Resilient and Future-Ready

The Persistent Way

Persistent

2024 Annual Report

34th Annual General Meeting

Tuesday, July 16, 2024
1600 Hrs. 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/agm2024

Members are requested to follow the instructions provided in the Notice of 34th Annual General Meeting in order to attend the AGM in person or via video conferencing and to e-Vote.

Remote e-Voting Period

1\ 0900 Hrs. IST on Thursday, July 11, 2024 —
1700 Hrs. IST on Monday, July 15, 2024

2\ During the AGM

Read this Annual Report online:
persys.co/ar2024

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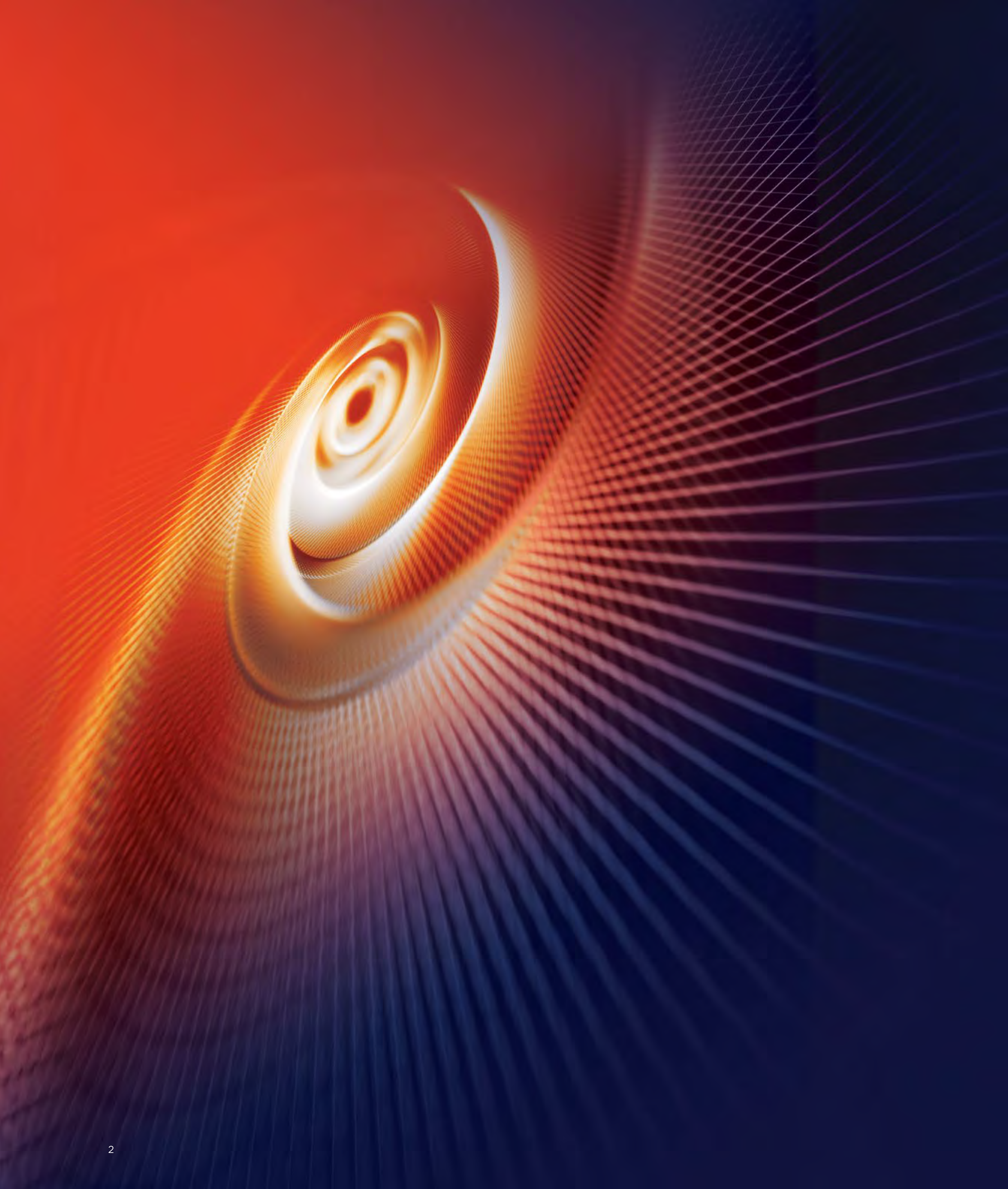


Resilient and Future-Ready:
The Persistent Way

The Persistent Way powers our ability to outperform competitors, enable growth, and unlock client value — a direct result of the resilience we've deliberately built into our company through years of investment, acquisition, and innovation.

