01**	231.16
Exchange difference	**(0.50)**	(17.65)
Closing defined benefit obligation	**1,281.99**	**1,193.78**

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Fair value of plan assets	**1,331.70**	1,226.01
Less: Defined benefit obligations	**(1,278.38)**	(1,183.82)
Plan asset / (liability) for Persistent Systems Limited	**53.32**	**42.19**
Gratuity liability for Persistent Systems Lanka (Private) Limited	**(3.61)**	**(9.96)**

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Persistent Systems Limited

	As at	
	March 31, 2023	March 31, 2022
Discount rate	**7.49%**	7.07%
Mortality	**IALM (2012-14) Ult.**	IALM (2012-14) Ult.
Attrition rate	**PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%**	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%
Increment rate	**6.00%**	6.00%

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2023	March 31, 2022
Investments with insurer including accrued interest	**100%**	100%

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2023	March 31, 2022
Discount rate	**25.48%**	16.37%
Increment rate	**7.00%**	7.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected compensation increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

As at March 31, 2023, every percentage point increase / decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 1,146.05 million / ₹ 1,442.92 million (previous year: ₹ 1,089.07 million / ₹ 1,324.31 million) respectively.

As at March 31, 2022, every percentage point increase / decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 1,375.82 million / ₹ 1,201.78 million (previous year: ₹ 1,255.79 million / ₹ 1,143.41 million) respectively.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes .

The Mortality and Attrition does not have a significant impact on the Liability , hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis

The assumptions used in preparing the sensitivity analysis is
Discount rate at +1% and – 1%
Salary assumption at +1 % and -1%

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2023	**March 31, 2022**
Plan assets	**1,331.70**	1,226.01
Defined benefit obligation	**(1,278.38)**	(1,183.82)
Plan asset for Persistent Systems Limited	**53.32**	42.19
Gratuity liability for Persistent Systems Lanka (Private) Limited	**(3.61)**	(9.96)

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ million)

	As at	
	March 31, 2023	**March 31, 2022**
Within 1 year	**58.98**	76.42
1-2 years	**65.40**	78.28
2-3 years	**63.68**	82.94
3-4 years	**68.05**	84.86
4-5 years	**104.63**	86.09
5-10 years	**405.87**	484.24
Above 10 years	**2,893.73**	-

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 58.90 million.

Superannuation Fund

The Group contributed ₹ 75.66 million and ₹ 57.63 million to superannuation fund during the years ended March 31, 2023 and March 31, 2022 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

Defined contribution plan — Provident Fund

The Parent Company has certain defined contribution plans. Contributions are made to provident fund for its employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Parent Company is limited to the amount contributed. and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 1,159.43 million (Previous year ₹ 827.57 million).

32a\ Financial assets and liabilities
The carrying values of financial instruments by categories are as follows:

(In ₹ million)

Financial assets/financial liabilities	March 31, 2023 FVTPL	March 31, 2023 FVTOCI	March 31, 2023 Amortised Cost	March 31, 2022 FVTPL	March 31, 2022 FVTOCI	March 31, 2022 Amortised Cost	Fair value hierarchy*
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	175.13	-	-	162.01	-	-	Level 3
Investments in bonds	-	-	3,085.59	-	-	2,879.29	
Investments in mutual funds	3,134.94	-	-	5,183.33	-	-	Level 2
Loans	-	-	-	-	-	3,538.10	
Deposit with banks and financial institutions (net)	-	-	4,922.43	-	-	6,267.42	
Cash and cash equivalents (including unpaid dividend)	-	-	4,673.17	-	-	2,980.93	
Trade receivables (net)	-	-	15,704.64	-	-	9,484.29	
Foreign exchange forward contracts	-	-	-	-	84.59	-	Level 2
Unbilled revenue	-	-	4,671.23	-	-	3,130.31	
Other non current financial assets	-	-	383.36	-	-	236.97	
Other current financial assets	-	-	-	-	-	-	
Total Financial Assets	**3,310.07**	**-**	**33,440.42**	**5,345.34**	**84.59**	**28,517.31**	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	4,285.10	-	-	4,325.35	
Trade payables	-	-	5,689.08	-	-	4,298.71	
Lease liabilities	-	-	2,268.59	-	-	1,456.87	
Other financial liabilities (excluding borrowings)	-	-	6,765.95	-	-	4,262.20	
Foreign exchange forward contracts	-	67.67	-	-	-	-	
Total Financial Liabilities	**-**	**67.67**	**19,008.72**	**-**	**-**	**14,343.13**	

*** Fair value hierarchy**

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

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

Investments in bonds:

	As at March 31, 2023			As at March 31, 2022	
Particulars	Face Value	No. of Units	Cost	No. of Units	Cost
Bonds carried at amortised cost	1,000 5,000 1,000,000	1,435,898 53,000 906	1,681.81 361.87 961.47	1,335,898 53,000 796	1,595.57 361.87 844.37
Total Cost			3,005.15		2,801.81
Designated as fair value through profit and loss			80.43		77.48
Total investments carried at amortised cost			**3,085.58**		**2,879.29**

32b\ Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Group's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force is responsible for credit risk management. Investment of excess liquidity is governed by the Investment policy of the Group. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group operates globally with its operations spread across various geographies and consequently the Group is exposed to foreign exchange risk. Around 80% to 90% of the Group's foreign currency exposure is in USD. The Group holds plain vanilla forward contracts against expected future receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2023:`

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	3,124.04	424.48	200.17	95.16	3,843.85
Cash and cash equivalents and bank balances	744.67	40.38	171.71	107.93	1,064.69
Trade and other payables	11.36	110.79	62.96	31.39	216.50

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2022:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	779.27	376.80	471.77	219.65	1,847.49
Cash and cash equivalents and bank balances	323.54	17.83	35.82	35.93	413.12
Trade and other payables	19.19	11.19	15.25	10.47	56.10

Foreign currency sensitivity analysis

For the year ended March 31, 2023 and March 31, 2022, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would affect the Group's profit before tax margin (PBT) by approximately 0.06 % and 0.04% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Group holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sales transactions.

The following table gives details in respect of outstanding foreign currency forward contracts:

	As at March 31, 2023			As at March 31, 2022		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	**230.00**	**82.83**	**19,051.51**	175.00	77.74	13,605.02

The foreign exchange forward contracts mature within a maximum period of twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	As at March 31, 2023			As at March 31, 2022		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	**55.00**	**80.82**	**4,445.22**	41.00	77.00	3,156.91
Later than 3 months and not later than 6 months	**63.00**	**82.60**	**5,203.67**	45.00	77.17	3,472.71
Later than 6 months and not later than 9 months	**56.00**	**83.95**	**4,701.05**	45.00	78.23	3,520.48
Later than 9 months and not later than 12 months	**56.00**	**83.96**	**4,701.56**	44.00	78.52	3,454.92
Total	230.00		19,051.51	175.00		13,605.02

Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 16,037.77 million and ₹ 9,650.07 million as at March 31, 2023 and March 31, 2022, respectively

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed by the Group by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Group's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

	As at	
	March 31, 2023	March 31, 2022
Receivables overdue for more than 90 days (₹ million)*	**381.31**	427.00
Total receivables (gross) (₹ million)	**16,037.77**	9,650.07
Overdue for more than 90 days as a % of total receivables	**2.4%**	4.4%

* Out of this amount, ₹ 188.96 million (March 31, 2022: ₹ 165.78 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Within the credit period	**11,380.61**	7,316.44
1 to 30 days past due	**2,625.12**	1,499.72
31 to 60 days past due	**1,100.93**	194.35
61 to 90 days past due	**549.79**	212.56
91 to 120 days past due	**161.24**	68.03
121 and above past due	**220.08**	358.97
Less: Expected credit loss	**(188.96)**	(165.78)
Net trade receivables	15,848.81	9,484.29

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Opening balance	**165.78**	271.64
Movement in expected credit loss allowance	**3.03**	(105.06)
Translation differences	**20.15**	(0.80)
Closing balance	188.96	165.78

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in debts mutual funds, quoted bonds.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus funds is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current fund requirements including repayment of borrowings. Accordingly, no liquidity risk is perceived.

As at March 31, 2023, the Group had a working capital of ₹ 15,613.24 million including cash and cash equivalents and current fixed deposits of ₹ 8,899.56 million and current investments of ₹ 1,879.66 million.

As at March 31, 2022, the Group had a working capital of ₹ 14,129.70 million including cash and cash equivalents and current fixed deposits of ₹ 8,961.35 million and current investments of ₹ 4,346.91 million.

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

(In ₹ million)

	As at March 31, 2023		As at March 31, 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	**2,227.51**	**2,057.59**	1,524.56	2,800.79
Trade payables and deferred payment liabilities	**5,689.08**	**-**	4,298.71	-
Lease Liabilities	**676.39**	**1,592.20**	342.58	1,114.29
Other financial liabilities (excluding borrowings)	**1,717.19**	**2,888.92**	649.04	2,088.60

Capital management risk

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's capital management aims to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and current and non-current borrowings.

Gearing Ratio

(In ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	4,306.95	4,325.35
Other financial liabilities	6,811.77	4,262.20
Total Debt:	11,118.72	8,587.55
Less : Cash and cash equivalents and bank balances other than cash and cash equivalants	9,032.80	9,144.58
Net Debt #	2,085.92	(557.03)
Total equity	39,650.78	33,682.20
Total Capital	39,650.78	33,682.20
Gearing Ratio (in %)	5.26%	-1.65%

Net debt for the above purpose includes borrowings, interest accrued on borrowings and amount payable for letter of credit net of cash and cash equivalants and bank balances other than cash and cash equivalants.

32c\ Derivative instruments and un-hedged foreign currency exposures

i. Forward contracts outstanding at the end of the year

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Forward contracts to sell USD: Hedging of expected receivables of USD 230 million (Previous year USD 175 million)	19,051.51	13,605.02

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

	As at March 31, 2023			As at March 31, 2022		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	33.21	JPY 53.83	0.62	1.64	JPY 2.63	0.62
	744.67	USD 9.06	82.17	323.54	USD 4.27	75.77
	171.71	GBP 1.69	101.64	35.82	GBP 0.36	99.50
	48.95	CAD 0.81	60.63	1.04	CAD 0.02	52.00
	40.38	EUR 0.45	89.36	17.83	EUR 0.21	84.90
	25.77	AUD 0.46	54.92	20.89	AUD 0.37	56.46
	-	-	4.60	12.36	ZAR 2.37	5.22
Trade and other payables	11.36	USD 0.14	82.17	19.19	USD 0.25	75.79
	62.96	GBP 0.62	101.64	15.25	GBP 0.15	99.43
	110.79	EUR 1.24	89.36	11.19	EUR 0.13	84.13
	1.18	SGD 0.02	61.78	0.31	SGD 0.01	55.98
	-	-	-	0.29	ZAR 0.06	5.22
	19.01	CAD 0.31	60.63	6.82	CAD 0.11	60.52
	11.20	AUD 0.20	54.92	1.23	AUD 0.02	56.72
	-	-	-	1.82	JPY 2.92	0.62
Trade receivables	424.48	EUR 4.75	89.36	376.80	EUR 4.48	84.13
	3,124.04	USD 38.02	82.17	779.27	USD 10.28	75.79

	As at March 31, 2023			As at March 31, 2022		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
	200.17	GBP 1.97	101.64	471.77	GBP 4.74	99.43
	54.29	CAD 0.90	60.63	23.73	CAD 0.39	60.52
	26.73	AUD 0.49	54.92	110.41	AUD 1.95	56.72
	-	-	-	45.72	CHF 0.56	81.93
	7.20	ZAR 1.56	4.60	26.88	ZAR 5.15	5.22
	6.94	SGD 0.11	61.78	5.95	SGD 0.11	55.98
	-	-	-	1.08	BRL 0.07	15.89
	-	-	-	5.88	MYR 0.33	18.03

33\ Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Profit before tax	**12,408.52**	9,242.79
Enacted tax rate in India	**25.17%**	25.17%
Computed tax expense at enacted tax rate	**3,122.98**	2,326.23
Effect of exempt income	**(55.68)**	(123.07)
Effect of non-deductible expenses	**(6.59)**	37.27
Effect of concessions (R&D allowance)	**(1.35)**	5.76
Effect of concessions (Tax holidays)	**(12.33)**	(17.80)
Effect of unused tax losses not recognised as deferred tax assets	**-**	2.46
Effect of previously unrecognised deferred tax assets now recognised	**(29.01)**	-
Effect of different tax rates of subsidiaries operating in other jurisdictions	**99.09**	51.36
Effect of different tax rates for different heads of income	**(0.07)**	(5.69)
Short Tax Provision of earlier years (net)	**(3.54)**	42.58
Reversal of Deferred tax asset created in earlier years	**81.53**	15.93
Others	**2.56**	3.90
Income tax expense	**3,197.59**	**2,338.93**

34\ Segment information

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision makers, in deciding how to allocate resources and assessing performance. The Group's chief operating decision makers are the Chief Executive Officer and the Chairman & Managing Director.

The operating segments of the Group are:

a. Banking, Financial Services and Insurance (BFSI)
b. Healthcare & Life Sciences
c. Technology Companies and Emerging Verticals

(In ₹ million)

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Revenue	**Year ended**	**March 31, 2023**	**27,231.45**	**16,161.07**	**40,113.39**	**83,505.92**
	Year ended	March 31, 2022	18,063.65	11,842.75	27,201.06	57,107.46
Identifiable expense	**Year ended**	**March 31, 2023**	**17,226.98**	**8,147.53**	**27,830.90**	**53,205.41**
	Year ended	March 31, 2022	11,879.32	5,779.01	17,931.96	35,590.29
Segmental result	**Year ended**	**March 31, 2023**	**10,004.47**	**8,013.54**	**12,282.49**	**30,300.51**
	Year ended	March 31, 2022	6,184.33	6,063.74	9,269.10	21,517.17
Unallocable expenses	**Year ended**	**March 31, 2023**				**18,598.16**
	Year ended	March 31, 2022				13,713.93
Operating income	**Year ended**	**March 31, 2023**				**11,702.35**
	Year ended	March 31, 2022				7,803.24
Other income (net of expenses)	**Year ended**	**March 31, 2023**				**706.17**
	Year ended	March 31, 2022				1,439.55
Profit before taxes	**Year ended**	**March 31, 2023**				**12,408.52**
	Year ended	March 31, 2022				9,242.79
Tax expense	**Year ended**	**March 31, 2023**				**3,197.59**
	Year ended	March 31, 2022				2,338.93
Profit after tax	**Year ended**	**March 31, 2023**				**9,210.93**
	Year ended	March 31, 2022				6,903.86

(In ₹ million)

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Segmental trade receivables (net)	**As at**	**March 31, 2023**	**4,074.64**	**2,579.81**	**9,175.73**	**15,830.18**
	As at	March 31, 2022	1,816.26	1,949.27	5,718.76	9,484.29
Segmental Unbilled revenue	**As at**	**March 31, 2023**	**1,170.86**	**802.11**	**2,698.26**	**4,671.23**
	As at	March 31, 2022	754.63	325.30	2,050.38	3,130.31
Unallocated assets	**As at**	**March 31, 2023**	**-**	**-**	**-**	**45,690.04**
	As at	March 31, 2022	-	-	-	41,576.41
Unallocated liabilities	**As at**	**March 31, 2023**	**-**	**-**	**-**	**66,191.45**
	As at	March 31, 2022	-	-	-	54,191.01

Segregation of assets (other than trade receivables and unbilled revenue), liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented as the assets are used interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate the other assets, liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

Geographical Information

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ million)

Particulars			India	North America	Rest of the World	Total
Revenue	**Year ended**	**March 31, 2023**	**9,432.50**	**65,107.83**	**8,965.59**	**83,505.92**
	Year ended	March 31, 2022	6,028.37	44,812.10	6,266.99	57,107.46

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 7,697.87 million for the year ended March 31, 2023 (Previous year : ₹ 9,271.13 Million).

35\ Employees stock option plans (ESOP)

Certain information in this note relating to number of shares, options and per share/option price has been disclosed in full and is not rounded off.

a. Details of Employee stock option plans

The Group has framed various share-based payment schemes for its employees. The details of various equity-settled employee stock option plan ('ESOP') schemes adopted by the Board of Directors are as follows:

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	4,560,500	11-Dec-99	11-Dec-99	*
Scheme II	753,200	23-Apr-04	23-Apr-04	10 Years
Scheme III	2,533,300	23-Apr-04	23-Apr-04	*
Scheme IV	6,958,250	23-Apr-06	23-Apr-06	10 Years
Scheme V	1,890,525	23-Apr-06	23-Apr-06	*
Scheme VI	1,216,250	31-Oct-06	31-Oct-06	10 Years
Scheme VII	1,784,975	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	42,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	1,374,462	29-Jun-09	29-Jun-09	10 Years
Scheme X	3,062,272	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	1,948,800	26-Jul-14	3-Nov-14	4-5 Years
Scheme XII ***	67,300	4-Feb-16	8-Apr-16	2.5 Months
Scheme XIII	6,450,619	27-Jul-17	1-Aug-19	4-5 Years
Scheme XIV	80,000	27-Jul-17	1-May-19	3 Years

Adjusted for bonus issue of shares.

*No contractual life is defined in the scheme.

**The options under Scheme XI, which is a performance based ESOP scheme will vest after 1-4 years in proportion of credit points earned by the employees every quarter based on performance. The maximum options which can be granted under this scheme are 1,400,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 50 per employee.