Our resilience is reflected in many ways. Every day, we collaborate with clients to rethink and adapt their businesses so they can remain competitive in turbulent markets. We've fortified our operations to quickly respond to fast-moving industry and macroeconomic headwinds. Our expanded leadership team promotes efficient and productive processes for our employees and, by extension, our clients. Our resilience, which resulted in $1.186 billion in FY24 revenue and 16 quarters of sequential growth, also continues to deliver positive outcomes for our investors, with a record of achievement and industry recognition that no other provider can match.

Nonetheless, we don't equate resilience with complacency or settling for the status quo. We match our resiliency with a simultaneous commitment to always remain future-ready and capitalise on new trends, technologies, and solutions for our clients' benefit, backed by a rich history in AI, data, and Digital Engineering.

Clients gravitate to our future-ready approach because we challenge conventional wisdom and business-as-usual thinking, pushing the boundaries of what's possible for them and ourselves. We bring this same forward-thinking approach to our global team, arming them with new skills and training to promote their success, and encouraging them to make a positive difference in their communities and society at large.

We pride ourselves on developing scalable, trustworthy, and enterprise-ready solutions that prepare clients to lead in their industries and exceed customer expectations throughout different sectors. Through an unwavering focus on innovation and quality, our collaborative efforts with ecosystem partners, and our pioneering work in AI-enabled software engineering, product development, data and analytics, and cloud, we ensure continued growth and success for our clients and our business.

With each new client success and every breakthrough innovation, we demonstrate our differentiated market positioning, industry strength, and an enduring commitment to invest and grow by remaining Resilient and Future-Ready: The Persistent Way.

Message from the Chairman

"In tough times, our people — employees, partners, suppliers, and vendors — are the source of our resilience, driving continued success."

Dear Valued Shareowners,

I am delighted to share our 34th Annual Report for the Financial Year 2023-24. This was our first year as a billion-dollar enterprise, and as we move into our sixth orbit, I am glad to share that the team is geared up to continue our momentum as we march towards becoming a two-billion-dollar enterprise.

This year was challenging as our clients, who were investing in their digital transformation for several years during the pandemic, turned their focus to cost optimisation. This tested our resilience. Thankfully, our global delivery business model allows us to provide an equally compelling proposition to our clients, whether they accelerate their roadmap or focus on better cost outcomes. We responded with alacrity as the market shifted, and we maintained industry-leading growth rates during the financial year, thanks in large part to our clients' continued trust and confidence in our capabilities.

The market continues to be challenging. While Generative AI and other next-generation technologies are promising and disruptive, high inflation, elevated interest rates, and geopolitical uncertainties have contributed to a slowdown in global tech spending and delayed decision-making by clients.

Our multi-talented global team is our strength in this turbulent market, and we have invested in preparing our global workforce to respond to new technology disruptions. We trained more than 16,000 professionals on next-generation tools and technologies during the year. Our 360-degree relationships with key partners allow us to learn, explore, and deploy the latest technologies for future-ready solutions. In tough times, our people – employees, partners, suppliers, and vendors — are the source of our resilience, driving continued success.

We are committed to providing our employees and their families with holistic experiences. We encourage diversity across the Company, and we implemented several initiatives during the year that spotlight and support diversity and inclusion. We have a strong focus on health and wellness and believe that healthy employees are happy employees — and happy employees are productive employees. We have several programs encouraging employees to learn and engage in various activities beyond work. This is the Persistent Way.

In October 2023, we set three bicycling-related Guinness World Records to reinforce our commitment towards the environment and employee health. ESG (Environmental, Social, and Governance) continues to be an essential part of The Persistent Way, as we continued our journey to reduce carbon emissions and make environmentally friendly choices.

Giving and taking responsibility for our commitment to society is part of our core values, and we have practised these values ever since our inception. To formalise our efforts, we set up Persistent Foundation in 2009. I am very proud of our achievements as we look back on the variety of significant contributions made by the Foundation on the occasion of their 15th anniversary. The Foundation team, focusing on education, healthcare, and community development, has partnered with committed organisations and supported them in carrying out meaningful projects throughout the community. I am delighted to share that starting this year, the Foundation has added wildlife conservation and heritage preservation as additional focus areas. Beyond the 2% that Persistent Systems contributes to Persistent Foundation as part of our efforts in CSR (Corporate Social Responsibility), I am incredibly proud of the contributions from thousands of our employees who go above and beyond to make a difference in society.

During the year, we were consistently recognised for our achievements from a diverse group of industry analysts, advisors, organisations, and market observers. The highlight was receiving CNBC TV's "Most Promising Company of the Year," recognising our extraordinary growth journey.

Resilience is critical as we propel the Company into our sixth orbit and reach our two-billion-dollar goal. To bolster our resiliency, we have invested in senior leaders and have added new business lines and capabilities during the year to support our growth and strategies.

I thank all our employees, partners, vendors, and suppliers for their consistent support. Our shareowners have a crucial role in our resilience, and I 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

“The theme of this year’s report, Resilient and Future-Ready: The Persistent Way, captures our ability to navigate challenging market conditions through strategic investments, client focus, and adaptability.”

Dear Valued Shareholders,

I am pleased to present the Annual Report for the Financial Year 2023-24. Our strong financial performance and growth highlight our resilience and 30+ years of storied heritage.

Reflecting on our first full year as a $1 billion company, I extend my gratitude to our clients for their trust, our global team for their dedication, and our investors for their unwavering support. For FY24, we achieved a 14.5% YoY growth with $1.186 billion in revenue. We are deeply humbled by our 16 quarters of sequential growth. We announced a total dividend of ₹52 per share (pre-split) for FY24, up from ₹50 in FY23, not factoring the stock split effective April 1, 2024. Our global team expanded to over 23,800 employees across 20 countries, fostering continuous value delivery to our clients.

The theme of this year’s report, "Resilient and Future-Ready: The Persistent Way", captures our ability to navigate challenging market conditions through strategic investments, client focus, and adaptability. We consistently remain in the top quartile of revenue growth in our industry over the last four years and maintain a forward-thinking approach, especially with AI and Generative AI-enabled solutions.

Our AI solutions, including ExtenSURE.AI, SASVA, and Persistent iAURA, underscore our leadership in leveraging cutting-edge technology to drive transformation and growth for our clients. Strategic collaborations with leading hyperscalers along with extensive AI training for more than 16,000 employees further enhance our capabilities to serve our clients’ most complex technology challenges.

We were identified as a Challenger in the Gartner Magic Quadrant for Public Cloud Transformation Services and named a GenAI Leader by HFS Research. We received accolades from ISG for overall excellence and from Everest Group for leadership in next-gen IT services talent. Additionally, we were honoured as the “Most Promising Company” at CNBC-TV18’s India Business Leader Awards. We were also included in prestigious capital market indices like MSCI India Index, S&P BSE 100, and S&P BSE SENSEX Next 50.

On the ESG front, we were recognised as one of India's leading ESG entities by Dun & Bradstreet, and we are on track to achieve carbon neutrality for Scope 1 and Scope 2 emissions and 100% renewable energy sourcing for our owned facilities by mid-FY25.

We also celebrate the 15th anniversary of Persistent Foundation, dedicated to positively impacting our planet, people, and society.

As we pursue our goal of becoming a $2 billion company over the next few years, we remain focused on building strong capabilities and delivering value to our stakeholders. As we enter FY25, our commitment to resilience and future-readiness drives our pursuit of continued success.

Thank you for your continuous support.

With Best Regards,

—

Sandeep Kalra
CEO and Executive Director

FY24 Performance Highlights

$310.9M
FY24 Q4 Revenue **+13.2% YoY**

$1,186.0M
FY24 Revenue **+14.5% YoY**

$316.8M
FY24 Q4 Annual Contract Value (ACV) Booking

$1,296.7M
FY24 Annual Contract Value (ACV)