The vesting period and conditions of the above ESOP schemes is as follows:

All the above ESOP schemes have service condition (other than Grant Category 1 of scheme XI which Is based on performance criteria), which require the employee to complete a specified period of service, as a vesting condition. The vesting pattern of various schemes has been provided below:

i. Scheme I to V, VII, VIII, X and XIV

	% of Options vesting			
Service period from the date of grant	Scheme I to V & X	Scheme VII	Scheme VIII	Scheme XIV
12 Months	10%	20%	25%	0.00%
24 Months	30%	40%	50%	33.33%
36 Months	60%	60%	75%	66.66%
48 Months	100%	80%	100%	100%
60 Months	NA	100%	NA	NA

ii. Scheme VI

Service period from the date of grant	% of Options vesting
18 Months	30%
Every quarter thereafter	5%

iii. Scheme IX

Service period from the date of grant	% of Options vesting
30– 60 Months varying from employee to employee	100%

iv. Scheme XI

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	Based on credit points earned which varies from employee to employee	25%	40%
24 Months		50%	30%
36 Months		75%	30%
48 Months	NA	100%	NA
60 Months	NA	NA	NA

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

vi. Scheme XIII

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	25%	40%	33%
24 Months	50%	30%	67%
36 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2021 and March 31, 2022:

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme I	Number of Options	31-Mar-22	13	-	13	-	-	-
	Weighted Average Price	31-Mar-22	4.37	-	4.37	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme II	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme III	Number of Options	31-Mar-22	127,362	-	-	19,103	108,259	108,259
	Weighted Average Price	31-Mar-22	32.07	-	-	33.69	31.78	31.78
	Number of Options	31-Mar-23	108,259	-	43,257	3,001	62,001	62,001
	Weighted Average Price	31-Mar-23	31.78	-	30.42	30.67	32.79	32.79
Scheme IV	Number of Options	31-Mar-22	326,298	-	-	80,000	246,298	246,298
	Weighted Average Price	31-Mar-22	54.83	-	-	55.16	54.72	54.72
	Number of Options	31-Mar-23	246,298	-	71,057	69,641	105,600	105,600
	Weighted Average Price	31-Mar-23	54.72	-	47.20	61.12	55.57	55.57
Scheme V	Number of Options	31-Mar-22	51,691	-	-	1,810	49,881	49,881
	Weighted Average Price	31-Mar-22	27.22	-	-	44.14	26.61	26.61
	Number of Options	31-Mar-23	49,881	-	-	1,604	48,277	48,277
	Weighted Average Price	31-Mar-23	26.61	-	-	26.78	26.60	26.60
Scheme VI	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-22	3,341	-	-	3,200	141	141
	Weighted Average Price	31-Mar-22	59.65	-	-	61.12	26.29	26.29
	Number of Options	31-Mar-23	141	-	141	-	-	-
	Weighted Average Price	31-Mar-23	26.29	-	26.29	-	-	-
Scheme VIII	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-22	129,704	-	-	13,993	115,711	115,711
	Weighted Average Price	31-Mar-22	54.74	-	-	54.74	54.74	54.74
	Number of Options	31-Mar-23	115,711	-	57,035	7,160	51,516	51,516
	Weighted Average Price	31-Mar-23	54.74	-	54.74	54.74	54.74	54.74
Scheme X	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme XI	Number of Options	31-Mar-22	446,000	257,200	23,700	167,750	511,750	28,725
	Weighted Average Price	31-Mar-22	10.00	10.00	10.00	10.00	10.00	10.00
	Number of Options	31-Mar-23	511,750	334,600	143,690	197,703	504,957	28,557
	Weighted Average Price	31-Mar-23	10.00	10.00	10.00	10.00	10.00	10.00
Scheme XII	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme XIII	Number of Options	31-Mar-22	2,746,225	1,990,838	923,803	433,136	3,380,124	226,045
	Weighted Average Price	31-Mar-22	846.80	3,116.67	1,679.25	727.30	1,971.52	892.30

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
	Number of Options	31-Mar-23	3,380,124	1,537,281	996,943	540,297	3,380,165	535,248
	Weighted Average Price	31-Mar-23	1,971.52	3,259.46	2,578.30	1,086.91	2,519.70	2,309.27
Scheme XIV	Number of Options	31-Mar-22	40,000	-	40,000	-	-	-
	Weighted Average Price	31-Mar-22	540.82	-	540.82	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Total	Number of Options	31-Mar-22	3,870,634	2,248,038	987,516	718,992	4,412,164	775,060
	Number of Options	31-Mar-23	4,412,164	1,871,881	1,312,123	819,406	4,152,516	831,199

The weighted average share price for the period over which stock options were exercised was ₹ 3,955,20 (Previous year ₹ 3,682.54)..

c. Details of exercise price for stock option outstanding at the end of the year

		As at March 31, 2023		As at March 31, 2022	
Scheme	**Range of exercise price**	**No. of Options outstanding***	**Weighted average remaining contractual life (in years)**	**No. of Options outstanding**	**Weighted average remaining contractual life (in years)**
Scheme I	2.04 – 9.57	**-**	**Note (i)**	-	Note (i)
Scheme II	12.96 – 48.21	**-**	**-**	-	-
Scheme III	12.96 – 48.21	**62,001**	**Note (i)**	108,259	Note (i)
Scheme IV	22.23 – 61.12	**105,600**	**1.73**	246,298	1.73
Scheme V	22.23 – 44.14	**48,277**	**Note (i)**	49,881	Note (i)
Scheme VI	22.23 – 30.67	**-**	**-**	-	-
Scheme VII	24.17 – 61.12	**-**	**-**	141	0.52
Scheme VIII	48.21 – 48.21	**-**	**-**	-	-
Scheme IX	54.74 – 54.74	**51,516**	**1.25**	115,711	1.24
Scheme X	157.58 – 279.70	**-**	**-**	-	-
Scheme XI	10	**504,957**	**4.08**	511,750	4.58
Scheme XII	10	**-**	**-**	-	-
Scheme XIII	442.47 – 4099.00	**3,380,165**	**3.59**	3,380,124	3.86
Scheme XIV	540.82 – 540.82	**-**	**-**	-	-

Note (i) - No contractual life is defined in the scheme.

*The weighted average contractual life disclosed above has been computed only for the unexpired options.

d. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share-based payment plans for the year ended March 31, 2023 amounted to ₹ 1,357.14 million (Previous year ₹ 950.23 million). The liability for employee stock options outstanding as at March 31, 2023 is ₹ 2,222.02 million (Previous year ₹ 1,144.84 million).

e. **Weighted average exercise prices and weighted average fair values of options**

The Binomial tree and Black-Scholes valuation models have been used for computing the weighted average fair value of the stock options granted during the financial year 2021-22:

	March 31, 2023		March 31, 2022	
Particulars	**RSU Scheme XI**	**ESOP Scheme XIII**	**RSU Scheme XI**	**ESOP Scheme XIII**
Weighted average share price ₹	**3828.35**	**3678.93**	3819.71	3670,90
Weighted Exercise Price ₹	**10**	**3259.98**	10	3107.82
Weighted Average Fair Value ₹ **	**3749.11**	**1204.49**	3615.75	938.25
Expected Volatility	**26.85% to 28.11%**	**26.85% to 28.11%**	24.42%	24.50%
Life of the options granted ** (Vesting and exercise period)	**3 - 4 yrs**	**3 - 4 yrs**	3 - 4 yrs	3 - 4 yrs
Dividend Yield	**39.00**	**39.00**	20.00	20.00
Average risk-free interest rate	**6.98%**	**7.06%**	4.98%	4.48%

** 1. The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2. The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares and has been modelled based on historical movements in the market prices of the publicly traded equity shares during a larger period after excluding outliers to smoothen the fluctuations .

36\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2023 (In ₹ million)	**As at March 31, 2022 (In ₹ million)**
Less than one year	**676.77**	394.01
One to five years	**1,862.25**	1,142.15
More than five years	**57.14**	89.10

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 147.45 million for the year ended March 31, 2023 (Previous year ₹ 101.88 million).

The Group has has recognized interest on lease liabilities of ₹ 137.86 million under finance costs (Previous year ₹ 84.06 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

37\ Related Party Disclosures

i. Names of related parties and related party relationship

Related parties with whom transactions have taken place

Associate	Klisma e-Services Private Limited
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director
	Mr Sandeep Kalra, Executive Director and Chief Executive Officer
	Mr. Sunil Sapre, Executive Director and Chief Financial Officer
	Mr. Amit Atre, Company Secretary
	Mr. Azlin Ghazali, Director, Persistent Systems Malaysia Sdn. Bhd.
	Mr. John Ryan, Director, Persistent Systems Malaysia Sdn. Bhd.
	Ms. Audrey Reutens, Director, Persistent Systems Malaysia Sdn. Bhd., resigned w.e.f., April 25, 2022
	Mr. Arnaud Pierrel, Director General, Persistent Systems France SAS
	Mr. Steven Ward, Director, Youperience Limited, United Kingdom, resigned w.e.f., February 20, 2023
	Mr. Bruno Orsier, Director, Persistent Systems France SAS
	Mr. Thomas Klein, Director, Persistent Systems, Inc., USA
	Ms. Roshini Bakshi, Independent Director
	Mr. Pradeep Bhargava, Independent Director, retired wef July 19, 2022
	Dr. Anant Jhingran, Director, Persistent Systems, Inc., USA, retired w.e.f., November 20, 2022
	Mr. Thomas Kendra, Independent Director, retired wef July 19, 2022
	Mr. Deepak Phatak, Independent Director resigned as an Independent Director of the Company w.e.f., April 2, 2023
	Mr. Praveen Kadle, Independent Director
	Ms. Avani Davda, Independent Director (Appointed w.e.f., December 21, 2021)
	Mr. Guy Eiferman, Independent Director
	Mr. Arvind Goel, Independent Director (Appointed on June 7, 2022)
	Mr. Ambuj Goel,Independent Director (Appointed on June 7, 2022)
	Mr. Dan'l Lewin , Independent Director (Appointed on June 10, 2022)
	Mr. Silvio Galfetti, Director, Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (*) (Resigned in FY 2021-22)
	Mr. Steffen Drilich, Director, Youperience GmbH, Germany (Resigned w.e.f., March 2, 2022)
	Mr. Daniel Seiler, Director, Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (*), (Resigned w.e.f., March 14, 2023)
	Mr. Beat Kach, Director, Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (*)
	Mr. Simon Nicholas Llyod-Jenkins, Director, Youperience Limited
	Mr. Christian Bucholdt. Director, Persistent Systems Germany GmbH, Germany
	Dr. R Venkateswaran, Director, Persistent Systems (Lanka) Private Limited
	Mr. Kolitha Ratwatte, Director, Persistent Systems (Lanka) Private Limited
	Mr. Nadarajan Surendren, Director Persistent Systems Lanka (Private) Limited
	Mr. Narasinha (Avadhoot) Upadhye, Director, Aepona Group Limited
	Mr. Guadalupe Torres, Director, Persistent Systems Mexico, S.A. de C.V.
	Mr. Hitesh Salla, Director, CAPIOT Software Private Limited

Related parties with whom transactions have taken place

	Mr. Ashish Kapoor, Director, CAPIOT Software Private Limited, Capiot Software PTE Ltd
	Mr. Sameer Dixit, Director, CAPIOT Software Private Limited CAPIOT PTE and Persistent Systems Pty Ltd, Australia
	Mr. Anil Kshirsagar, Director, CAPIOT Software Inc
	Mr. Abilash Mohan, Director, Persistent Systems Pty Ltd, Australia
	Mr. Sachin Dewasthalee, Persistent Systems Pty Ltd, Australia
	Mr. Vaudeva Anumukonda, Director, CAPIOT Software Inc
	Mr. Abhilash Mohan, Director, CAPIOT Software Pty Ltd, Australia
	Mr. D. Keith Sides Manager, Software Corporation International LLC, USA
	Mr. Eric Massenburg, Manager, Fusion360 LLC, USA
	Mr. Rajesh Abhyankar – Director, Chief Executive Officer and Secretary, Mediaagility Inc.
	Mr. Nilesh Chavda – Director and Secretary, MediaAgility UK Ltd
	Mr. Abhay Sathe – Director and Secretary, MediaAgility S de RL de CV
	Mr. Kamal Puri – Director, Mediaagility India Private Limited
	Mr. Nirdesh Kumar Chahal – Director, Mediaagility India Private Limited
	Mr. Manish Khattar – Director, Mediaagility India Private Limited
	Mr. Sameer Bendre – Director, Mediaagility India Private Limited CAPIOT Software Private Limited
	Mr. Shekhar Patankar – Director, Mediaagility India Private Limited
	Mr. Rajiv Korpal (Manager), Data Glove IT Solutions Limitada, Costa Rica(*)
	Mr. Rahul Bajaj (Manager), Data Glove IT Solutions Limitada, Costa Rica(*)
	Ms. Vanessa Hernandez Carrera (Manager), Data Glove IT Solutions Limitada, Costa Rica(*)
	Mr. Brijesh Chandel – Director, Persistent Systems S.R.L., Youperience Limited Resigned w.e.f. February 20, 2023
	Mr. Rajasekar Sukumar – Director, Persistent Systems S.R.L. Romania
Relatives of key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director)
	Mrs. Sulabha Suresh Deshpande (Mother of the Chairman and Managing Director)
	Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director)
	Dr. Mukund Deshpande (Brother of the Chairman and Managing Director)
	Mrs. Chitra Buzruk (Sister of the Chairman and Managing Director)
	Mr. Arul Deshpande (Son of the Chairman and Managing Director)
	Mrs. Asha Sapre (Wife of the Executive Director and Chief Financial Officer)
	Mr. Aditya Phatak (Son of the Independent Director)
	Mr. Hemant Bakshi (Husband of the Independent Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Deazzle Services Private Limited
	Azure Associates, LLC
	Persistent Foundation

ii. Related party transactions

(in ₹ million)

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Donation given	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	117.50	115.36
		117.50	**115.36**

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration # **(Salaries, bonus and contribution to other funds)**	**Key Management Personnel**		
	Dr. Anand Deshpande	36.40	31.94
	Mr. Sunil Sapre* (including value of perquisites for stock options exercised ₹ 82.77 million during the year (Previous year: ₹ 73.25 million)	102.18	90.21
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 4.66 million during the year (Previous year: ₹ 3.19)	9.44	7.17
	Mr. Sandeep Kalra (including value of perquisites for stock options exercised ₹ 486.05 million during the year (Previous year: ₹ 361.06 million)	616.56	468.68
	Mr. Azlin Ghazali	12.29	11.87
	Ms. Audrey Reutens	1.68	6.45
	Mr. Arnaud Pierrel	15.93	15.50
	Mr. Bruno Orsier	12.19	11.94
	Mr. Thomas Klein (including value of perquisites for stock options exercised ₹ 41.45 million during the year (Previous year: ₹ 31.99)	93.82	79.40
	Mr. Steffen Drilich	-	16.35
	Mr. Steven Ward (including value of perquisites for stock options exercised ₹ 11.79 million during the year (Previous year: Nil)	31.78	19.66
	Mr. Simon Nicholas Lloyd Jenkins (including value of perquisites for stock options exercised ₹ 11.91 million during the year (Previous year: Nil)	30.10	18.51
	Mr. Narasinha (Avadhoot) Upadhye (including value of perquisites for stock options exercised ₹ 0.66 million during the year (Previous year: ₹ 8.17 million)	5.41	12.36
	Mr. Silvio Galfetti	-	11.17
	Mr. Daniel Seiler	20.38	20.76
	Mr. Kolitha Ratwatte (Resigned with effect from Sep 30, 2021)	-	3.42
	Mr. Hitesh Salla, Director	7.95	20.17
	Mr. Ashish Kapoor (Resigned with effect from Sept 2021)	-	16.08
	Mr. Vasudeva Anumukonda (including value of perquisites for stock options exercised ₹ 1.44 million during the year (Previous year: Nil)	35.19	34.83
	Mr. Abhilash Mohan	14.33	13.33
	Mr. Sameer Bendre (including value of perquisites for stock options exercised ₹ 7.43 million (Previous year: ₹ 36.23 million)	17.91	46.89
	Mr. D. Keith Sides	22.40	4.58
	Mr. Eric Massenburg, Manager	93.92	6.31
	Mr. Brijesh Chandel	65.84	23.17
	Mr. Beat Kaech	15.84	17.95
	Mr. Guadalupe Torres	10.15	13.00
	Mr. Sachin Dewasthalee (Joined with effect from May 2020) (including value of perquisites for stock options exercised ₹ 9.79 million during the year (Previous year: ₹ 17.24)	17.36	26.56
	Dr. R Venkateswaran (including value of perquisites for stock options exercised ₹ 61.08 million during the year (Previous year: ₹ 34.86 million)	71.00	43.26
	Mr. Sameer Dixit (including value of perquisites for stock options exercised ₹ 30.85 million during the year (Previous year: ₹ 17.19 million)	40.96	25.49
	Mr. Kamal Puri	99.29	-

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
	Mr. Nirdesh Kumar Chahal	6.23	-
	Mr. Manish Khattar	11.16	-
	Mr. Shekhar Patankar	1.12	-
	Mr. Nilesh Chavda	4.41	-
	Mr. Abhay Sathe	13.71	-
	Mr. Rajesh Abhyankar	22.89	-
	Mr. Rajasekar Sukumar	39.57	-
	Ms. Vanessa Hernandez Carrera	4.20	-
	Mr. Rahul Bajaj	48.27	-
	Mr. Nadarajan Surendren	3.05	-
	Mr. Rajiv Korpal	46.87	-
	Mr. Christian Bucholdt	18.63	-
	Independent directors:		
	Ms. Roshini Bakshi	4.63	4.08
	Mr. Pradeep Bhargava	1.55	4.33
	Dr. Anant Jhingran**	2.72	3.53
	Mr. Thomas Kendra**	1.40	3.63
	Mr. Praveen Kadle	5.03	4.19
	Mr. Guy Eiferman**	1.40	3.81
	Dr. Deepak Phatak	4.40	3.88
	Ms. Avani Davda $	4.73	0.79
	Mr. Arvind Goel $	3.46	-
	Dr. Ambuj Goyal $	3.41	-
	Mr. Dan'l Lewin $	3.23	-
	Mr. John Ryan	2.35	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande	5.31	3.88
	Total	**1,764.04**	**1,149.13**
Dividend paid	**Key Management Personnel**		
	Dr. Anand Deshpande	891.88	457.22
	Mr. Sunil Sapre	1.16	1.04
	Mr Sandeep Kalra	3.42	1.77
	Mr. Amit Atre	0.08	0.03
	Independent directors		
	Mr. Pradeep Bhargava**	0.47	0.24
	Mr. Aditya Pathak	1.13	-
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.07	0.10
	Mrs. Chitra Buzruk	18.31	9.39
	Dr. Mukund Deshpande	11.20	8.00
	Mrs. Sonali Anand Deshpande	4.37	2.24
	Mrs. Sulabha Suresh Deshpande	0.08	0.12
	Mr. Arul Deshpande	0.39	0.20
	Mrs. Asha Sapre	1.66	-
	Mrs. Roshini Bakshi	0.20	-
	Total	**934.42**	**480.35**
Earnout payment	**Key Management Personnel**		
	Anil Kshirsagar	10.78	-
	Total	**10.78**	**-**
Other payments	**Key Management Personnel**		
	Sunil Sapre	0.30	-

Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Relatives of Key Management Personnel		
Asha Sapre	0.30	-
Total	**0.60**	**-**

Guarantees and letters of comfort

i. Guarantees outstanding as at March 31,2023: ₹ 3,762.98 Million (March 31, 2022: ₹ 3,271.85 Million)

ii. Letters of letters of comfort of USD 51.69 Million: ₹ 4,247.37 Million (March 31, 2022:₹ 4,547.40 Million) to bank for loans availed by subsidiary of the Parent Company

Notes:

* Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

$ Mr. Arvind Goel and Dr. Ambuj Goyal have been appointed wef June 7, 2022 and Mr. Dan'l Lewin has been appointed wef June 10,2022. Ms. Avani Davda has joined with effect from December 21, 2021.

** Dr Anant Jhingran retired wef November 20, 2022 and Mr. Thomas Kendra and Mr. Guy Eiferman retired wef July 19, 2022. Mr. Pradeep Bhargava, Independent Director, retired wef July 19, 2022.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, long service awards and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

38\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**186.51**	158.66
Other commitments		
Forward contracts	**19,051.51**	13,605.02

For commitments relating to lease agreements, please refer note 36.

39\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
As auditor:		
- Audit fee	**11.18**	10.35
In other capacity:		
- Other services	**0.2**	0.84
Reimbursement of expenses	**0.46**	0.20
	11.84	11.39

40\ Research and development expenditure

The particulars of expenditure incurred on in-house research and development are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Revenue	**-**	230.51
	-	230.51

41\ Net dividend remitted in foreign exchange

(In ₹ million)

Particulars	Period to which dividend relates	For the year ended March 31, 2023	For the year ended March 31, 2022	No. of equity shares held on which dividend was due (in million)	For the year ended March 31, 2023	For the year ended March 31, 2022
Interim dividend	2022-23	12	**5**	0.41	**11.64**	5,95
Final dividend	2021-22	5	**5**	0.40	**4.39**	1.76

42\ Contingent liabilities

a. Claims against the company not acknowledged as debt*

(In ₹ million)

Sr. No.		As at March 31, 2023	As at March 31, 2022
1	**Indirect tax matters**		
	i. In respect to the order passed by the Learned Principal Commissioner of Service Tax, Pune, for Service tax under import of services on reverse charge basis for the Financial Year 2014-15, the Parent Company has filed an appeal against the order passed by Learned Principal Commissioner of Service Tax, Pune with the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT) on September 23, 2017. The Parent Company has paid ₹ 165.58 million under protest towards the demand and the same forms part of the GST receivable balance. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Parent Company will be eligible to claim credit/refund for the amount paid. The Hon'ble CESTAT decided and passed the order on January 28,2023 with the direction that the entire show cause notice passed by the Principal Commissioner of Service Tax will now be taken up for fresh adjudication and the judgments noted in the Order of the Hon'ble CESTAT and other submissions, if any, be considered while adjudicating the show cause notice. The Company has filed Appeal against the CESTAT Order with Hon'ble High Court on March 13, 2023	**173.78**	173.78
	ii. # In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, aggregating to ₹ 296.55 million, the Parent Company had filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. However, based on consultation with subject matter specialists, this matter is likely to involve a prolonged litigation. With the intention of avoiding prolonged litigation and settling the dispute, the Parent Company has requested the relevant authorities for settlement of the case and has submitted an application before the Settlement Commission on 29 December 2022. As part of this settlement, the Parent Company has offered to forego ₹ 296.55 million. While the hearing against the settlement application is awaited, the Parent Company has accordingly recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022. The Company's management reasonably expects that this matter, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition. The amount recognised during the year, is presented as an "exceptional item" in the statement of profit and loss for the current period.	**-**	296.55
	iii. Other Pending litigations in respect of Indirect taxes.	**8.20**	13.53
2	**Income tax demands disputed in appellate proceedings**	**1,023.34**	855.02

b. Guarantees and Letter of Comfort on behalf of Subsidiaries

(In ₹ million)

Sr. No.		As at March 31, 2023	As at March 31, 2022
1	Guarantees given on behalf of subsidiaries	**3,762.98**	3,271.85
2	Letters of comfort on behalf of subsidiary (USD 51.69 Million (Previous year: USD 60 Million))	**4,247.37**	4,547.40

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the financial statements.
In the corresponding period such amounts were presented as contingent liabilities.

43\ Details of Corporate Social Responsibility expenditure

(In ₹ million)

		March 31, 2023	March 31, 2022
a.	Gross amount required to be spent by the Company during the year	**140.99**	110.24
b.	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**117.60**	115.53
c.	Shortfall at the end of year*	**23.39**	-
d.	Total of previous year shortfall	**-**	-
e.	Reason for shortfall	**-**	-
f.	Nature of CSR Activity	**Donation given to the following entities: a. Persistent Foundation b. Deepastambha Charitable Trust**	Donation given to the following entities: a. Persistent Foundation b. Help Age India c. Wildlife Research and Conservation Society
g.	Details of related party transactions Donation given to Persistent Foundation	**117.50**	115.36
h.	Details of provision made for liability incurred by entering into a contractual obligation	**-**	-

* Set-off availed: The Company spent an excessive amount of ₹ 55.50 Million in FY 2020-21. In FY 2022-23, the Management has claimed partial set-off against this excessive CSR spend amounting to ₹ 23.39 Million.
The Company continues to have an amount of ₹ 32.11 Million available in its book for set off till the end of FY 2023-24 as it is the third (last) year from the year of excessive spend.

44\ Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition.

Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

a. Shree Infosoft Pvt. Ltd. and Shree Partners LLC

On November 18, 2021 the Persistent Systems Limited (PSL) had entered into an Agreement effecting business acquisition of Shree Infosoft Pvt. Ltd., India (‘Shree Infosoft’) on September 29, 2021 to acquire its customer relations together with the skilled employees and processes.

Along with this transaction, Persistent Systems Inc. (PSI) , the wholly owned subsidiary of the Parent company, had entered into an Agreement effecting business acquisition of Shree Partners LLC, USA, ("Shree Partners")

After the acquisition of business, the Group did not hold any equity interest in Shree Infosoft and Shree Partners.

The acquisition was accounted for using the acquisition method of accounting on provisional basis availing the exemption under Ind AS 103. During the period, the purchase price allocation was completed and the purchase is allocated to assets acquired and liabilities assumed based on fair values at the date of acquisition as follows:

The fair value of amount of consideration paid/payable recognised on provisional basis is ₹ 485.24 million (including deferred purchase consideration of ₹ 198.45 million.)

(In ₹ million)

Particulars	Total
Non-current assets	
Property, Plant and Equipment	1.97
Acquired contractual rights	211.26
Goodwill	259.50
Total assets	**472.73**

b. Purchase price allocation of business acquisition of Data Glove Group

On March 1, 2022 the Group acquired businesses from Data Glove IT Solutions Private Ltd, India, Data Glove Inc., USA and its affiliate entities based out of Australia, UK,Singapore and Costa Rica (together referred to as "Data Glove Group"). The Data Glove Group businesses comprise of Microsoft Cloud Modernization Services Partnership with Gold level competencies in Azure Cloud Platform, Data Center, Application Development and Data Analytics, Application Integration. After the acquisition of business, the Group does not hold any equity interest except in Data Glove IT Solutions Limitada. This acquisition will help the Group enhance its partnership and expand expertise in Azure-based digital transformation, enabling it to capture a larger share of this high growth market. This acquisition also broadens the Group's delivery capabilities with highly skilled talent, establishing a new nearshore delivery center in Costa Rica and expanding its presence in the US and India.

During the previous year ended March 31, 2022, the Company had entered into an agreement effecting business acquisition of Data Glove on March 1, 2022. The acquisition was accounted for using the acquisition method of accounting on provisional basis availing the exemption under Ind AS 103.

During the period, the purchase price allocation was completed and the purchase is allocated to assets acquired and liabilities assumed based on fair values at the date of acquisition. Accordingly, fair value of total consideration paid/payable aggregating to ₹ 6,366.68 Million (including deferred purchase consideration of ₹ 2,429.64 million) has been allocated to Acquired Contractual Rights and Goodwill as follows:

Purchase price allocation:

Particulars	In ₹ million
Current Assets	
Cash and & cash equivalents	12.06
Trade receivables	19.67
Other current assets	0.08
Other current financial assets	34.30
Non-current assets	
Property, Plant and Equipment	5.04
Acquired contractual rights	2,560.62
Goodwill	3,792.16
Subtotal	**6,423.93**
Current liabilities	
Trade and other payables	57.25
Subtotal	**57.25**
Net assets taken over	**6,366.68**

c. **MediaAgility India Priviate Limited and MediaAgility Inc.**

On April 29, 2022, the Parent Company acquired MediaAgility India Private Limited. Further, on May 4, 2022, Persistent Systems Inc. USA, a wholly-owned subsidiary of the Parent Company, completed the acquisition of MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore. The acquired companies have been together referred to as “”Media Agility”” in the notes elsewhere.

The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Group is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Group has exercised the option available under Ind AS 103, which provides the Group a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

“MediaAgility is a global cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner. The Company provides cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services to its clients.
With the increased demand for Google Cloud expertise, this acquisition will expand Group’s ability to execute cloud-based digital transformation journeys for its global clients. “

The fair value of amount of consideration is ₹ 5,534.76 million (including deferred purchase consideration of ₹ 1,168.18 million.)

Purchase price allocation:

Particulars	In ₹ million
Current Assets	
Cash and & cash equivalents	622.66
Other Bank Balances	20.15
Trade receivables	1,062.23
Other current assets	18.29
Other current financial assets	313.91
Current Tax Assets (net)	18.15
Non-current assets	
Property, Plant and Equipment	9.80
Other non current assets	100.72
Loans	1.83
Deferred Tax Assets	10.39
Provisional intangible assets*	4,870.68
Subtotal	**7,048.81**
Current liabilities	
Trade and other payables	1,037.75
Borrowings	14.73
Other current liabilities	235.29
Provisions	26.43
Non current liabilities	
Provisions	19.96
Subtotal	**1,334.16**
Net assets taken over	**5,714.65**

*Based on provisional purchase price allocation, the Group has revised the provisional intangible assets represented by contractual rights amounting to ₹ 1,534.79 million and goodwill amounting to ₹ 3,335.89 million.

Revenue of ₹ 2,753.25 million for the year ended March 31, 2023 is included in the financial statements. The profit included for the period ended March 31, 2023 is ₹ 472.51 million.

45\ Ratio Analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance (If more than 25%)
a. Current ratio	Number	Current Assets	Current Liabilties	**1.8**	1.99	-9.55%	
b. Debt-Equity ratio	%	Debt	Shareholder's Equity	**10.81%**	12.84%	-2.03%	
c. Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	**6.58**	6.05	8.76%	
d. Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	**25.66%**	22.97%	2.68%	
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	**5.18**	5.92	-12.54%	
f. Trade payables turnover ratio	Number	Cost of professionals and other expenses + - Non-cash adjustments	Average Trade payables	**3.23**	2.98	8.25%	
g. Net capital turnover ratio	Number	Revenue from operations	Working capital	**5.35**	4.04	32.46%	Refer Note 1
h. Net profit ratio	%	Net Profit after tax	Turnover	**11.03%**	12.09%	-1.06%	
i. Return on Capital employed	%	Profit before interest and tax	Average capital employed	**31.44%**	28.36%	3.08%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	**5.28%**	5.90%	-0.62%	

** Earnings available for debt service = Profit before exceptional items and tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

Note 1: Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio

46 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.

47 The Parent Company has deposits of ₹ 430 million with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Parent Company has fully provided for these deposits, along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. The Parent Company continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.

48 Finance costs include interest on lease liability of ₹ 137.86 million under finance costs (Previous year ₹ 84.06 million) and notional interest on amounts due to selling shareholders ₹ 112.76 million (Previous year ₹ 15.73 million).

49\ The Group has working capital facilities from banks on the basis of security of trade receivables. The quarterly statements of trade receivables filed by the Group with banks are in complete agreement with the books of accounts.

50\ Except as stated below the Group has not advanced / loaned / invested funds to any entities, including foreign entities (Intermediaries), with the understanding that the Intermediary shall directly or indirectly lend or invest in other entities by or on behalf of the Group (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.

a. Following are the details of the funds invested by the Group to Intermediaries for further advancing to the Ultimate beneficiaries.

Name of the intermediary to which the funds invested	Date of investment	Amount (₹ Million)	Relationship	Date on which funds are further invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries	Name of Ultimate Beneficiary	Registered address of the Ultimate beneficiary
Persistent Systems Inc.	May 4, 2022	1,681.48	Wholly owned subsidiary	May 4, 2022	1,681.48	100% stake in Media Agility Inc.	360, Wall St., Princeton NJ, 08540-1517

b. The Group has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the above transactions are not violative of the Prevention of Money-Laundering Act, 2002.

51\ The Group has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Group shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.

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

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

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Form AOC-1

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to subsidiaries

(In ₹ Million unless stated otherwise)

Sr. No.	Name of the Subsidiary Company	Persistent Systems, Inc.	Persistent Systems Pte. Ltd	Persistent Systems France SAS	Persistent Systems Malaysia Sdn. Bhd.	Persistent Systems Germany GmbH	CAPIOT Software Private Limited	MediaAgility India Private Limited	Persistent Telecom Solutions Inc.	Persistent Systems Mexico, S.A. de C.V.	Persistent Systems Israel Ltd.	Persistent Systems Switzerland AG	Parx Consulting GmbH	Youperience GmbH
1	Reporting currency	USD	SGD	EUR	MYR	EUR	INR	INR	USD	MXN	ILS	CHF	EUR	EUR
2	Exchange rate on the last date of the Financial year (Rs)	82.1700	61.7773	89.3599	18.6462	89.3599	1.0000	1	82.1700	4.5419	22.7984	89.6367	89.3599	89.3599
3	Financial Year Ending On	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
4	Share capital	4,729.74	15.50	97.47	102.25	1,413.30	1.87	32	-	3.65	6.78	16.58	1.90	1.98
5	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Reserves & Surplus	1,206.27	18.65	4.61	158.57	-134.75	55.69	454	88.86	45.24	154.80	248.65	-129.28	-173.35
7	Total assets	31,273.13	41.32	580.90	430.49	1,657.35	57.78	1,452	701.01	274.98	168.46	516.20	375.74	67.66
8	Total Liabilities	25,337.12	7.17	478.82	169.67	378.80	0.23	966	612.15	226.09	6.88	250.97	503.12	239.03
9	Investments %%	8,861.27	-	-	-	1,421.44	-	-	-	-	-	2.62	-	-
10	Turnover	47,188.26	32.17	1,066.92	537.14	217.99	-	940	570.41	810.07	-	990.65	257.00	377.36
11	Profit / (Loss) before taxation	1,686.90	3.82	-16.17	91.63	-188.97	11.91	267	83.21	53.85	1.50	59.75	-75.54	-54.62
12	Provision for taxation	344.88	4.96	-2.26	21.18	-92.07	2.38	78	22.23	24.05	0.34	19.56	11.51	14.84
13	Profit / (Loss) after taxation	1,342.02	-1.14	-13.91	70.45	-96.91	9.53	188	60.98	29.80	1.15	40.19	-87.05	-69.46
14	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%*	100%*	100%*	100%**	100%***	100%**
16	Period of Establishment / Acquisition	Oct 2021	Apr 2007	Apr 2011	Sep 2013	Dec 2016	Nov 2020	Apr 2022	Jan 2012	Mar 2016	Feb 2016	Aug 2017	Aug 2017	July 2019

Sr. No.	Name of the Subsidiary Company	Youperience Limited	Aepona Group Limited	Persistent Systems UK Limited	Persistent Systems Lanka (Private) Limited	CAPIOT Software Inc.	Persistent Systems Australia Pty Limited	CAPIOT Software Pte Limited	Persistent Systems S.R.L., Italy	Data Glove IT Solutions Limitada	SCI Fusion 360, LLC	Software Corporation International	Persistent Systems S.r.l., Romania	MediaAgility Inc.	MediaAgility Pte. Ltd.	MediaAgility UK Ltd	Digitalagility S de RL de CV
1	Reporting currency	GBP	GBP	GBP	LKR	USD	AUD	SGD	EUR	CRC	USD	USD	RON	USD	SGD	GBP	MXN
2	Exchange rate on the last date of the Financial year (Rs)	101.6443	101.6443	101.6443	0.2517	82.1700	54.9224	61.7773	89.3599	0.1521	82.1700	82.1700	18.1319	82.1700	61.7773	101.6443	4.5419
3	Financial Year Ending On	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
4	Share capital	0.02	58.19	1,230.62	0.01	3.84	-	0.54	0.86	-	31.97	-	9.08	23.27	0.01	0.10	0.04
5	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Reserves & Surplus	-0.45	-21.47	-1,225.77	248.00	-7.81	-2.63	-0.54	-4.26	245.55	257.99	21.53	-0.13	913.99	13.74	-14.61	-46.40
7	Total assets	0.43	38.59	350.98	300.18	39.79	31.01	-	0.90	273.84	364.86	23.74	23.80	1,574.44	33.57	65.11	39.03
8	Total Liabilities	-	1.87	346.13	52.17	43.76	33.64	-	4.30	28.28	74.90	2.21	14.86	637.18	19.82	79.62	85.39
9	Investments %%	-	-	-	-	-	-	-	-	-	-	-	-	108.30	-	-	-
10	Turnover	-	-	343.81	258.84	-	6.31	-	-	747.68	825.32	-	38.07	1,628.00	7.05	80.83	73.31
11	Profit / (Loss) before taxation	-0.91	2.12	151.97	51.35	-54.00	-4.87	10.78	-1.36	235.25	35.19	0.40	-0.54	368.01	-1.37	0.91	-5.40
12	Provision for taxation	-	-	0.08	-	-11.26	-1.46	-0.12	-	82.18	-22.14	-9.77	-0.38	79.39	-0.23	-0.25	-0.83
13	Profit / (Loss) after taxation	-0.91	2.12	151.89	51.35	-42.74	-3.41	10.90	-1.36	153.07	57.33	10.17	-0.92	288.62	-1.14	1.16	-4.57
14	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15	% of shareholding	100%@	100%*	100%****	100%****	100%*	100%&	100%&	100%*	100%**	100%*	100%*	100%**	100%*	100%&&	100%&&	100%&&
16	Period of Establishment / Acquisition	July 2019	Oct 2015	Oct 2015	Oct 2015	Nov 2020	Nov 2020	Nov 2020	Dec 2020	Mar 2022	Oct 2021	Oct 2021	June 2022	May 2022	May 2022	May 2022	May 2022

* Wholly owned subsidiaries of Persistent Systems, Inc., a wholly owned subsidiary of Persistent Systems Limited.

** Wholly owned subsidiaries of Persistent Systems Germany GmbH, a wholly owned subsidiary of Persistent Systems Limited.

*** Wholly owned subsidiaries of Persistent Systems Switzerland AG which is a wholly owned subsidiary of Persistent Systems Germany GmbH.

**** Wholly owned subsidiaries of Aepona Group Limited which is a wholly onwed subsidiary of Persistent Systems Inc.

@ Wholly owned subsidiary of Youperience GmbH which is a wholly owned subsidiary of Persistent Systems Germany GmbH.

& Wholly owned subsidiary of CAPIOT Software Inc. which is a wholly owned subsidiary of Persistent Systems, Inc.

&& Wholly owned subsidiary of MediaAgility Inc. which is a wholly owned subsidiary of Persistent Systems, Inc.

%% Investments are reported net of provision for impairment

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary
Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Persistent

Standalone Financials

Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

1\ We have audited the accompanying standalone financial statements of Persistent Systems Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

2\ In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3\ We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1\	**Accuracy of revenues and onerous obligations in respect of fixed-price contracts** Refer Note 3.3 (i) in notes forming part of the Standalone Financial Statements. The Company has entered into various fixed-price software development contracts, for which revenue is recognized by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to: – Test key information technology (IT) controls over IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; and – Test the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and – Test the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project. \ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. \ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. \ Performed analytical procedures for reasonableness of incurred and estimated efforts. \ Evaluated management's identification of onerous contracts based on estimates tested as above. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
2\	**ESOP valuation** As noted in the Accounting Policies in note 3.3 (r) and note 34 of the Financial Statements, the Company has recognized liability for share-based payments: As required by Ind AS 102, based on a fair valuation performed by a management's valuation specialist, the Company has recognised the cost of share-based payments to employees and Share Option Outstanding Reserve. Measuring the share based payments requires management to make multiple estimates and assumptions including volatility of share, performance factor, attrition rate, non-acceptance factors and fair value of options. We have considered the above matters of most significance to our current year audit considering the materiality of the amounts involved, assumptions of management for fair value of options.	Our audit procedures relating to ESOP valuation made by the Company included but was not restricted to the following procedures: \ Obtained an understanding of the terms and arrangements of Employee stock option plans \ Tested the design and operating effectiveness of management controls over the ESOP Valuation. \ Evaluated management's assumptions in respect of various estimates; \ Reviewed the report from management's valuation specialist considered for valuation of grants during the year; \ Evaluated independence, competency and objectivity of valuation specialist; \ Assessed the reasonableness of the management assumptions, estimates; \ Involved our auditor's internal valuation specialists to validate the valuation methodology and approach considered by the management's specialist and ascertained arithmetical accuracy of computation of share-based payment expense and related Share Option Outstanding Reserve.

Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors are responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

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

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

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

6\ The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

10\ As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

14\ As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

15\ As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16\ Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

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

c. The standalone financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2023 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

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

i. The Company, as detailed in note 35 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2023;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2023;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023;

iv a. The management has represented that, to the best of its knowledge and belief, other thanas disclosed in note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The management has represented that, to the best of its knowledge and belief, as disclosed in note 48 to the standalone financial statements, no funds have been received by the Company from any person or entity, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v The interim dividend declared and paid by the Company during the year ended 31 March 2023 and until the date of this audit report is in compliance with section 123 of the Act. The final dividend paid by the Company during the year ended 31 March 2023 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 requires all companies which use accounting software for maintaining their books of account, to use such an accounting software which has a feature of audit trail, with effect from the financial year beginning on 1 April 2023 and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 (as amended) is not applicable for the current financial year.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 23101797BGXEZK3862

Place: USA
Date: 24 April, 2023

Annexure A referred to in Paragraph 15 of the Independent Auditor's Report of even date to the members of Persistent Systems Limited on the standalone financial statements for the year ended 31 March 2023

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

i. a. A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

B. The Company has maintained proper records showing full particulars of intangible assets.

b. The Company has a regular programme of physical verification of its property, plant and equipment and right of use assets under which the assets are physically verified in a phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property, plant and equipment and right of use assets were verified during the year and no material discrepancies were noticed on such verification.

c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4.1 to the standalone financial statements are held in the name of the Company, except for the following properties, for which the Company's management is in the process of getting the registration in the name of the Company:

Description of property	Gross carrying value (₹ Million	Held in name of	Whether promoter, director or their relative or employee	Period held	Reason for not being held in name of company
Land	784.61	Paranjape Schemes (Construction) Limited ("seller")	No	June 2022	The seller is in the process of transferring the land in the name of the Company

d. The Company has not revalued its Property, Plant and Equipment including Right of Use assets or intangible assets during the year.

e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.

ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.

b. As disclosed in note 46 to the standalone financial statements, the Company has been sanctioned a working capital limit in excess of Rs 5 crore by banks or financial institutions based on the security of current assets during the year. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks or financial institutions and such statements are in agreement with the books of account of the Company for the respective periods, which were subject to audit.

iii. a. The Company has made investments in and provided loans or advances in the nature of loans, or guarantee, or security to Subsidiaries/Others during the year as per details given below:

Particulars	Guarantees	Security	Loans	Advances in nature of loans
Aggregate amount provided/granted during the year: - Others	-	-	0.55	-
Balance outstanding as at balance sheet date in respect of above cases: - Others	-	-	0.55	-

b. In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.

c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular, except for the following instances:

Name of the Entity	Amount due (In ₹ Million)	Due date	Extent of delay	Remarks (if any)
Persistent Systems Germany GmbH	1.03	31 March 2022	5 months	The loan balance along with accrued interest till 31 August 2022 was converted in investment balance on the basis of approval obtained from government of Germany
Persistent Systems Germany GmbH	3.07	30 June 2022	2 months	

d. There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.

e. The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan that existed as at the beginning of the year.

f. The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans and investments made and guarantees and security provided by it, as applicable.

v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there are no amounts which have been deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/ services / business activities. Accordingly, reporting under clause 3(vi) of the Order is not applicable.

vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Name of the statute	Nature of dues	Gross Amount (₹ in Million)	Amount paid under Protest (₹ in Million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income tax	12.52	-	2008-09	Honourable High Court	-
The Income Tax Act, 1961	Income tax	28.69	-	2009-10	Honourable High Court	-
The Income Tax Act, 1961	Income tax	19.06	-	2010-11	Honourable High Court	-
The Income Tax Act, 1961	Income tax	11.68	-	2012-13	Honourable High Court	-
The Income Tax Act, 1961	Income tax	21.84	21.84	2013-14	Honourable High Court	-
The Income Tax Act, 1961	Income tax	6.73	3.36	2013-14	Commissioner (Appeals)	-
The Income Tax Act, 1961	Income tax	32.83	32.83	2014-15	Honourable High Court	-
The Income Tax Act, 1961	Income tax	9.31	9.31	2014-15	Commissioner(Appeals)	-
The Income Tax Act, 1961	Income tax	7.02	1.50	2015-16	Honourable High Court	-
The Income Tax Act, 1961	Income tax	23.42	-	2015-16	Commissioner (Appeals)	-

Name of the statute	Nature of dues	Gross Amount (₹ in Million)	Amount paid under Protest (₹ in Million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Income Tax Act, 1961	Income tax	277.22	-	2017-18	Commissioner (Appeals)	-
The Income Tax Act, 1961	Income tax	164.32	-	2017-18	Income Tax Appellate Tribunal	-
The Income Tax Act, 1961	Income tax	379.74	-	2018-19	Commissioner (Appeals)	-
Maharashtra Value added Tax Act, 2002	Sales Tax	6.58	6.58	2005-06, 2006-07, 2007-08, 2008-09 and 2014-15	Customs, Excise and Service Tax Appellate Tribunal	-
Maharashtra Value added Tax Act, 2002	Sales Tax	1.62	1.62	2010-11, 2016-17 and 2017-18	Joint Commissioner (Appeals) - VAT	-
The Finance Act, 1994	Service tax	173.78	165.58	2014-15	Central Excise and Service Tax Appellate Tribunal	-

viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been previously recorded in the books of accounts.

ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or government or any government authority.

c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d. In our opinion according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have, prima facie, not been utilised for long term purposes.

e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

xi. a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company has been noticed or reported during the period covered by our audit.

b. According to the information and explanations given to us including the representation made to us by the management of the Company, no report under sub-section 12 of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government for the period covered by our audit.

c. The whistle blower complaints received by the Company during the year, as shared with us by the management have been considered by us while determining the nature, timing and extent of audit procedures.

xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as per the provisions of section 138 of the Act which is commensurate with the size and nature of its business.

b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and accordingly, reporting under clause 3(xv) of the Order with respect to compliance with the provisions of section 192 of the Act are not applicable to the Company.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b) and (c) of the Order are not applicable to the Company.

Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.

xvii. The Company has not incurred any cash losses in the current financial year as well as the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

xx. According to the information and explanations given to us, there are no unspent amounts towards Corporate Social Responsibility pertaining to any ongoing project as at end of the current financial year. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable to the Company.

xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 23101797BGXEZK3862

Place: USA
Date: 24 April, 2023

Annexure B Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1\ In conjunction with our audit of the standalone financial statements of Persistent Systems Limited ('the Company') as at and for the year ended 31 March 2023, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2\ The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in Guidance note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements

3\ Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements, and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to standalone financial statements were established and maintained and if such controls operated effectively in all material respects.

4\ Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

5\ We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to standalone financial statements.

Meaning of Internal Financial Controls with Reference to Standalone Financial Statements

6\ A company's internal financial controls with reference to standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to standalone financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements

7\ Because of the inherent limitations of internal financial controls with reference to standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8\ In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2023, based on internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance note issued by the ICAI.

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

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 23101797BGXEZK3862

Place: USA
Date: 24 April, 2023

Balance Sheet as at March 31, 2023

	Notes	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
ASSETS			
Non-current assets			
Property, Plant and Equipment	4.1	4,563.45	2,733.61
Capital work-in-progress	4.2	156.31	1,071.02
Right of Use assets	4.3	1,509.11	671.63
Goodwill	4.4	236.00	-
Other Intangible assets	4.5	573.34	780.73
		7,038.21	5,256.99
Financial assets			
- Investments	5	12,145.56	8,734.81
- Trade receivables (net)	11	125.54	-
- Loans	6	2,870.00	3,943.68
- Other non-current financial assets	7	837.09	226.68
Deferred tax assets (net)	8	397.77	266.72
Other non-current assets	9	718.02	557.98
		24,132.19	18,986.86
Current assets			
Financial assets			
- Investments	10	1,879.66	4,346.91
- Trade receivables (net)	11	10,480.44	4,426.84
- Cash and cash equivalents	12	1,236.45	563.67
- Bank balances other than cash and cash equivalents	13	4,173.35	6,038.02
- Other non-current financial assets	14	4,340.49	3,724.83
Other current assets	15	2,745.38	1,421.30
		24,855.77	20,521.57
TOTAL		48,987.96	39,508.43
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16	764.25	764.25
Other equity		38,652.25	32,424.60
		39,416.50	33,188.85
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	17	1.84	3.70
- Lease liabilities	18	1,086.87	611.75
Other non- current liabilities	22	22.96	-
Provisions	19	369.51	245.54
		1,481.18	860.99
Current liabilities			
Financial liabilities			
- Borrowings	17	1.91	1.93
- Lease liabilities	18	468.72	146.51
- Trade payables	20		
-Dues of micro enterprises and small enterprises		38.04	10.30
-Dues of creditors other than micro enterprises and small enterprises		1,327.52	844.68
- Other financial liabilities	21	668.46	382.98
Other current liabilities	22	2,967.09	1,559.08
Provisions	23	2,597.94	2,269.73
Current tax liabilities (net)		20.60	243.38
		8,090.28	5,458.59
TOTAL		48,987.96	39,508.43
Summary of significant accounting policies	3		

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Statement of Profit and Loss for the year ended March 31, 2023

	Notes	For the year ended March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Income			
Revenue from operations (net)	24	51,175.53	35,754.80
Other income	25	738.71	1,324.57
Total income (A)		**51,914.24**	**37,079.37**
Expenses			
Employee benefits expense	26.1	31,417.30	21,882.72
Cost of professionals	26.2	2,517.83	1,461.91
Finance costs (refer note 32)		130.97	68.78
Depreciation and amortization expense	4.6	1,344.87	837.57
Other expenses	27	5,704.00	3,707.78
Total expenses (B)		**41,114.97**	**27,958.76**
Profit before exceptional item and tax (A - B)		**10,799.27**	**9,120.61**
Exceptional item			
Provision for export incentives (refer note 35)		296.55	-
Profit before tax		**10,502.72**	**9,120.61**
Tax expense			
Current tax		2,706.50	2,236.61
Tax charge in respect of earlier years		-	13.48
Deferred tax charge / (credit)		(115.06)	11.86
Total tax expense (refer note 30)		**2,591.44**	**2,261.95**
Profit for the year (C)		**7,911.28**	**6,858.66**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / asset		(21.08)	(255.00)
- Income tax effect on above		5.31	64.18
		(15.77)	**(190.82)**
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		(63.55)	(130.50)
- Income tax effect on above		15.99	32.84
		(47.56)	**(97.66)**
Total other comprehensive income for the year (D) + (E)		**(63.33)**	**(288.48)**
Total comprehensive income for the year (C) + (D) + (E)		**7,847.95**	**6,570.18**
Earnings per equity share [Nominal value of share ₹ 10 (Previous year: ₹ 10)]	28		
Basic (In ₹)		103.52	89.74
Diluted (In ₹)		103.52	89.74
Summary of significant accounting policies	3		

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Cash Flow Statement for the year ended March 31, 2023

		For the year ended	
		March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Cash flow from operating activities			
Profit before tax		**10,502.72**	**9,120.61**
Adjustments for:			
Interest income		(674.79)	(593.58)
Finance cost		130.97	68.78
Dividend income		-	(53.16)
Depreciation and amortization expense		1,344.87	837.57
Unrealised exchange (gain) / loss (net)		(226.38)	26.38
Exchange loss on derivative contracts		88.69	79.38
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents		(31.66)	0.29
Bad debts		46.11	12.12
Change in provision for expected credit loss (net)		(4.46)	(29.97)
Employee stock compensation expenses		1,066.31	739.52
Remeasurements of the defined benefit liabilities / assets (before tax effects)		(21.08)	(190.82)
Excess provision in respect of earlier years written back		(0.95)	(15.53)
Profit on sale/ fair valuation of financial assets designated as FVTPL		(145.23)	(338.78)
(Profit) / loss on sale of Property, Plant and Equipment (net)		(2.99)	(12.31)
Provision for export incentives (refer note 35)		296.55	-
Operating profit before working capital changes		**12,368.68**	**9,650.50**
Movements in working capital:			
Decrease / (Increase) in other non current assets		33.29	(40.48)
Increase in other non current financial assets		(151.38)	(70.68)
Increase in other current financial assets		(406.28)	(1,594.52)
(Increase) / Decrease in other current assets		(1,302.05)	285.67
Increase in trade receivables		(6,007.16)	(1,470.96)
Increase in trade payables, current liabilities and non current liabilities		3,149.56	273.76
Increase in provisions		437.60	1,144.27
Operating profit after working capital changes		**8,122.26**	**8,177.56**
Direct taxes paid (net of refunds)		(2,923.97)	(2,318.85)
Net cash generated from operating activities	**(A)**	**5,198.29**	**5,858.71**
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(3,482.56)	(2,728.84)
Acquisition assets through business combination		-	(628.87)
Proceeds from sale of Property, Plant and Equipment		3.77	13.19
Recovery / (Disbursement) of Loan from / to ESOP trust		652.00	(3,522.00)
Investment in wholly owned subsidiaries		(2,663.61)	(645.52)
Purchase of bonds		(237.41)	(711.90)
Proceeds from sale of bonds		31.49	499.95
Investments in mutual funds		(37,249.34)	(33,456.80)
Proceeds from sale / maturity of mutual funds		39,766.37	35,762.24
Proceeds from maturity of bank deposits having original maturity over three months		1,776.36	1,249.81
Investment in deposit with financial institutions		(400.00)	(100.00)
Inter corporate deposits given to wholly owned subsidiary		-	(419.59)
Interest received		702.24	709.07
Dividend received		-	53.16
Net cash used in investing activities	**(B)**	**(1,100.69)**	**(3,926.10)**

Cash Flow Statement for the year ended March 31, 2023

		For the year ended	
		March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Cash flows from financing activities			
Repayment of long term borrowings		(1.86)	(1.84)
Payment of lease liabilities		(343.05)	(173.67)
Dividend paid		(2,980.58)	(1,987.05)
Interest paid		(130.99)	(68.81)
Net cash used in financing activities	(C)	**(3,456.48)**	**(2,231.37)**
Net increase / (decrease) in cash and cash equivalents (A + B + C)		641.12	(298.76)
Cash and cash equivalents at the beginning of the year		563.67	862.72
Effect of exchange differences on translation of foreign currency cash and cash equivalents		31.66	(0.29)
Cash and cash equivalents at the end of the year		**1,236.45**	**563.67**
Components of cash and cash equivalents			
Cash on hand (refer note 12)		0.14	0.09
Balances with banks			
On current accounts # (refer note 12)		564.20	302.74
On saving accounts (refer note 12)		33.21	1.64
On Exchange Earner's Foreign Currency accounts (refer note 12)		638.90	259.20
Cash and cash equivalents		**1,236.45**	**563.67**

Of the cash and cash equivalent balance as at March 31, 2023, the Company can utilise ₹ 125.39 million (Previous year: ₹ 35.75 million) only towards certain predefined activities specified in the agreement.

The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows" notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Summary of significant accounting policies — Refer note 3

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director

DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Statement of Changes in Equity for the year ended March 31, 2023

A. Equity share capital

(refer note 16)

(In ₹ million)

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
764.25	-	764.25

(In ₹ million)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
764.25	-	764.25

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Statement of Changes in Equity for the year ended March 31, 2023

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus				Items of other comprehensive income	
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedges	Total
Balance as at April 1, 2022	17,376.65	1,144.84	35.75	13,825.56	41.80	32,424.60
Profit for the year	-	-	-	7,911.28	-	7,911.28
Other comprehensive income for the year	-	-	-	(15.77)	(47.56)	(63.33)
Dividend	-	-	-	(2,980.58)	-	(2,980.58)
Transfer to general reserve	3,164.51	-	-	(3,164.51)	-	-
Adjustments towards employees stock options	283.10	(283.10)	-	-	-	-
Employee stock compensation expenses	-	1,066.31	-	-	-	1,066.31
Employee stock compensation expenses of subsidiaries	-	293.97	-	-	-	293.97
Balance as at March 31, 2023	**20,824.26**	**2,222.02**	**35.75**	**15,575.98**	**(5.76)**	**38,652.25**

Statement of Changes in Equity for the year ended March 31, 2023

B. Other equity

(In ₹ million)

	Reserves and surplus				Items of other comprehensive income	
Particulars	**General reserve**	**Share options outstanding reserve**	**Capital redemption reserve**	**Retained earnings**	**Effective portion of cash flow hedges**	**Total**
Balance as at April 1, 2021	14,356.35	471.20	35.75	11,888.23	139.46	26,890.99
Profit for the year	-	-	-	6,858.66	-	6,858.66
Other comprehensive income for the year	-	-	-	(190.82)	(97.66)	(288.48)
Dividend	-	-	-	(1,987.05)	-	(1,987.05)
Transfer to general reserve	2,743.46	-	-	(2,743.46)	-	-
Adjustments towards employees stock options	276.84	(276.84)	-	-	-	-
Employee stock compensation expenses	-	739.52	-	-	-	739.52
Employee stock compensation expenses of subsidiaries	-	210.96	-	-	-	210.96
Balance at March 31, 2022	**17,376.65**	**1,144.84**	**35.75**	**13,825.56**	**41.80**	**32,424.60**

Summary of significant accounting policies — Refer note 3

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

As per our report of even date

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place: USA
Date: April 24, 2023

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place: USA
Date: April 24, 2023

Praveen Kadle
Independent Director

DIN: 00016814

Place: USA
Date: April 24, 2023

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Place: USA
Date: April 24, 2023

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 24, 2023

Statement of Changes in Equity for the year ended March 31, 2023

Nature and purpose of reserves

a. **General reserve**

General reserve represents amounts transferred from profit for the year and from Share options outstanding reserve on exercise / expiry of employee share options. It is a free reserve in terms of section 2 (43) of the Companies Act, 2013.

b. **Share options outstanding reserve**

Share options outstanding reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised / expired on which such amount is transferred to General reserve.

c. **Capital redemption reserve**

Capital redemption reserve represents the nominal value of the shares bought back and is created and utilised in accordance with Section 69 of the Companies Act, 2013.

d. **Special Economic Zone re-investment reserve**

The Special Economic Zone re-investment reserve is created out of the profit in terms of the provisions of Section 10AA(1)(ii) of the Income tax Act, 1961. The reserve has been utilised by the Company for acquiring new plant and machinery for the purpose of its business in accordance with Section 10AA(2) of the Income tax Act, 1961.

e. **Cash flow hedge reserve**

When a derivative is designated as cashflow hedging instrument the effective portion of changes in the fair value of derivative is recognised in Other comprehensive income (OCI) and accumulated in cashflow hedge reserve.

Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs / hedging instruments are settled /cancelled.

Notes forming part of financial statements

1\ Nature of operations

Persistent Systems Limited (the "Company" or "PSL") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the Act"). The shares of PSL are listed on Bombay Stock Exchange and National Stock Exchange. PSL is a global company specializing in software products, services and technology innovation. .The company offers complete product life cycle services.

The Board of Directors approved the financial statements for the year ended March 31, 2023 and authorised for issue on April 24, 2023.

2\ Basis of preparation

2.1 Historical cost convention

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

2.2 Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standards, as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI).

These financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The financial statements are presented in ₹ million (Functional currency of the company) unless otherwise specified.

2.3 New and amended standards adopted by the company

The Ministry of Corporate Affairs had vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amended certain accounting standards, and are effective 1 April 2022. These amendments did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

3\ Significant accounting policies

3.1 Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

3.2 Critical accounting estimates

a. Revenue recognition

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

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

When performance obligation is satisfied over the time, 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 revenue share at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

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

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

b. Income taxes

The Company's major tax jurisdiction is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits are available against which deductible temporary differences & tax losses can be utilized. Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the Company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Business combination

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

d. 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.

e. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease periods relating to the existing lease contracts.

f. Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities.

g. Defined benefits and compensated absences

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

h. Share based payments

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

i. Impairment of assets

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

3.3 Summary of significant accounting policies

a. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 (the "Act"). Operating cycle is the time between the acquisition of resources / assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/ services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months.

b. Property, Plant and Equipment

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

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

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

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization which is recognized from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of preparing the asset for its intended use.

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

Research and development cost

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

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

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

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

d. Depreciation and amortization

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

The estimated useful lives for the Property, Plant and Equipment are as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System) *	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Thus useful lives of these assets are different from useful lives as prescribed under Part C of Schedule II to Companies Act 2013.

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

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

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

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

e. Borrowing costs

Borrowing cost includes interest and 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 in which they occur.

f. Leases

The Company assesses at the inception of contract whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.
To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
\ the contract involves the use of an identified asset
\ the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
\ the Company has the right to direct the use of the asset

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

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

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

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

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

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

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

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

Company as a lessor

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

g. Impairment of Non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

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

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

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

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. If recoverable amount cannot be determined for an individual asset, an entity identifies the lowest aggregation of assets that generate largely independent cash inflows.Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The synergy benefits derived from Goodwill are enjoyed interchangeably among segments and the company is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Based on the testing, no impairment was identified as at March 31, 2023 and 2022 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples) did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

h. Financial instruments

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

Initial recognition and measurement

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

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

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

Non-derivative financial instruments
Subsequent measurement

Financial assets

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

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

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

Net gains or net losses on items at fair value through profit or loss include interest or dividend income received from these assets.

Investments in subsidiaries
Investment in subsidiaries are carried at cost.

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.

Financial liabilities

Financial liabilities at amortised cost
Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Derivative financial instruments
The Company uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Company documents the hedging relationship between the hedging instrument and hedged item including whether the changes in cash flows of the hedging instruments are expected to offset the changes in cash flows of the hedged items. The Company documents its objective and strategy for undertaking its hedging transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at fair value at each reporting date.

For cash flow hedges that qualify for hedge accounting, the effective portion of fair value of derivatives are recognised in cash flow hedging reserve within equity through OCI.

Gains or losses relating to the ineffective portion is immediately recognised in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit and loss or hedged future cash flows are no longer expected to occur.

Derivatives which do not qualify for hedge accounting are accounted as fair value through profit or loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

The Company 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 statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurrs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Fair value of financial instruments

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

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

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

Impairment of financial assets

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

For trade receivables, the Company recognizes impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition.The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12-months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

i. **Revenue recognition**

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services ("transaction price"). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company's contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

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.

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

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

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

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

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

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 Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend

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

Contract balances

Contract assets

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

Contract liabilities

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

j. **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants relating to incurrence of revenue expenses are deducted while reporting the related expenses in profit and loss statement.

k. **Foreign currency translation**

Foreign currency transactions and balances

The functional currency of the company in ₹.

Initial recognition

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

Conversion

Foreign currency monetary items are converted using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined. For foreign currency transactions recognized in profit and loss statement the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Exchange differences

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

Translation of foreign operations

The company presents the financial statements in ₹. For the purpose of the financial statements, the assets and liabilities of the company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

l. **Employee benefits**

Defined contribution plan

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the eligible salary of the entitled employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Defined benefit plan

Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Compensated absences and long service awards

Leave encashment

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

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. 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 beyond twelve months after the reporting date.

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

Long service awards

Long service awards are other long term benefits to all eligible employees, as per Company's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Other employee benefits

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

m. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

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

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period in which the temporary differences originate.

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

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

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

n. Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only in consolidated financial statements which are presented together with the standalone financial statements.

o. 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.

p. Provisions

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

q. Contingent liabilities and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in financial statements.

r. Share based payments

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

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

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

The expense or credit recognized in the statement of profit and loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense with a corresponding increase in stock options outstanding reserve in equity. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

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

The employee stock option expenses in respect of the employees of the subsidiary are charged to the respective subsidiary.

s. Equity

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

t. Dividend

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

u. Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree at fair value.

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

v. Goodwill/ Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Company’s interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as gain on bargain purchase. Subsequent to initial recognition, Goodwill is measured at cost less accumulated impairment losses.

4.1\ Property, plant and equipment

(In ₹ million)

	Freehold land	Buildings*	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2022	206.92	2,389.08	3,273.91	58.00	1,389.40	20.79	557.84	7.27	7,903.21
Additions	784.61	421.84	613.26	7.24	565.57	-	334.45	8.64	2,735.61
Disposals	-	0.20	73.83	0.25	8.90	-	2.85	0.03	86.06
As at March 31, 2023	**991.53**	**2,810.72**	**3,813.34**	**64.99**	**1,946.07**	**20.79**	**889.44**	**15.88**	**10,552.76**
Accumulated Depreciation									
As at April 1, 2022	-	1,253.87	2,156.39	50.81	1,180.30	20.79	501.49	5.95	5,169.60
Charge for the year	-	106.95	641.16	3.39	102.39	-	49.74	1.36	904.99
Disposals	-	0.18	73.07	0.25	8.90	-	2.85	0.03	85.28
As at March 31, 2023	**-**	**1,360.64**	**2,724.48**	**53.95**	**1,273.79**	**20.79**	**548.38**	**7.28**	**5,989.31**
Net block									
As at March 31, 2023	**991.53**	**1,450.08**	**1,088.86**	**11.04**	**672.28**	**-**	**341.06**	**8.60**	**4,563.45**

4.1\ Property, plant and equipment

(In ₹ million)

	Freehold land	Buildings*	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2021	206.92	2,387.73	2,331.29	57.84	1,407.04	20.79	527.32	7.24	6,946.17
Additions	-	1.35	952.88	3.95	72.38	-	61.66	0.03	1,092.25
Additions through business combination (Refer note 38)	-	-	1.70	0.08	0.19	-	-	-	1.97
Disposals	-	-	11.96	3.87	90.21	-	31.14	-	137.18
As at March 31, 2022	**206.92**	**2,389.08**	**3,273.91**	**58.00**	**1,389.40**	**20.79**	**557.84**	**7.27**	**7,903.21**
Accumulated depreciation									
As at April 1, 2021	-	1,157.49	1,732.90	51.75	1,215.65	20.19	492.97	4.98	4,675.93
Charge for the year	-	96.38	435.14	2.93	54.70	0.60	39.25	0.97	629.97
Disposals	-	-	11.65	3.87	90.05	-	30.73	-	136.30
As at March 31, 2022	**-**	**1,253.87**	**2,156.39**	**50.81**	**1,180.30**	**20.79**	**501.49**	**5.95**	**5,169.60**
Net block									
As at March 31, 2022	**206.92**	**1,135.21**	**1,117.52**	**7.19**	**209.10**	**-**	**56.35**	**1.32**	**2,733.61**

* Note: Building includes those constructed on leasehold land:

a. Gross block as on March 31, 2023 ₹ 1,455.94 million (Previous year ₹ 1,455.94 million)

b. Depreciation charge for the year ₹ 59.08 million (Previous year ₹ 59.07 million)

c. Accumulated depreciation as on March 31, 2023 ₹ 676.22 million (Previous year ₹ 617.14 million)

d. Net block value as on March 31, 2023 ₹ 779.72 million (Previous year ₹ 838.80 million)

4.2\ Capital work in progress

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
As at April 1, 2022	1,071.02	112.33
Additions	1,820.90	2,050.94
Capitalised during the year	2,735.61	1,092.25
As at March 31, 2023	**156.31**	**1,071.02**

Capital work in progress ageing schedule

(In million)

	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	156.31	-	-	-	156.31
As at March 31, 2023	**156.31**	**-**	**-**	**-**	**156.31**

	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,071.02	-	-	-	1,071.02
As at March 31, 2022	**1,071.02**	**-**	**-**	**-**	**1,071.02**

4.3\ Right of use assets

(In ₹ million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2022	808.27	37.50	845.77
Additions	1,029.55	94.47	1,124.02
Disposals	8.90	-	8.90
As at March 31, 2023	**1,828.92**	**131.97**	**1,960.89**
Accumulated depreciation			
As at April 1, 2022	172.38	1.76	174.14
Charge for the year	279.02	1.46	280.48
Disposals	2.84	-	2.84
As at March 31, 2023	**448.56**	**3.22**	**451.78**
Net block as at March 31, 2023	**1,380.36**	**128.75**	**1,509.11**

(In ₹ million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2021	443.17	37.50	480.67
Additions	495.78	-	495.78
Disposals	130.68	-	130.68
As at March 31, 2022	**808.27**	**37.50**	**845.77**
Accumulated depreciation			
As at April 1, 2021	164.87	1.18	166.05

	Office premises	Leasehold land	Total
Charge for the year	127.21	0.58	127.79
Disposals	119.70	-	119.70
As at March 31, 2022	**172.38**	**1.76**	**174.14**
Net block As at March 31, 2022	**635.89**	**35.74**	**671.63**

4.4\ Goodwill

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Balance at beginning of year	-	-
Addition on purchase price allocation of business combination (refer note 38)	236.00	-
Balance at end of year	**236.00**	**-**

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

The allocation of goodwill to operating segments as at March 31, 2023 and March 31, 2022 is as follows:

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Segment		
a. Banking, Financial Services and Insurance (BFSI)	-	-
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	236.00	-
Operating segments without significant goodwill	-	-
Total	**236.00**	**-**

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

The key assumptions used for the calculations are as follows:

	As at March 31, 2023	As at March 31, 2022
Long-term growth rate	10%	-
Operating margins	10% to 18%	-
Discount rate	7%	-

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units.

Based on testing, no impairment loss was identified during current year and previous year.

4.5\ Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2022	987.10	261.74	626.90	1,875.74
Additions	188.01	-	-	188.01
Adjustment due to purchase price allocation				
- Goodwill	-	-	(236.00)	(236.00)
- Acquired Contractual Rights	-	390.90	(390.90)	-
Disposals	390.70	-	-	390.70
As at March 31, 2023	**784.41**	**652.64**	**-**	**1,437.05**
Accumulated Amortization				
As at April 1, 2022	821.98	261.74	11.29	1,095.01
Charge for the year	107.31	25.47	26.62	159.40
Adjustment due to change in purchase consideration	-	37.91	(37.91)	-
Disposals	390.70	-	-	390.70
As at March 31, 2023	**538.59**	**325.12**	**-**	**863.71**
Net block as at March 31, 2023	**245.82**	**327.52**	**-**	**573.34**
Gross block				
As at April 1, 2021	925.11	261.74	-	1,186.85
Additions	61.99	-	-	61.99
Additions through business combination (Refer note 38)	-	-	626.90	626.90
As at March 31, 2022	**987.10**	**261.74**	**626.90**	**1,875.74**
Accumulated Amortization				
As at April 1, 2021	753.46	261.74	-	1,015.20
Charge for the year	68.52	-	11.29	79.81
As at March 31, 2022	**821.98**	**261.74**	**11.29**	**1,095.01**
Net block				
As at March 31, 2022	**165.12**	**-**	**615.61**	**780.73**

4.6\ Depreciation and amortization

(In ₹ million)

	for the year ended	
	March 31, 2023	March 31, 2022
On Property, Plant and Equipment	904.99	629.97
On Right of Use assets	280.48	127.79
On Other Intangible assets	159.40	79.81
	1,344.87	837.57

5\ Non-current financial assets: Investments

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
- In wholly owned subsidiary companies (Refer note 33)		
Persistent Systems, Inc. 702 million (Previous year: 482 million) shares of USD 0.10 each, fully paid up	4,729.74	3,048.26
Persistent Systems Pte Ltd. 0.50 million (Previous year: 0.50 million) shares of SGD 1 each, fully paid up	15.50	15.50
Persistent Systems France SAS 1.50 million (Previous year: 1.50 million) shares of EUR 1 each, fully paid up	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd. 5.45 million (Previous year: 5.45 million) shares of MYR 1 each, fully paid up	102.25	102.25
Persistent Systems Germany GmbH # 16.73 million (Previous year: 11.65 million) shares of EUR 1 each, fully paid up	1,719.40	1,265.91
CAPIOT Software Private Limited 0.19 million (Previous year: 0.19) shares of ₹ 10 each, fully paid up	483.71	483.71
Media Agility India Private Limited 3.21 million (Previous year: Nil) shares of ₹ 10 each, fully paid up.	971.45	-
Total investments carried at amortised cost (A)	8,119.52	5,013.10
Investments carried at amortised cost		
Quoted Investments		
In bonds (Refer Note 31)	3,005.16	2,801.81
[Market value ₹ 2,933.21 million (Previous year ₹2,863.32 million)]		
Add: Interest accrued on bonds	80.43	77.48
Total investments carried at amortised cost (B)	3,085.59	2,879.29
Designated as fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (Refer Note 5 (a))	934.45	836.42
	934.45	836.42
-Others*		
Altizon Systems Private Limited		
3,766 equity shares (Previous year: 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00
Total investments carried at fair value (C)	940.45	842.42
Total investments (A) + (B) + (C)	12,145.56	8,734.81
Aggregate provision for diminution in value of investments	-	-
Aggregate amount of quoted investments	3,085.59	2,879.29
Aggregate amount of unquoted investments	9,059.97	5,855.52

* # During the period / year the company has converted ICD into investment and the company is in the process of filing the necessary statutory compliances.

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

5a. Details of fair value of investment in long term mutual funds

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Axis Mutual Fund	**491.04**	471.15
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	**412.76**	365.27
HDFC Mutual Fund	**30.65**	-
	934.45	**836.42**

6\ Non-current financial assets: Loans

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Carried at amortised cost		
Loan to related parties (Refer note 33)		
Unsecured, considered good		
- Persistent Systems Germany GmbH *	**-**	420.67
Add: Interest accrued but not due on loan	**-**	1.01
	-	**421.68**
Other loans and advances		
Unsecured, considered good		
Loan to ESOP trust	**2,870.00**	3,522.00
	2,870.00	**3,522.00**
Unsecured, credit impaired		
Inter-corporate deposit	**0.58**	0.58
Less: Impairment	**(0.58)**	(0.58)
	-	**-**
	2,870.00	**3,943.68**

* During the period / year the company has converted ICD into investment and the company is in the process of filing the necessary statutory compliances.

7\ Other non-current financial assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Considered good		
Carried at amortised cost		
Deposits with Bank (refer note 13)*	41.60	3.19
Add: Interest accrued but not due on deposits with Bank (refer note 13)	0.98	0.17
	42.58	**3.36**
Deposit with financial institutions	500.00	100.00
Add: Interest accrued but not due on deposit with financial institutions	20.22	0.41
	520.22	**100.41**
Security deposits	274.29	122.91
Considered good (A)	**837.09**	**226.68**

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Credit impaired		
Deposit with financial institutions	**430.00**	430.00
Add: Interest accrued but not due on deposit with financial institutions	**0.98**	0.98
Less: Credit impaired	**(430.98)**	(430.98)
Credit impaired (B)	-	-
Total (A+B)	837.09	226.68

* Out of the balance, fixed deposits of ₹ 2.05 million (Previous year : ₹ 3.03 million) have been earmarked against credit facilities and bank guarantees availed by the Company.

8\ Deferred tax asset (net)

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	**68.53**	87.05
Capital gains (net)	**22.82**	51.11
Cash flow hedges	**-**	14.06
	91.35	152.22
Deferred tax assets		
Provision for leave encashment	**147.86**	125.68
Provision for long service awards	**101.60**	67.97
Allowance for expected credit loss	**19.83**	21.19
Tax credit	**57.95**	56.61
Right of use asset and lease liability	**42.66**	30.21
Cash flow hedges	**1.94**	-
Others	**117.28**	117.28
	489.12	418.94
Deferred tax assets (net)	397.77	266.72

Movement in deferred tax assets (net) during the year ended March 31, 2023

	As at April 1, 2022	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2023
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	87.05	(18.52)	-	68.53
Capital gains (net)	51.11	(28.29)	-	22.82
Cash flow hedges	14.06	-	(16.00)	(1.94)
	152.22	(46.81)	(16.00)	89.41
Deferred tax assets				
Provision for leave encashment	125.68	(22.18)	-	147.86
Provision for long service awards	67.97	(33.63)	-	101.60
Allowance for expected credit loss	21.19	1.36	-	19.83

	As at April 1, 2022	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2023
Tax credit	56.61	(1.34)	-	57.95
Right of use asset and lease liability	30.21	(12.45)	-	42.66
Others	117.28	-	-	117.28
	418.94	**(68.24)**	**-**	**487.18**
	266.72	**(115.05)**	**(16.00)**	**397.77**

Movement in deferred tax assets (net) during the year ended March 31, 2022

	As at April 1, 2021	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2022
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	41.87	45.18	-	87.05
Capital gains (net)	61.06	(9.95)	-	51.11
Cash flow hedges	46.90	-	(32.84)	14.06
	149.83	**35.23**	**(32.84)**	**152.22**
Deferred tax assets				
Provision for leave encashment	95.76	(29.92)	-	125.68
Provision for long service awards	64.97	(3.00)	-	67.97
Allowance for expected credit loss	28.85	7.66	-	21.19
Tax credit	62.37	5.76	-	56.61
Right of use asset and lease liability	26.36	(3.85)	-	30.21
Others	117.26	(0.02)	-	117.28
	395.57	**(23.37)**	**-**	**418.94**
	245.74	**11.86**	**(32.84)**	**266.72**

9\ Other non current assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Capital advances (Unsecured, considered good)	**626.39**	136.52
Prepayments	**91.63**	124.91
Balances with government authorities (refer note 35)	**-**	296.55
Total carrying amount of investments	**718.02**	**557.98**

10\ Current financial assets: Investments

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Designated as fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer note ‘a’ below)	**1,879.66**	4,346.91
Total carrying amount of investments	**1,879.66**	**4,346.91**

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	1,879.66	4,346.91

10a. Details of fair value of current investment in mutual funds

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Aditya Birla Sun Life Mutual Fund	246.52	883.65
Axis Mutual Fund	195.72	672.70
Kotak Mutual Fund	200.12	521.63
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	100.02	472.88
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	100.10	457.54
DSP Mutual Fund	50.00	443.20
ICICI Prudential Mutual Fund	245.54	399.94
UTI Mutual Fund	195.74	337.68
SBI Mutual Fund	115.64	120.01
Sundaram mutual fund	30.01	37.68
HDFC Mutual Fund	200.17	-
HSBC Mutual Fund	50.00	-
Invesco Mutual Fund	50.03	-
Tata Mutual Fund	50.02	-
Mirae Asset Mutual Fund	50.03	-
	1,879.66	4,346.91

11\ Trade receivables

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
- Current		
Unsecured, considered good*	10,480.44	4,426.84
Unsecured, credit impaired	78.79	84.21
	10,559.23	4,511.05
Less : Allowance for expected credit loss	(78.79)	(84.21)
	10,480.44	4,426.84
- Non Current		
Unsecured, considered good	125.54	-
Unsecured, credit impaired	-	-
	125.54	-
	10,605.98	4,426.84

*Includes dues from related parties (refer note 33)

Trade receivables ageing schedule

(In ₹ million)

		Outstanding for following periods from due date of payment					
	Current but not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	7,253.69	3,222.33	36.98	35.85	48.75	8.38	10,605.98

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivable – credit impaired	-	20.48	39.13	10.46	4.26	4.46	78.79
As At March 31, 2023	7,253.69	3,242.81	76.11	46.31	53.01	12.84	10,684.77
Expected loss rate (Refer note 31)	-	0.63%	51.41%	22.59%	8.04%	34.74%	

(In ₹ million)

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,064.74	1,258.20	40.27	51.06	5.97	6.60	4,426.84
Undisputed Trade receivable – credit impaired	-	28.16	5.87	6.60	11.14	32.44	84.21
As At March 31, 2022	3,064.74	1,286.36	46.14	57.66	17.11	39.04	4,511.05
Expected loss rate (Refer note 31)	-	2.19%	12.72%	11.45%	65.11%	83.09%	

12\ Cash and cash equivalents

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	0.14	0.09
Balances with banks		
On current accounts#	564.20	302.74
On saving accounts	33.21	1.64
On Exchange Earner's Foreign Currency accounts	638.90	259.20
	1,236.45	563.67

Of the cash and cash equivalent balance as at March 31, 2023, the Company can utilise ₹ 125.39 million (Previous year: ₹ 35.75 million) only towards certain predefined activities specified in the agreement.

13\ Bank balances other than cash and cash equivalents

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Deposits with banks*	4,082.30	5,858.66
Add: Interest accrued but not due on deposits with banks	130.58	179.78
Deposits with banks (carried at amortised cost)	4,212.88	6,038.44
Less: Deposit with maturity more than twelve months from the Balance Sheet date disclosed under non-current financial assets (refer note 7)	(41.60)	(3.19)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	(0.98)	(0.17)
	4,170.30	6,035.08
Balances with banks on unpaid dividend accounts**	3.05	2.94
	4,173.35	6,038.02

*Out of the balance, fixed deposits of ₹ 1216.85 million (Previous year : ₹ 644.36 million) have been earmarked against credit facilities and bank guarantees availed by the Company.

**The Company can utilize these balances only towards settlement of the respective unpaid dividend.

14\ Other current financial assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	84.59
Carried at amortised cost		
Advances to related parties (Unsecured, considered good) (refer note 33)		
Persistent Systems, Inc.	123.10	69.15
Persistent Systems France SAS	0.69	5.49
Persistent Telecom Solutions Inc.	0.17	0.13
Persistent Systems Malaysia Sdn. Bhd.	0.07	0.07
Persistent Systems Lanka (Private) Limited	0.24	0.72
Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	6.40	1.16
PARX Consulting GmbH	0.09	0.06
Software Corporation LLC.	-	0.25
Youperience Limited	0.04	0.04
Persistent Systems Mexico, S.A. de C.V	1.38	10.01
Youperience GmbH	0.04	0.04
Persistent Systems Pte. Ltd.	0.41	0.29
Aepona Group Limited	0.08	0.08
Persistent Systems Germany GmbH	0.54	1.48
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.09	1.88
Persistent Systems Israel Ltd.	-	0.14
MediaAgility India Private Limited	49.33	-
MediaAgility UK Ltd	0.76	-
Persistent Systems S.R.L. Romania	1.91	-
	185.34	90.99
Unbilled revenue	4,138.95	3,533.05
Security deposits	0.10	0.10
Other receivables (Unsecured, considered good)	16.10	16.10
	4,340.49	3,724.83

15\ Other current assets

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	801.31	277.27
Prepayments	780.75	498.68
Excess fund balance with Life Insurance Corporation (Refer Note 29)	53.31	42.19
Other advances (unsecured, considered good)		
VAT receivable (net)	22.10	32.65
Service tax and GST receivable (net) (refer note 35(a))	1,087.91	570.51
	1,110.01	603.16
	2,745.38	1,421.30

16\ Share capital

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Authorized shares (No. in million) 200 (Previous year:200) equity shares of ₹10 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million) 76.43 (Previous year: 76.43) equity shares of ₹10 each	764.25	764.25
Issued, subscribed and fully paid-up share capital	**764.25**	**764.25**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and longterm and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

The Board of Directors of the Company at its meeting held on Wednesday, March 22, 2023, approved the issuance of 500,000 (Five Hundred Thousand only) Equity Shares of ₹10 each to the PSPL ESOP Management Trust ('ESOP Trust') at the allotment price of ₹ 2,789 per Equity Share, aggregating to the total consideration of ₹ 1,394.50 Million and the Board has authorized the Stakeholders Relationship and ESG Committee to allot the said Equity Shares to the ESOP Trust. The ESOP Trust made the payment of the consideration on April 5, 2023, and accordingly, 500,000 (Five Hundred Thousand only) Equity Shares of ₹ 10 each were allotted to the ESOP Trust on April 6, 2023. Consequent to this, the paid-up share capital of the Company is increased from 76.43 Million Equity Shares to 76.93 Million Equity Shares. Listing of the 500,000 shares on the Stock Exchanges is completed.

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

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

(In million)

	As at March 31, 2023		As at March 31, 2022	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	**76.43**	**764.25**	76.43	764.25
Less: Changes during the period	**-**	**-**	-	-
Number of shares at the end of the year	**76.43**	**764.25**	**76.43**	**764.25**

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of Persistent Systems Limited, at its meeting held on January 18, 2023, declared an interim dividend of ₹ 28 per equity share of face value of ₹ 10 each for the Financial Year 2022-23.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However, no such prefrential amounts exist currently.

Dividend distribution made and proposed:

(In ₹ million)

	For the year ended	
	March 31, 2023 In ₹ Million	March 31, 2023 In ₹ Million
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2022: ₹ 11 per share (31 March 2021: ₹ 6 per share)	840.68	458.55
Interim dividend for the year ended on 31 March 2023: ₹ 28 per share (31 March 2022: ₹ 20 per share)	2,139.90	1,528.50
	2,980.58	1,987.05
Proposed dividends on Equity shares: Proposed dividend for the year ended on 31 March 2023: ₹ 22 per share (31 March 2022: ₹ 11 per share)	1,681.35	840.68
	1,681.35	840.68

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

c. Aggregate number shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2022 (No. in million)	For the period of five years ended March 31, 2021 (No. in million)
Equity shares bought back	**3.575**	3.575

d. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	**22.97**	**30.06**	22.96	30.04
Schemes of HDFC Mutual Fund	**3.45**	**4.51**	5.37	7.03

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

e. Details of shares held by promoters

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,849,840	11,000	22,860,840	29.91%	0.01%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	400,025	-	400,025	0.52%	-
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	46,000	(40,000)	6,000	0.01%	(0.05)%
Mr. Arul Anand Deshpande	10,000	-	10,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	10,000	-	10,000	0.01%	-
Mr. Hemadri N Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	880	-	880	0.00%	-
Mr. Chinmay Hemadri Buzruk	10,000	-	10,000	0.01%	-

17\ Non-current financial liabilities: Borrowings

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Unsecured Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	3.69	5.55
Interest accrued but not due on term loans	0.06	0.08
	3.75	5.63
Less: Current maturity of long-term borrowings	(1.85)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	(0.06)	(0.08)
	(1.91)	(1.93)
	1.84	3.70

The term loans from Government departments have the following terms and conditions:

Loan amounting to ₹ 3.69 million (Previous year ₹ 5.55 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from October 2015.

18\ Lease liabilities

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Lease liabilities	1,555.59	758.26
Less: Current portion of lease liabilities	(468.72)	(146.51)
	1,086.87	611.75

Movement of lease liabilities

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Opening balance	758.26	378.54
Additions	1,029.55	495.78
Deletions	(8.90)	(10.98)
Add: Interest recognised during the year	119.73	68.59
Less: Payments made	(343.05)	(173.67)
Closing balance	1,555.59	758.26

19\ Non current liabilities: Provisions

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Provision for employee benefits		
- Long service awards	369.51	245.54
	369.51	245.54

20\ Trade payables

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Trade payables for goods and services*		
- Total outstanding dues of small enterprises and micro enterprises	38.04	10.30
- Total outstanding dues of creditors other than small enterprises and micro enterprises	1,327.52	844.68
	1,365.56	854.98

*Includes dues payable to related parties (refer note 33)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

Trade payables ageing schedule

(In ₹ million)

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	38.04	-	-	-	-	38.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,124.92	155.43	4.24	5.95	36.98	1,327.52
As at March 31, 2023	**1,162.96**	**155.43**	**4.24**	**5.95**	**36.98**	**1,365.56**

(In ₹ million)

		Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	10.30	-	-	-	-	10.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	567.29	193.01	14.51	32.61	37.26	844.68
As at March 31, 2023	**577.59**	**193.01**	**14.51**	**32.61**	**37.26**	**854.98**

21\ Other current financial liabilities

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Capital creditors	**338.67**	204.49
Accrued employee liabilities	**206.85**	119.21
Unpaid dividend *	**3.05**	2.94
Other liabilities	**8.40**	8.41
Payable to selling shareholders	**43.21**	47.93
Less: Non Current portion of Payable to Selling Shareholders	**-**	-
	43.21	47.93
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	67.67	-
Advance from related parties (Unsecured, considered good)		
Persistent Systems Israel Ltd.	0.61	-
	0.61	-
	668.46	382.98

* Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

22\ Other liabilities

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Unearned revenue	302.30	258.31
Advance from customers	54.48	37.32
Other payables		
- Statutory liabilities	668.55	463.59
- Current		
Others*	1,941.76	799.86
	2,967.09	1,559.08
- Non Current		
Others	22.96	-
	2,990.05	1,559.08

*Includes balance of ₹ 125.39 million (previous year: ₹ 35.64 million) to be utilised against certain predefined activities specified in the agreement. There are no unfulfilled conditions or contingencies attached to these grants.
Further, includes dues payable to related parties and advance received from related parties (refer note 33).

23\ Current liabilities: Provisions

	As at March 31, 2023 In ₹ million	As at March 31, 2022 In ₹ million
Provision for employee benefits		
- Leave encashment	587.47	499.37
- Long service awards	34.18	24.54
- Other employee benefits	1,976.29	1,745.82
	2,597.94	2,269.73

24\ Revenue from operations (net) (refer note 33)

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Software services	50,623.78	35,406.71
Software licenses	551.75	348.09
	51,175.53	35,754.80

The table below presents disaggregated revenues from contracts with customers by segments, geography and type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	9,051.57	6,679.72
Healthcare & Life Sciences	6,751.17	4,977.71
Technology Companies and Emerging Verticals	35,372.79	24,097.37
Total	51,175.53	35,754.80
Geographical disclosure		
India	8,442.14	6,030.59
North America	37,045.21	26,349.69
Rest of the World	5,688.18	3,374.52
Total	51,175.53	35,754.80

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Onsite / offshore / IP Led		
IP Led	**1,206.03**	1,234.78
Offshore	**48,183.52**	33,518.96
Onsite	**1,785.98**	1,001.06
Total	51,175.53	35,754.80

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

During the year, ₹ 3,533.05 million (Previous year ₹ 1,726.07 million) of opening unbilled revenue (contract asset) has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the Company recognised revenue of ₹ 240.27 million (Previous year ₹ 242.33 million) arising from opening unearned revenue (contract liability). In addition to that ₹ 18.04 million (Previous year: NIL) arising from opening unearned revenue has not been recognised in revenue.

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 406.35 million (Previous year ₹ 211.87 million).

25\ Other income

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Interest income		
- On deposits carried at amortised cost	**281.55**	311.08
- On Loan given to ESOP Trust	**193.39**	91.89
- On Others**	**199.85**	190.61
Dividend income from investments*	**-**	53.16
Other non operating income		
Foreign exchange gain (net)	**(146.32)**	208.93
Profit on sale of Property, plant and equipment (net)	**2.99**	12.31
Net profit on sale/ fair valuation of financial assets designated as FVTPL	**145.23**	338.78
Excess provision in respect of earlier years written back	**0.95**	15.53
Miscellaneous income	**61.07**	102.28
	738.71	1,324.57

*includes dividend received from investment in wholly owned subsidiaries. (Refer note 33)
**includes interest income received from related party (Refer Note 33)

26\ Personnel expenses

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
26.1 Employee benefits expense		
Salaries, wages and bonus	28,190.17	19,766.82
Contribution to provident and other funds (refer note 29)	1,443.48	1,016.64
Staff welfare expense	717.34	359.74
Share based payments to employees (refer note 34)	1,066.31	739.52
	31,417.30	21,882.72
28.2 Cost of professionals		
- Related parties (refer note 33)	1,564.89	649.60
- Others	952.94	812.31
	2,517.83	1,461.91
	33,935.13	23,344.63

27\ Other expenses*

	For the year ended	
	March 31, 2023 In ₹ million	March 31, 2022 In ₹ million
Travelling and conveyance	602.33	151.53
Electricity expenses (net)	104.09	63.74
Internet link expenses	58.21	46.09
Communication expenses	66.76	60.91
Recruitment expenses	257.17	348.05
Training and seminars	108.60	99.17
Purchase of software licenses and support expenses	2,030.95	1,066.00
Bad debts	46.11	12.12
Reversal of allowance for expected credit loss (net)	(4.46)	(29.97)
Rent (refer note 32)	103.10	73.22
Insurance	34.39	36.29
Rates and taxes	56.55	51.14
Legal and professional fees	310.64	238.09
Repairs and maintenance		
- Plant and Machinery	110.07	120.72
- Buildings	32.41	19.85
- Others	21.84	20.43
Selling and marketing expenses	1,376.05	1,028.63
Advertisement, conference and sponsorship fees	12.63	4.23
Computer consumables	6.43	5.39
Auditors' remuneration (refer note 41)	9.80	8.92
Corporate social responsibility expenditure (refer note 37)	117.60	115.53
Books, memberships, subscriptions	3.40	15.76
Directors' sitting fees	8.00	7.43
Directors' commission	27.95	20.83
Loss on receivables and investment in associate	-	28.29
Reversal of provision for receivables and investment in associate	-	(28.29)
Miscellaneous expenses	203.38	123.68
	5,704.00	3,707.78

* Includes expenses incurred with related parties (refer note 33)

28\Earnings per share

		For the year ended	
		March 31, 2023	March 31, 2022
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	**7,911.28**	6,858.66
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	**76,425,000**	76,425,000
Denominator for Diluted EPS			
Number of equity shares	(C)	**76,425,000**	76,425,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	103.52	89.74
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	103.52	89.74

	For the year ended	
	March 31, 2023	March 31, 2022
Number of shares considered as basic weighted average shares outstanding	**76,425,000**	76,425,000
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	76,425,000	76,425,000

29\ Gratuity plan:

The Company has a defined benefit gratuity plan. Each employee is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss)

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Current service cost	**193.38**	152.60
Interest cost on benefit obligation	**81.02**	61.61
Expected return on plan assets	**(86.68)**	(74.30)
Net benefit expense	187.72	139.91
Net actuarial loss recognized in the year	**40.10**	240.70
Due to Demographic assumptions	-	166.40
Due to Financial assumptions	**(64.18)**	(45.27)
Due to Experience assumptions	**104.28**	119.57

Balance sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Opening fair value of plan assets	1,226.00	1,050.79
Expected return on plan assets	86.68	74.30
Adjustment to expected return	19.01	(14.29)
Contribution by employer	-	324.01
Benefits paid	-	(208.81)
Closing fair value of plan assets	1,331.69	1,226.00

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Opening defined benefit obligation	1,183.81	937.71
Interest cost	81.02	61.61
Current service cost	193.38	152.60
Benefits paid	(219.93)	(208.81)
Actuarial losses on obligation	40.10	240.70
Closing defined benefit obligation	1,278.38	1,183.81

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Fair value of plan assets	1,331.69	1,226.00
(Less) : Defined benefit obligations	(1,278.38)	(1,183.81)
Plan asset	53.31	42.19

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2023	March 31, 2022
Investments with insurer including accrued interest	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at	
	March 31, 2023	March 31, 2022
Discount rate	7.49%	7.07%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%
Increment rate	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and increase in compensation levels. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Every percentage point increase / decrease in discount rate will change the gratuity benefit obligation to approximately ₹ 1,143.07 million / ₹ 1,439.42 million (previous year: ₹ 1,076.57 million / ₹ 1,309.28 million) respectively.

Every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 1,372.27 million / ₹ 1,198.85 million (previous year: ₹ 1,240.68 million / ₹ 1,103.98 million) respectively.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes .

The Mortality and Attrition does not have a significant impact on the Liability , hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis.

The assumptions used in preparing the sensitivity analysis is
Discount rate at +1% and – 1%
Salary assumption at +1 % and -1%

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Plan assets	**1,331.69**	1,226.00
Defined benefit obligation	**(1,278.38)**	(1,183.81)
Surplus	**53.31**	42.19
Experience adjustments on plan liabilities - loss/ (gain)	**40.10**	240.70

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Within 1 year	**58.89**	75.81
1-2 years	**65.29**	77.63
2-3 years	**63.55**	82.24
3-4 years	**67.86**	84.11
4-5 years	**104.42**	85.27
5-10 years	**405.87**	473.56
Above 10 years	**2,884.76**	-

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 58.90 million.

Superannuation Fund

The Company contributed ₹ 75.66 million and ₹ 57.63 million to superannuation fund during the years ended March 31, 2023 and March 31, 2022 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

Defined contribution plan — Provident Fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 1,159.43 million (Previous year ₹ 827.57 million).

30\ Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	
	March 31, 2023 In ₹ million	**March 31, 2022 In ₹ million**
Profit before tax	**10,502.72**	9,120.61
Enacted tax rate in India	**25.17%**	25.17%
Computed tax expense at enacted tax rate	**2,643.32**	2,295.48
Effect of exempt income	**(55.39)**	(59.18)
Effect of non-deductible expenses	**34.14**	32.97
Effect of concessions (R&D allowance)	**(1.34)**	5.76
Tax charge in respect of earlier years	**-**	13.48
Effect of different tax rates for different heads of income	**(0.07)**	(5.69)
Others	**(29.22)**	(20.87)
Income tax expense	**2,591.44**	**2,261.95**

31. (a) Financial assets and liabilities

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

(In ₹ million)

	March 31, 2023				March 31, 2022				
Financial assets/financial liabilities	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Cost**	**FVTPL**	**FVTOCI**	**Amortised Cost**	**Cost**	**Fair value hierarchy***
Financial Assets:									
Investments in subsidiaries and associates	**-**	**-**	**-**	**8,119.52**	-	-	-	5,013.10	
Investments in equity instruments	**6.00**	**-**	**-**	**-**	6.00	-	-	-	Level 3
Investments in bonds #	**-**	**-**	**3,085.59**	**-**	-	-	2,879.29	-	
Investments in mutual funds	**2,814.11**	**-**	**-**	**-**	5,183.33	-	-	-	Level 2
Loans	**-**	**-**	**2,870.00**	**-**	-	-	3,943.68	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	**-**	**-**	**4,733.10**	**-**	-	-	6,138.85	-	
Cash and cash equivalents (including unpaid dividend)	**-**	**-**	**1,239.50**	**-**	-	-	566.61	-	

Financial assets/financial liabilities	March 31, 2023 FVTPL	FVTOCI	Amortised Cost	Cost	March 31, 2022 FVTPL	FVTOCI	Amortised Cost	Cost	Fair value hierarchy*
Trade receivables (net)	-	-	10,480.44	-	-	-	4,426.84	-	
Forward contracts receivable	-	-	-	-	-	84.59	-	-	Level 2
Unbilled revenue	-	-	4,138.95	-	-	-	3,533.05	-	
Other non current financial assets	-	-	274.29	-	-	-	122.91	-	
Other current financial assets	-	-	201.54	-	-	-	107.19	-	
Total Financial Assets	2,820.11	-	27,023.41	8,119.52	5,189.33	84.59	21,718.42	5,013.10	
Financial Liabilities:									
Borrowings (including accrued interest)	-	-	3.75	-	-	-	5.63	-	
Trade payables	-	-	1,365.56	-	-	-	854.98	-	
Lease liabilities	-	-	1,555.59	-	-	-	758.26	-	
Other financial liabilities (excluding borrowings)	-	-	600.79	-	-	-	382.98	-	
Total Financial Liabilities	-	-	3,525.69	-	-	-	2,001.85	-	

*** Fair value hierarchy**

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

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

 # Investments in bonds:

(In ₹ million)

Particulars	As at March 31, 2023 Face Value	No. of Units	Cost	As at March 31, 2022 Face Value	No. of Units	Cost
Bonds carried at amortised cost	1,000 5,000 1,000,000	1,435,898 53,000 906	1,681.81 361.87 961.47	1,000 5,000 1,000,000	1,335,898 53,000 796	1,595.57 361.87 844.37
Total Cost			3,005.15			2,801.81
Add: Interest accrued on bonds			80.43			77.48
Total investments carried at amortised cost			3,085.58			2,879.29

Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the

Company's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Company's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force is responsible for credit risk management. Investment of excess liquidity is governed by the Investment policy of the Company. The Company's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Company operates globally with its operations spread across various geographies and consequently the Company is exposed to foreign exchange risk. Around 70% to 90% of the Company's foreign currency exposure is in USD. The Company holds plain vanilla forward contracts against expected receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2023:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	8,046.09	470.93	842.63	163.91	9,523.56
Cash and cash equivalents and bank balances	648.67	16.96	171.71	107.93	945.27
Investments	5,768.33	1,629.03	-	132.53	7,529.89
Other financial assets (including loans and interest accrued)	124.90	1.79	9.15	3.60	139.44
Trade and other payables	34.23	122.76	68.45	99.85	325.29
Other liabilities	1,372.85	1.62	6.20	2.55	1,383.22

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2022:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	842.03	64.78	275.42	515.12	1,697.35
Cash and cash equivalents and bank balances	316.09	17.83	35.82	35.93	405.67
Investments	3,653.08	1,106.31	-	126.25	4,885.64
Other financial assets (including loans and interest accrued)	93.22	429.06	3.98	7.10	533.36
Trade and other payables	37.52	11.20	20.78	17.65	87.15
Other liabilities	781.99	-	-	-	781.99

Foreign currency sensitivity analysis

For the year ended March 31, 2023 and March 31, 2022 every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies on foreign currency exposure would affect the Company's profit before tax margin (PBT) by approximately 0.32 % and 0.16% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sales transactions.

The following table gives details in respect of outstanding foreign currency forward contracts:

	As at March 31, 2023			As at March 31, 2022		
	Foreign currency (million)	Average rate ₹	₹ (million)	Foreign currency (million)	Average rate ₹	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	**230.00**	**82.83**	**19,051.50**	175.00	77.74	13,605.02

The foreign exchange forward contracts mature within a maximum period of twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	As at March 31, 2023			As at March 31, 2022		
	Foreign currency (million)	Average rate ₹	₹ (million)	Foreign currency (million)	Average rate ₹	₹ (million)
Not later than 3 months	55.00	80.82	4,445.22	41.00	77.00	3,156.91
Later than 3 months and not later than 6 months	63.00	82.60	5,203.67	45.00	77.17	3,472.71
Later than 6 months and not later than 9 months	56.00	83.95	4,701.05	45.00	78.23	3,520.48
Later than 9 months and not later than 12 months	56.00	83.96	4,701.56	44.00	78.52	3,454.92
Total	230.00		19,051.50	175.00		13,605.02

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 10,559.23 million and ₹ 4,511.05 million as at March 31, 2023 and March 31, 2022, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed by the Company by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

	As at	
	March 31, 2023	March 31, 2022
Receivables overdue for more than 90 days (₹ million)*	302.81	251.82
Total receivables (gross) (₹ million)	10,559.23	4,511.05
Overdue for more than 90 days as a % of total receivables	2.9%	5.6%

* Out of this amount, ₹ 78.79 million (March 31, 2022: ₹ 84.21 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Within the credit period	7,253.69	3,064.74
1 to 30 days past due	2,582.63	806.90
31 to 60 days past due	326.71	236.10
61 to 90 days past due	93.39	151.49
91 to 120 days past due	107.02	52.16
121 and above past due	195.79	199.66
Less: Expected credit loss	(78.79)	(84.21)
Net trade receivables	10,480.44	4,426.84

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Opening balance	84.21	118.29
Movement in expected credit loss allowance	(4.46)	(29.97)
Translation differences	(0.96)	(4.11)
Closing balance	78.79	84.21

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in debts mutual funds, quoted bonds.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The investment of surplus funds is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2023, the Company had a working capital of ₹ 16,765.49 million including cash and cash equivalents and current fixed deposits of ₹ 5,277.15 million and current investments of ₹ 1,879.66 million.

As at March 31, 2022, the Company had a working capital of ₹ 15,085.17 million including cash and cash equivalents and current fixed deposits of ₹ 6,419.14 million and current investments of ₹ 4,346.91 million.

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

(In ₹ million)

	As at March 31, 2023		As at March 31, 2022	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1.91	1.84	1.93	3.70
Trade payables and deferred payment liabilities	1,365.56	-	854.98	-
Lease Liabilities	468.72	1,086.87	146.51	611.75
Other financial liabilities (excluding borrowings)	668.46	-	382.98	-

Capital management risk

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's capital management aims to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and current and non-current borrowings.

Gearing Ratio

(In ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	3.75	5.63
Other financial liabilities	668.46	382.98
Total Debt:	672.21	388.61
Less : Cash and cash equivalents and bank balances other than cash and cash equivalants	5,409.80	6,601.69
Net Debt #	(4,737.59)	(6,213.08)
Total equity	39,416.50	33,188.85
Total Capital	39,416.50	33,188.85
Gearing Ratio (in %)	-12.02%	-18.72%

Net debt for the above purpose includes borrowings, interest accrued on borrowings and amount payable for letter of credit net of cash and cash equivalants and bank balances other than cash and cash equivalants.

31b\ Derivative instruments and un-hedged foreign currency exposures

i. Forward contracts outstanding at the end of the year:

(In ₹ million)

	As at March 31, 2023	As at March 31, 2022
Forward contracts to sell USD: Hedging of expected receivables of USD 230 Million (Previous year USD 175 Million)	**19,051.50**	13,605.02

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

	As at March 31, 2023			As at March 31, 2022		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	33.21	JPY 53.83	0.62	1.64	JPY 2.63	0.62
	648.67	USD 7.89	82.17	316.09	USD 4.17	75.79
	171.71	GBP 1.69	101.64	35.82	GBP 0.36	99.43
	48.95	CAD 0.81	60.63	1.04	CAD 0.02	60.52
	16.96	EUR 0.19	89.36	17.83	EUR 0.21	84.13
	25.77	AUD 0.47	54.92	20.89	AUD 0.37	56.72
	-	-	-	12.36	ZAR 2.37	5.22
Investments	5,768.33	USD 70.20	82.17	3,653.08	USD 48.20	75.79
	30.89	SGD 0.50	61.78	27.99	SGD 0.50	55.98
	1,629.03	EUR 18.23	89.36	1,106.31	EUR 13.15	84.13
	101.64	MYR 5.45	18.65	98.26	MYR 5.45	18.03
Trade and other payables	5.31	SGD 0.09	61.78	0.31	SGD 0.01	55.98
	34.23	USD 0.42	82.17	37.52	USD 0.5	75.79
	68.45	GBP 0.67	101.64	20.78	GBP 0.21	99.43
	19.01	CAD 0.31	60.63	6.82	CAD 0.11	60.52
	122.76	EUR 1.37	89.36	11.20	EUR 0.13	84.13
	11.19	AUD 0.2	54.92	1.23	AUD 0.02	56.72
	1.16	CHF 0.01	89.64	-	-	-
	2.83	MXN 0.62	4.54	-	-	-
	-	-	-	0.29	ZAR 0.06	5.22
	-	-	-	1.82	JPY 2.92	0.62
	45.96	MYR 2.46	18.65	7.18	MYR 0.4	18.03
	14.39	LKR 57.18	0.25	-	-	-
Advances given and deposits placed	124.90	USD 1.52	82.17	93.22	USD 1.23	75.79
	9.15	GBP 0.09	101.64	3.98	GBP 0.04	99.43
	1.79	EUR 0.02	89.36	8.41	EUR 0.1	84.13
	0.07	MYR 0.004	18.65	0.07	MYR 0.004	18.03
	0.04	CAD 0.001	60.63	3.03	CAD 0.05	60.52
	-	-	-	0.08	JPY 0.13	0.62
	-	-	-	0.14	ILS 0.006	23.90
	0.09	CHF 0.001	89.64	1.64	CHF 0.02	81.93
	0.55	AUD 0.01	54.92	1.13	AUD 0.02	56.72
	0.24	LKR 0.95	0.25	0.72	LKR 2.75	0.26
	0.62	SGD 0.01	61.78	0.28	SGD 0.005	55.98
	1.99	RON 0.11	18.13	-	-	-
Advances received	1,372.85	USD 16.71	82.17	781.99	USD 10.32	75.79
	1.94	CAD 0.03	60.63	-	-	-
	1.62	EUR 0.02	89.36	-	-	-
	6.20	GBP 0.06	101.64	-	-	-

	As at March 31, 2023			As at March 31, 2022		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
	0.61	ILS 0.03	22.80	-	-	-
Trade receivables	8,046.09	USD 97.92	82.17	842.03	USD 11.11	75.79
	470.93	EUR 5.27	89.36	64.78	EUR 0.77	84.1345
	842.63	GBP 8.29	101.64	275.42	GBP 2.77	99.43
	129.62	AUD 2.36	54.92	69.20	AUD 1.22	56.72
	6.80	SGD 0.11	61.78	6.16	SGD 0.11	55.98
	23.85	ZAR 5.18	4.60	19.11	ZAR 3.66	5.22
	3.64	CAD 0.06	60.63	-	-	-
Loans Given	-	-	-	420.65	EUR 5.00	84.13

32\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2023 (In ₹ million)	As at March 31, 2022 (In ₹ million)
- Less than one year	**468.72**	212.09
- One to five years	**1,388.13**	712.84

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 103.10 million for the year ended March 31, 2023 (Previous year ₹73.22 million).

The company has adopted Ind AS 116, Leases; and has recognized notional interest on lease liability of ₹ 119.73 million under finance costs for year ended March 31, 2023 (Previous year ₹ 68.59 Million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss. (Refer note 4.6).

33\ Related Party Disclosures

i. Names of related parties and related party relationship

Related parties where control exists

Subsidiaries	Persistent Systems, Inc., USA (Wholly owned subsidiary)
(Refer note 3 of consolidated financial statement for list of subsidiaries and ownership %)	Persistent Systems Pte Ltd., Singapore (Wholly owned subsidiary)
	Persistent Systems France SAS, France (Wholly owned subsidiary)
	Persistent Systems Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary)
	Persistent Systems Germany GmbH., Germany (Wholly owned subsidiary)
	CAPIOT Software Private Limited, India (Wholly owned subsidiary)
	MediaAgility India Private Limited, India (Wholly owned subsidiary)
	Persistent Telecom Solutions Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	CAPIOT Software Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	Persistent Systems S.R.L, Italy (Wholly owned subsidiary of Persistent Systems, Inc.)
	Aepona Group Limited, Ireland (Wholly owned subsidiary of Persistent Systems, Inc.)
	Persistent Systems Mexico, S.A. de C.V., Mexico (Wholly owned subsidiary of Persistent Systems Inc.)
	Persistent Systems Israel Ltd., Israel (Wholly owned subsidiary of Persistent Systems Inc.)
	Software Corporation International LLC., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	Fusion 360 LLC., USA (Wholly owned subsidiary of Persistent Systems Inc.)

Related parties where control exists

	MediaAgility Inc., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility UK Limited, UK (Wholly owned subsidiary of Persistent Systems Inc.)
	Digitalagility S de RL de CV, Mexico (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility Pte Ltd, Singapore (Wholly owned subsidiary of Persistent Systems Inc.)
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Youperience GmbH, Germany (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Data Glove IT Solutions Limitada, Costa Rica (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Persistent Systems S.R.L. Romania (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd) (Wholly owned subsidiary of CAPIOT Software Inc.)
	CAPIOT Software Pte Limited, Singapore (Wholly owned subsidiary of CAPIOT Software Inc.)
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd) (Wholly owned subsidiary of Aepona Group Limited)
	Persistent Systems Lanka (Private) Limited, Sri Lanka (Wholly owned subsidiary of Aepona Group Limited)
	PARX Consulting GmbH, Germany (Wholly owned subsidiary of PARX Werk AG)
	Youperience Limited, UK (Wholly owned subsidiary of Youperience GmbH)

Related parties with whom transactions have taken place

Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director
	Mr Sandeep Kalra, Executive Director and Chief Executive Officer *
	Mr. Sunil Sapre, Executive Director and Chief Financial Officer
	Mr. Amit Atre, Company Secretary
	Ms. Roshini Bakshi, Independent Director
	Mr. Pradeep Bhargava, Independent Director (Retired wef July 19, 2022)
	Dr. Anant Jhingran, Independent Director (Retired wef November 20, 2022)
	Mr. Thomas Kendra, Non executive non independent director (Retired wef July 19, 2022)
	Mr. Guy Eiferman, Independent Director (Retired wef July 19, 2022)
	Dr. Deepak Phatak, Independent Director
	Ms. Avani Davda, Independent Director
	Mr. Praveen Kadle, Independent Director
	Mr. Arvind Goel, Independent Director (Appointed on June 7, 2022)
	Mr. Ambuj Goel,Independent Director (Appointed on June 7, 2022)
	Mr. Dan'l Lewin , Independent Director (Appointed on June 10, 2022)
Relatives of key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director)
	Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director)
	Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director)
	Dr. Mukund Deshpande $ (Brother of the Chairman and Managing Director)
	Mrs. Chitra Buzruk $ (Sister of the Chairman and Managing Director)
	Mr. Arul Deshpande** (Son of the Chairman and Managing Director)
	Mrs. Asha Sapre (Wife of the Executive Director and Chief Financial Officer)
	Mr. Aditya Phatak (Son of Independent Director)
	Mr. Hemant Bakshi (Husband of Independent Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Persistent Foundation
Controlled Trust	PSPL ESOP Management Trust

ii. Related party transactions

(in ₹ million)

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of software services	**Subsidiaries**		
	Persistent Systems, Inc.	18,232.01	12,314.10
	Persistent Systems Malaysia Sdn. Bhd.	91.67	87.33
	Persistent Systems France SAS	47.54	68.19
	Persistent Telecom Solutions Inc.	168.23	193.44
	Persistent Systems Germany GmbH	54.46	47.81
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	4.27	7.72
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.96	3.26
	PARX Consulting GmbH	-	0.83
	Youperience Limited	-	0.71
	CAPIOT Software Private Limited	-	14.91
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	5.70	6.80
	Software Corporation International LLC.	-	13.59
	MediaAgility India Private Limited	54.59	-
	MediaAgility Inc.	94.70	-
	MediaAgility UK Limited	8.31	-
	MediaAgility Pte Ltd	0.17	-
	Persistent Systems S.R.L. Romania	1.28	-
	Total	**18,763.89**	**12,758.69**
Investment in wholly owned subsidiary	**Subsidiaries**		
	Persistent Systems, Inc.	1,681.48	570.25
	CAPIOT Software Private Limited	-	107.10
	Persistent Systems Germany GmbH	453.49	-
	Media Agility India Pvt Ltd (Acquired wef April 29, 2022)	971.45	-
	Total	**3,106.42**	**677.35**
Interest income	**Subsidiaries**		
	Persistent Systems Germany GmbH	4.95	1.01
	Total	**4.95**	**1.01**
Dividend Income	**Subsidiaries**		
	Persistent Systems Malaysia Sdn. Bhd.	-	53.16
	Total	**-**	**53.16**
Cost of professionals	**Subsidiaries**		
	Persistent Systems, Inc.	1,201.77	318.81
	Persistent Systems France SAS	33.82	26.58
	Persistent Systems Malaysia Sdn. Bhd.	144.31	146.97
	Persistent Telecom Solutions Inc.	27.29	62.68
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	14.84	20.08
	Persistent Systems Lanka (Private) Limited	69.13	52.23
	Persistent Systems Mexico, S.A. de C.V.	16.02	0.16
	Persistent Systems Germany GmbH	16.44	10.24
	PARX Consulting GmbH	0.22	0.47
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	6.69	0.22
	Persistent Systems Pte Ltd	13.31	7.36
	Youperience GmbH	2.28	-
	Youperience Limited	0.20	3.81
	Persistent Systems S.R.L. Romania	18.57	-
	Total	**1,564.89**	**649.61**
Purchase of Software	**Subsidiary**		
	Persistent Systems, Inc.	-	23.30
	Total	**-**	**23.30**
Selling and marketing expenses	**Subsidiaries**		
	Persistent Systems, Inc.	1,376.05	1,023.73
	Persistent Systems Pte Ltd	-	4.90
	Total	**1,376.05**	**1,028.63**

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Commission received on corporate guarantee	**Subsidiary**		
	Persistent Systems, Inc.	10.08	3.09
	Total	**10.08**	**3.09**
Travelling and conveyance	**Subsidiary**		
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.08	-
	Total	**0.08**	**-**
Remuneration # (Salaries, bonus and contribution to PF)	**Key Management Personnel**		
	Dr. Anand Deshpande	36.40	31.94
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 82.77 million during the year 2022-23 (Previous year: ₹ 73.25 million)	102.18	90.21
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 4.66 million during the year 2022-23 (Previous year: ₹ 3.19 million)	9.44	7.17
	Mr Sandeep Kalra*	3.16	2.90
	Independent directors:		
	Ms. Roshini Bakshi	4.63	4.08
	Mr. Pradeep Bhargava ***	1.55	4.33
	Dr. Anant Jhingran ***	2.72	3.53
	Mr. Thomas Kendra ***	1.40	3.63
	Mr. Praveen Kadle	5.03	4.19
	Mr. Guy Eiferman ***	1.40	3.81
	Dr. Deepak Phatak	4.40	3.88
	Ms. Avani Davda $	4.73	0.79
	Mr. Arvind Goel $	3.46	-
	Dr. Ambuj Goyal $	3.41	-
	Mr. Dan'l Lewin $	3.23	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande **	0.15	0.26
	Total	**187.29**	**160.72**
Dividend paid	**Key Management Personnel**		
	Dr. Anand Deshpande	891.88	457.22
	Mr. Sunil Sapre	1.16	1.04
	Mr Sandeep Kalra	3.42	1.77
	Mr. Amit Atre	0.08	0.03
	Independent directors:		
	Mr. Pradeep Bhargava	0.47	0.24
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.07	0.10
	Mrs. Chitra Buzruk	18.31	9.39
	Dr. Mukund Deshpande	11.20	8.00
	Mrs. Sonali Anand Deshpande	4.37	2.24
	Mrs. Sulabha Suresh Deshpande	0.08	0.12
	Mr. Arul Deshpande **	0.39	0.20
	Mr. Hemant Bakshi	0.20	-
	Mr. Aditya Phatak	1.13	-
	Mrs. Asha Sapre	1.66	-
	Total	**934.42**	**480.35**
Other payments	**Key Management Personnel**		
	Sunil Sapre	0.30	-
	Relatives of Key Management Personnel		
	Asha Sapre	0.30	-
	Total	**0.60**	**-**
Loan Given	**Controlled Trust**		
	PSPL ESOP Management Trust	0.55	3,648.00
	Total	**0.55**	**3,648.00**

	Name of the related party and nature of relationship	For the year ended March 31, 2023	For the year ended March 31, 2022
Recovery of Loan given	**Controlled Trust**		
	PSPL ESOP Management Trust	652.55	126.00
	Total	**652.55**	**126.00**
Interest received	**Controlled Trust**		
	PSPL ESOP Management Trust	193.39	91.89
	Total	**193.39**	**91.89**
Employee stock compensation - Reimbursement	**Subsidiaries**		
	Persistent Systems Inc.	293.97	210.96
	Total	**293.97**	**210.96**
Donation given	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	117.50	115.36
		117.50	**115.36**

Notes:

* Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

$ Mr. Arvind Goel and Dr. Ambuj Goyal have been appointed wef June 7, 2022 and Mr. Dan'l Lewin has been appointed wef June 10,2022. Ms. Avani Davda has joined with effect from December 21, 2021.

** Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

***Dr Anant Jhingran retired wef November 20, 2022 and Mr. Thomas Kendra and Mr. Guy Eiferman retired wef July 19, 2022 and Mr. Pradeep Bhargava retired wef July 19, 2022.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, long service awards and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

iii. Outstanding balances

(In ₹ million)

		As at March 31, 2023	As at March 31, 2022
Advances given	**Subsidiaries**		
	Persistent Systems, Inc.	123.10	69.15
	Persistent Systems France SAS	0.69	5.49
	Persistent Telecom Solutions Inc.	0.17	0.13
	Persistent Systems Israel Ltd.	-	0.14
	Persistent Systems Lanka (Private) Limited	0.24	0.72
	Persistent Systems Malaysia Sdn. Bhd	0.07	0.07
	Persistent Systems México, S.A. de C.V.	1.38	10.01
	Persistent Systems Germany GmbH	0.54	1.48
	PARX Consulting GmbH	0.09	0.06
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.09	1.88
	Youperience GmbH	0.04	0.04
	Youperience Limited	0.04	0.04
	Persistent Systems Pte. Ltd.	0.41	0.29
	Aepona Group Limited	0.08	0.08
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	6.40	1.16
	Software Corporation International LLC.	-	0.25
	MediaAgility India Private Limited	49.33	-
	MediaAgility UK Ltd	0.76	-
	Persistent Systems S.R.L. Romania	1.91	-
	Total	**185.34**	**90.99**

		As at March 31, 2023	As at March 31, 2022
Advances received inclusive of Advances from customers and others	**Subsidiaries**		
	Persistent Systems Israel Ltd.	0.61	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	4.77	4.90
	Persistent Systems France SAS	13.09	-
	PARX Consulting GmbH	0.69	0.09
	Persistent Systems, Inc.	1,301.43	749.40
		1,320.59	**754.39**
Trade payables	**Subsidiaries**		
	Persistent Systems France SAS	6.12	-
	Persistent Systems Malaysia Sdn. Bhd.	45.95	7.18
	Persistent Telecom Solutions Inc.	22.85	18.33
	Persistent Systems Pte Ltd	4.13	-
	Persistent Systems Germany GmbH	3.58	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	5.53	3.89
	Youperience GmbH	2.31	-
	Youperience Limited	-	1.64
	Persistent Systems Lanka (Private) Limited	14.40	-
	Persistent Systems Mexico, S.A. de C.V.	2.84	-
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	1.17	-
	PARX Consulting GmbH	-	0.01
	Software Corporation LLC.	0.03	-
	Total	**108.91**	**31.05**
Trade receivables	**Subsidiaries**		
	Persistent Systems France SAS	-	8.58
	Persistent Systems, Inc.	2,534.97	70.63
	Persistent Telecom Solutions Inc.	84.07	34.73
	Persistent Systems Malaysia Sdn. Bhd.	43.14	26.58
	Persistent Systems Germany GmbH	66.80	16.18
	PARX Consulting GmbH	-	0.92
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.13	-
	Persistent Systems Mexico, S.A. de C.V.	0.08	0.08
	Youperience Limited	-	0.63
	Persistent Systems Lanka (Private) Limited	0.07	0.07
	Persistent Systems S.R.L. Romania	0.61	-
	MediaAgility Inc.	44.19	-
	MediaAgility India Private Limited	32.01	-
	Total	**2,806.07**	**158.40**
Unbilled Receivable	**Subsidiaries**		
	Persistent Systems, Inc.	2,196.37	2,086.35
	Persistent Telecom Solutions Inc.	1.28	50.28
	Persistent Systems Malaysia Sdn. Bhd.	14.27	4.81
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	2.06	0.62
	Persistent Systems Germany GmbH	14.40	10.47
	Persistent Systems France SAS	12.30	14.35
	PARX Consulting GmbH	-	0.01
	PARX Werk AG	-	3.01
	MediaAgility Inc.	4.43	-
	MediaAgility India Private Limited	4.52	-
	Total	**2,249.63**	**2,169.90**
Loans given	**Subsidiaries**		
	Persistent Systems Germany GmbH	-	420.67
	Controlled Trust		

		As at March 31, 2023	As at March 31, 2022
	PSPL ESOP Management Trust	2,870.00	3,522.00
	Total	**2,870.00**	**3,942.67**
Interest accrued on loan given	**Subsidiary**		
	Persistent Systems Germany GmbH	-	1.01
		-	**1.01**
Investments	**Subsidiaries**		
	Persistent Systems, Inc.	4,729.74	3,048.26
	Persistent Systems Pte Ltd	15.50	15.50
	Persistent Systems France SAS	97.47	97.47
	Persistent Systems Malaysia Sdn. Bhd.	102.25	102.25
	Persistent Systems Germany GmbH	1,719.40	1,265.91
	CAPIOT Software Private Ltd.	483.71	483.71
	MediaAgility India Private Limited	971.45	-
	Total	**8,119.52**	**5,013.10**

i. Guarantees outstanding as at March 31, 2023: ₹ 835.67 Million (March 31, 2022: ₹ 770.78 Million).
ii. Letters of comfort of USD 51.69 Million: ₹ 4,247.37 Million (March 31, 2022: 4,547.40) to bank for loans availed by subsidiary of the Company.

34\ Employees stock option plans (ESOP)

Certain information in this note relating to number of shares, options and per share/option price has been disclosed in full and is not rounded off.

a. Details of Employee stock option plans

The Company has framed various share-based payment schemes for its employees. The details of various equity-settled employee stock option plan ('ESOP') schemes adopted by the Board of Directors are as follows:

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	4,560,500	11-Dec-99	11-Dec-99	*
Scheme II	753,200	23-Apr-04	23-Apr-04	10 Years
Scheme III	2,533,300	23-Apr-04	23-Apr-04	*
Scheme IV	6,958,250	23-Apr-06	23-Apr-06	10 Years
Scheme V	1,890,525	23-Apr-06	23-Apr-06	*
Scheme VI	1,216,250	31-Oct-06	31-Oct-06	10 Years
Scheme VII	1,784,975	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	42,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	1,374,462	29-Jun-09	29-Jun-09	10 Years
Scheme X	3,062,272	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	1,948,800	26-Jul-14	3-Nov-14	4-5 Years
Scheme XII ***	67,300	4-Feb-16	8-Apr-16	2.5 Months
Scheme XIII	6,450,619	27-Jul-17	1-Aug-19	4-5 Years
Scheme XIV	80,000	27-Jul-17	1-May-19	3 Years

Adjusted for bonus issue of shares.

*No contractual life is defined in the scheme.

**The options under Scheme XI, which is a performance based ESOP scheme will vest after 1-4 years in proportion of credit points earned by the employees every quarter based on performance. The maximum options which can be granted under this scheme are 1,400,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 50 per employee.

The vesting period and conditions of the above ESOP schemes is as follows:

All the above ESOP schemes have service condition (other than Grant Category 1 of scheme XI which Is based on performance criteria), which require the employee to complete a specified period of service, as a vesting condition. The vesting pattern of various schemes has been provided below:

i. Scheme I to V, VII, VIII, X and XIV

	% of Options vesting			
Service period from the date of grant	**Scheme I to V & X**	**Scheme VII**	**Scheme VIII**	**Scheme XIV**
12 Months	10%	20%	25%	0%
24 Months	30%	40%	50%	33.33%
36 Months	60%	60%	75%	66.66%
48 Months	100%	80%	100%	100%
60 Months	NA	100%	NA	NA

ii. Scheme VI

Service period from the date of grant	% of Options vesting
18 Months	30%
Every quarter thereafter	5%

iii. Scheme IX

Service period from the date of grant	% of Options vesting
30– 60 Months varying from employee to employee	100%

iv. Scheme XI

Service period from the date of grant	% of Options vesting		
	Grant 1 (Category 1)	**Grant 2 (Category 2)**	**Grant 3 (Category 3)**
12 Months	Based on credit points earned which varies from employee to employee	25%	40%
24 Months		50%	30%
36 Months		75%	30%
48 Months	NA	100%	NA
60 Months	NA	NA	NA

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

vi. Scheme XIII

Service period from the date of grant	% of Options vesting		
	Grant 1 (Category 1)	**Grant 2 (Category 2)**	**Grant 3 (Category 3)**
12 Months	25%	40%	33.33%
24 Months	50%	30%	66.66%
36 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2022 and March 31, 2023:

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme I	Number of Options	31-Mar-22	13	-	13	-	-	-
	Weighted Average Price	31-Mar-22	4.37	-	4.37	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme II	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-22	127,362	-	-	19,103	108,259	108,259
	Weighted Average Price	31-Mar-22	32.07	-	-	33.69	31.78	31.78
	Number of Options	31-Mar-23	108,259	-	43,257	3,001	62,001	62,001
	Weighted Average Price	31-Mar-23	31.78	-	30.42	30.67	32.79	32.79
Scheme IV	Number of Options	31-Mar-22	326,298	-	-	80,000	246,298	246,298
	Weighted Average Price	31-Mar-22	54.83	-	-	55.16	54.72	54.72
	Number of Options	31-Mar-23	246,298	-	71,057	69,641	105,600	105,600
	Weighted Average Price	31-Mar-23	54.72	-	47.20	61.12	55.57	55.57
Scheme V	Number of Options	31-Mar-22	51,691	-	-	1,810	49,881	49,881
	Weighted Average Price	31-Mar-22	27.22	-	-	44.14	26.61	26.61
	Number of Options	31-Mar-23	49,881	-	-	1,604	48,277	48,277
	Weighted Average Price	31-Mar-23	26.61	-	-	26.78	26.60	26.60
Scheme VI	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-22	3,341	-	-	3,200	141	141
	Weighted Average Price	31-Mar-22	59.65	-	-	61.12	26.29	26.29
	Number of Options	31-Mar-23	141	-	141	-	-	-
	Weighted Average Price	31-Mar-23	26.29	-	26.29	-	-	-
Scheme VIII	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-22	129,704	-	-	13,993	115,711	115,711
	Weighted Average Price	31-Mar-22	54.74	-	-	54.74	54.74	54.74
	Number of Options	31-Mar-23	115,711	-	57,035	7,160	51,516	51,516
	Weighted Average Price	31-Mar-23	54.74	-	54.74	54.74	54.74	54.74
Scheme X	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Scheme XI	Number of Options	31-Mar-22	446,000	257,200	23,700	167,750	511,750	28,725
	Weighted Average Price	31-Mar-22	10.00	10.00	10.00	10.00	10.00	10.00
	Number of Options	31-Mar-23	511,750	334,600	143,690	197,703	504,957	28,557
	Weighted Average Price	31-Mar-23	10.00	10.00	10.00	10.00	10.00	10.00
Scheme XII	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme XIII	Number of Options	31-Mar-22	2,746,225	1,990,838	923,803	433,136	3,380,124	226,045
	Weighted Average Price	31-Mar-22	846.80	3,116.67	1,679.25	727.30	1,971.52	892.30
	Number of Options	31-Mar-23	3,380,124	1,537,281	996,943	540,297	3,380,165	535,248
	Weighted Average Price	31-Mar-23	1,971.52	3,259.46	2,578.30	1,086.91	2,519.70	2,309.27
Scheme XIV	Number of Options	31-Mar-22	40,000	-	40,000	-	-	-
	Weighted Average Price	31-Mar-22	540.82	-	540.82	-	-	-
	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
Total	Number of Options	31-Mar-22	3,870,634	2,248,038	987,516	718,992	4,412,164	775,060
	Number of Options	31-Mar-23	4,412,164	1,871,881	1,312,123	819,406	4,152,516	831,199

The weighted average share price for the period over which stock options were exercised was ₹ 3,955.20 (previous year ₹ 3,682.54).

c. Details of exercise price for stock option outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2023		As at March 31, 2022	
		No. of Options outstanding	Weighted average remaining contractual life (in years)*	No. of Options outstanding	Weighted average remaining contractual life (in years)*
Scheme I	2.04 – 9.57	**-**	**Note (i)**	-	Note (i)
Scheme II	12.96 – 48.21	**-**	**-**	-	-
Scheme III	12.96 – 48.21	**62,001**	**Note (i)**	108,259	Note (i)
Scheme IV	22.23 – 61.12	**105,600**	**1.73**	246,298	1.73
Scheme V	22.23 – 44.14	**48,277**	**Note (i)**	49,881	Note (i)
Scheme VI	22.23 – 30.67	**-**	**-**	-	-
Scheme VII	24.17 – 61.12	**-**	**-**	141	0.52
Scheme VIII	48.21 – 48.21	**-**	**-**	-	-
Scheme IX	54.74 – 54.74	**51,516**	**1.25**	115,711	1.24
Scheme X	157.58 – 279.70	**-**	**-**	-	-
Scheme XI	10	**504,957**	**4.08**	511,750	4.58
Scheme XII	10	**-**	**-**	-	-
Scheme XIII	442.47 – 4099.00	**3,380,165**	**3.59**	3,380,124	3.86
Scheme XIV	540.82 – 540.82	**-**	**-**	-	-

Note (i) - No contractual life is defined in the scheme.

*The weighted average contractual life disclosed above has been computed only for the unexpired options.

d. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share-based payment plans for the year ended March 31, 2023 amounted to ₹ 1360.28 million (Previous year ₹ 950.23 million). The liability for employee stock options outstanding as at March 31, 2023 is ₹ 2,222.02 million (Previous year ₹ 1,144.84 million).

e. Weighted average exercise prices and weighted average fair values of options

The Black-Scholes valuation models have been used for computing the weighted average fair value of the stock options granted during the financial year 2022-23:

Particulars	March 31, 2023		March 31, 2022	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price ₹	**3828.35**	**3678.93**	3819.71	3670.90
Weighted Exercise Price ₹	**10**	**3259.98**	10	3107.82
Weighted Average Fair Value ₹	**3749.11**	**1204.49**	3615.75	938.25

Particulars	March 31, 2023 RSU Scheme XI	March 31, 2023 ESOP Scheme XIII	March 31, 2022 RSU Scheme XI	March 31, 2022 ESOP Scheme XIII
Expected Volatility	**26.85% to 28.11%**	**26.85% to 28.11%**	24.42%	24.50%
Life of the options granted ** (Vesting and exercise period)	**3 - 4 yrs**	**3 - 4 yrs**	3 - 4 yrs	3 - 4 yrs
Dividend Yield	**39.00**	**39.00**	20.00	20.00
Average risk-free interest rate	**6.98%**	**7.06%**	4.98%	4.48%

** 1. The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2. The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares and has been modelled based on historical movements in the market prices of the publicly traded equity shares during a larger period after excluding outliers to smoothen the fluctuations.

35\Contingent liabilities

a. Claims against the company not acknowledged as debt*

(In ₹ million)

Sr. No.		As at March 31, 2023	As at March 31, 2022
1	**Indirect tax matters**		
	i. In respect to the order passed by the Learned Principal Commissioner of Service Tax, Pune, for Service tax under import of services on reverse charge basis for the Financial Year 2014-15, the Company has filed an appeal against the order passed by Learned Principal Commissioner of Service Tax, Pune with the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT) on September 23, 2017. The Hon'ble CESTAT decided and passed the order on January 28,2023 with the direction that the entire show cause notice passed by the Principal Commissioner of Service Tax will now be taken up for fresh adjudication and the judgments noted in the Order of the Hon'ble CESTAT and other submissions, if any, be considered while adjudicating the show cause notice. The Company has filed Appeal against the CESTAT Order with Hon'ble High Court on March 13,2023. The Company has paid ₹ 165.58 million under protest towards the demand and the same forms part of the GST receivable balance. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Company will be eligible to claim credit/refund for the amount paid.	**173.78**	173.78

Sr. No.		As at March 31, 2023	As at March 31, 2022
	ii. # In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, aggregating to ₹ 296.55 million, the Company had filed an application with Directorate General of Foreign Trade (DGFT). The Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. However, based on consultation with subject matter specialists, this matter is likely to involve a prolonged litigation. With the intention of avoiding prolonged litigation and settling the dispute, the Company has requested the relevant authorities for settlement of the case and has submitted an application before the Settlement Commission on 29 December 2022. As part of this settlement, the Company has offered to forego ₹ 296.55 million. While the hearing against the settlement application is awaited, the Company has accordingly recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022. The Company's management reasonably expects that this matter, when ultimately concluded and determined, will not have a material and adverse effect on the Company's results of operations or financial condition. The amount recognised during the year, is presented as an "exceptional item" in the statement of profit and loss for the current period.	-	296.55
2	**Income tax demands disputed in appellate proceedings**	**1,023.34**	855.02

b. Guarantees and Letter of Comfort on behalf of Subsidiaries

(In ₹ million)

Sr. No.		As at March 31, 2023	As at March 31, 2022
1	Guarantees given on behalf of subsidiaries	**835.67**	770.78
2	Letters of comfort on behalf of subsidiary (USD 51.69 Million (Previous year : USD 60 Million))	**4,247.37**	4,547.40

**The Company, based on independent legal opinions and judgments in favour of the Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the financial statements.

In the corresponding period such amounts were presented as contingent liabilities.

36\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2023	March 31, 2022
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**158.71**	158.66
Other commitments		
Forward contracts	**13,605.02**	13,605.02

For commitments relating to lease agreements, please refer note 32.

37\ Details of Corporate Social Responsibility expenditure

(In ₹ million)

		For the year ended	
		March 31, 2023	March 31, 2022
a.	Gross amount required to be spent by the Company during the year	**140.99**	110.24
b.	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**117.60**	115.53
c.	Shortfall at the end of year*	**23.39**	-

		For the year ended	
		March 31, 2023	**March 31, 2022**
d.	Total of previous year shortfall	**-**	-
e.	Reason for shortfall	**-**	-
f.	Nature of CSR Activity	**Donation given to the following entities: a. Persistent Foundation b. Deepastambha Charitable Trust**	Donation given to the following entities: a. Persistent Foundation b. Help Age India c. Wildlife Research and Conservation Society
g.	Details of related party transactions Donation given to Persistent Foundation	**117.50**	115.36
h.	Deails of provision made for liability incurred by entering into a contractual obligation	**-**	-

* Set-off availed: The Company spent an excessive amount of ₹ 55.50 Million in FY 2020-21. In FY 2022-23, the Management has claimed partial set-off against this excessive CSR spend amounting to ₹ 23.39 Million.
The Company continues to have an amount of ₹ 32.11 Million available in its book for set off till the end of FY 2023-24 as it is the third (last) year from the year of excessive spend.

38\ Business Combinations

a. During the previous year ended March 31, 2022, the Company had entered into an agreement effecting business acquisition of Shree Infosoft Private Limited, India on November 18, 2021. The acquisition was accounted for using the acquisition method of accounting on provisional basis availing the exemption under Ind AS 103.

During the period, the purchase price allocation was completed and the purchase is allocated to assets acquired and liabilities assumed based on fair values at the date of acquisition as follows:

The fair value amount of consideration paid is ₹ 108.71 million.

Purchase Price Allocation:

Particulars	(In ₹ million)
Purchase consideration	108.71
Allocated to:	
Property, plant and equipment	1.97
Acquired contractual rights	52.35
Goodwill	54.39

b. During the previous year ended March 31, 2022, the Company had entered into an agreement effecting business acquisition of Data Glove IT Solutions Pvt. Ltd on March 1, 2022. The acquisition was accounted for using the acquisition method of accounting on provisional basis availing the exemption under Ind AS 103.

During the period, the purchase price allocation was completed and the purchase is allocated to assets acquired and liabilities assumed based on fair values at the date of acquisition. Accordingly, fair value of total consideration paid/ payable aggregating to ₹ 525.38 Million has been allocated to Acquired Contractual Rights and Goodwill as follows:

Purchase price allocation:

Particulars	(In ₹ million)
Purchase consideration	525.38
Allocated to:	
Other assets	5.22
Acquired contractual rights	338.55
Goodwill	**181.61**

c. Pursuant to a share purchase agreement, the Company acquired 100% stake in MediaAgility India Private Limited on April 29, 2022 for a consideration of ₹ 971.45 Million. The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Company is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Company has exercised the option available under Ind AS 103, which provides the Company a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

39\ Ratios

Ratio	Denomination	Numerator	Denominator	March 31, 2023	March 31, 2022	% change	Reason for variance (If more than 25%)
a. Current Ratio	Number	Current Assets	Current Liabilties	**3.07**	3.76	-18.35%	
b. Debt-Equity Ratio	%	Debt	Shareholder's Equity	**0.01%**	0.02%	-0.01%	
c. Debt Service Coverage Ratio	Number	Earnings available for debt service	Current debt liability	**6,040.00**	4,509.01	33.95%	Note 1
d. Return on Equity Ratio	%	Net Profit after tax	Average Shareholder's Equity	**21.79%**	22.55%	-0.75%	
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	**6.87**	9.67	-29.02%	Note 2
f. Trade payables turnover ratio	Number	Cost of Professionals + other expenses +- Other non cash adjustments	Average Trade payables	**7.32**	5.73	27.73%	Note 3
g. Net capital turnover ratio	Number	Revenue from operations	Working Capital	**3.05**	2.37	28.59%	Note 4
h. Net profit ratio	%	Net Profit after tax	Revenue	**15.46%**	19.18%	-3.72%	
i. Return on Capital employed	%	Profit before Interest and taxes	Average capital employed	**30.10%**	30.20%	-0.10%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	**4.88%**	5.90%	-1.02%	

**Earnings available for debt service = Profit before exceptional item and tax + Finance cost + Depreciation & Amortization - Other income - Lease payments.

Note 1: Earnings growth with corresponding repayment of debt during the year has resulted in improvement in ratio.

Note 2: Increase in business volume with unfavourable movement in the receivables and payables has resulted in variance in ratio.

Note 3: Increase in business volume as compared to previous year has resulted in variance in ratio.

Note 4 : Revenue growth during the year has resulted in improvement in ratio.

40\ Disclosure required under Sec 186(4) of the Companies Act 2013

a. Details of Loans given

(In ₹ million)

Name of Party	Rate of Interest	Purpose	Term	March 31, 2023	March 31, 2022
Persistent Systems Germany GmbH*	3 months Euro Interbank Offered Rate plus 300 basis points.	Loan granted for working capital requirements and to fund acquisition opportunities.	36 Months	-	420.67
PSPL ESOP Management Trust	5.8% per annum simple interest	For the purpose of meeting the requirement under ESOP 2017 Scheme	8 years from the date of each tranche of loan disbursement or term of ESOP 2017, whichever is earlier	**2,870.00**	3,522.00

* During the period / year the company has converted ICD into investment and the company is in the process of filing the necessary statutory compliances.

b. Details of gurantees given on behalf of subsidiaries

	As at March 31, 2023		As at March 31, 2022	
Name of Subsidiary	$ Million	₹ Million	$ Million	₹ Million
Persistent Systems Inc.	10.17	835.67	10.17	770.78

41\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
As auditor:		
- Audit fee	9.15	8.50
In other capacity:		
- Other services	0.20	0.30
Reimbursement of expenses	0.45	0.12
	9.80	8.92

42\ Research and development expenditure

The particulars of expenditure incurred on in-house research and development are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2023	March 31, 2022
Capital	-	-
Revenue	-	136.72
	-	136.72

43\Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There are no defaults and overdue amounts payable to suppliers, who have intimated about their status as Micro and Small Enterprises as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

45\Net dividend remitted in foreign exchange

(In ₹ million)

Particulars	Period to which dividend relates	No. of non-resident shareholders		No. of equity shares held on which dividend was due (in million)	For the year ended	
		March 31, 2023	March 31, 2022		March 31, 2023	March 31, 2022
Interim dividend	2022-23	12	5	0.41	11.64	5.95
Final dividend	2021-22	5	5	0.40	4.39	1.76

45The Company has deposits of ₹ 430 million with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Company has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. The Company continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.

46 The Company has working capital facilities from banks on the basis of security of trade receivables. The quarterly statements of trade receivables filed by the Company with banks are in complete agreement with the books of accounts.

47Except as stated below the Company has not advanced / loaned / invested funds to any entities, including foreign entities (Intermediaries), with the understanding that the Intermediary shall directly or indirectly lend or invest in other entities by or on behalf of the Company (Ultimate Beneficiaries). Further, the Company has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.

a. Following are the details of the funds invested by the Company to Intermediaries for further advancing to the Ultimate beneficiaries.

Name of the intermediary to which the funds invested	Date of investment	Amount (₹ Million)	Relationship	Date on which funds are further invested by Intermediaries to other intermediaries or Ultimate Beneficiaries	Amount of fund further advanced or loaned or invested by such Intermediaries to other intermediaries or Ultimate Beneficiaries	Name of Ultimate Beneficiary	Registered address of the Ultimate beneficiary
Persistent Systems Inc.	May 4, 2022	1,681.48	Wholly owned subsidiary	May 4, 2022	1,681.48	100% stake in Media Agility Inc.	360, Wall St., Princeton NJ, 08540-1517

b. The Company has complied with the relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act, 2013 and the above transactions are not violative of the Prevention of Money-Laundering Act, 2002.

48 The Company has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Company shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Company has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.

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

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

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: USA
Date: April 24, 2023

For and on behalf of the Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary
Membership No. A20507

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023

Place: USA
Date: April 24, 2023