₹3.2B
FY24 Q4 PAT **+25.4% YoY**

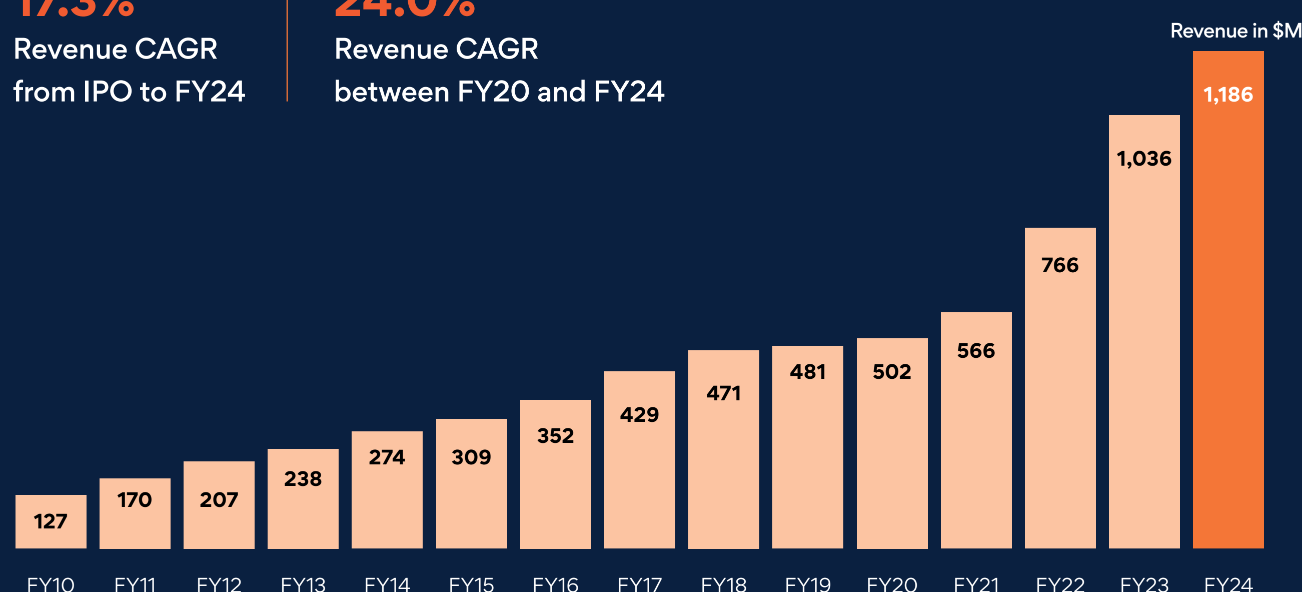
₹10.9B
FY24 PAT **+18.7% YoY**

$7.3B*
Market Capitalisation

23,850
Employees

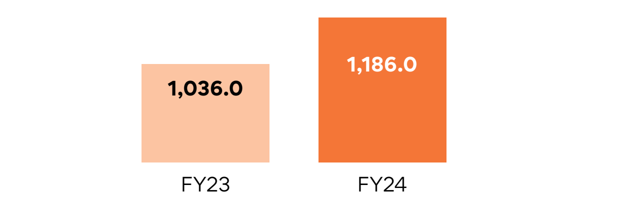
17.3%
Revenue CAGR from IPO to FY24

24.0%
Revenue CAGR between FY20 and FY24

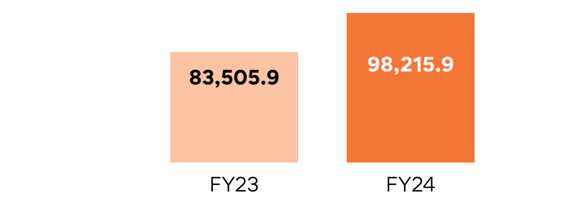


1 USD = INR 83.30

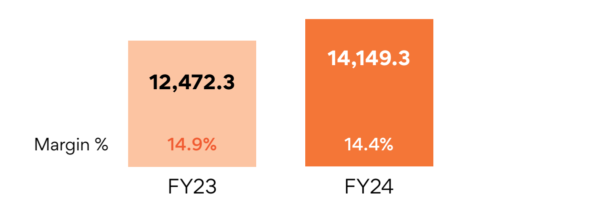
Revenue ($ million) ↑ 14.5%



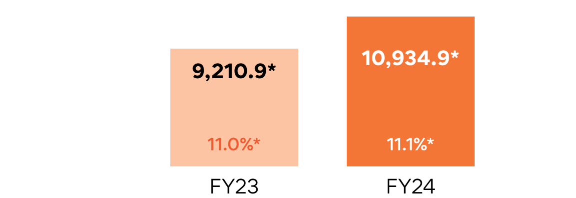
Revenue (₹ million) ↑ 17.6%



EBIT (₹ million) ↑ 13.4%

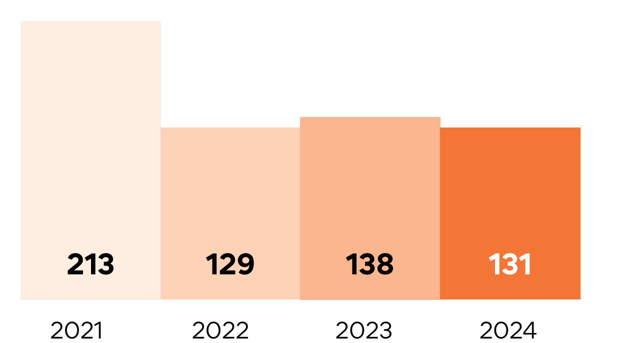


PAT (₹ million) ↑ 18.7%*

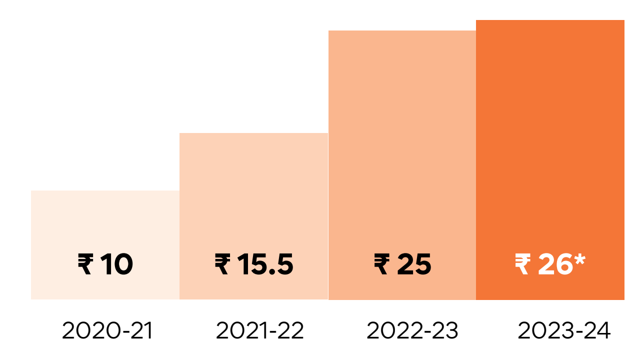


* Includes impact of one time expense

Ranking Based on Market Capitalisation

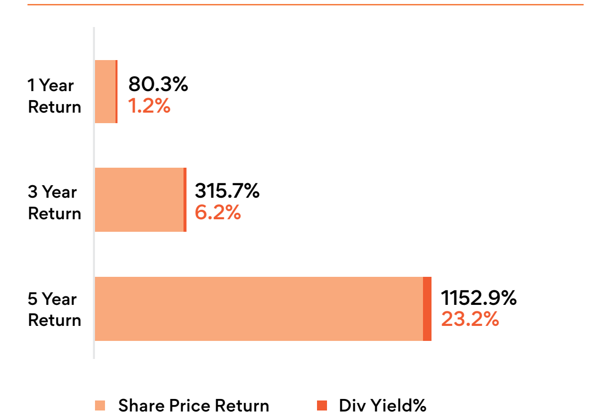


Dividend per Share



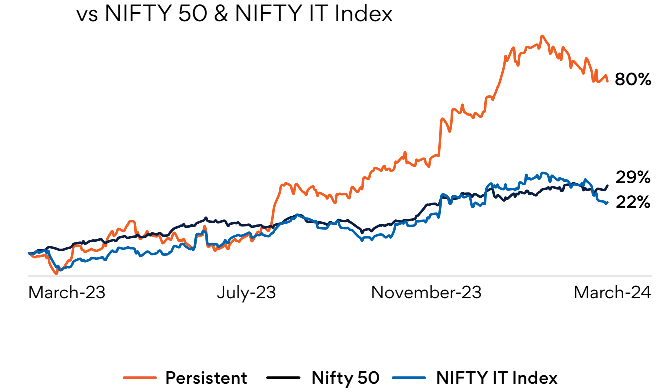
* Subject to Members' approval
For ease of reference, the dividends of the previous years have been restated in accordance with the Sub-Division

Persistent Total Shareholder Return



Persistent 1-Year Stock Performance*

vs NIFTY 50 & NIFTY IT Index



* Market cap as on March 31, 2024

Our Future-Ready Global Workforce

We believe that our business succeeds and our clients thrive when we help our employees grow, achieve and aspire. This belief guided our ongoing growth this year, as our employees used their technical, business, and personal skills to deliver value for clients and create positive impacts on society through internal initiatives and external activities.

We foster a culture of trust and collaboration among our people, global clients, and partners, all working together to deliver innovation and excellence. Our culture continued to expand this year as our global workforce grew to more than 23,800 resilient employees, all of whom made exceptional contributions towards our $1.186 billion revenue performance. We also expanded training opportunities in areas such as data and AI to ensure that our workforce is future-ready and takes full advantage of emerging technology trends.

We remain fully committed to being the best employer for those who want to grow personally and professionally, take their careers and talents to new heights, and work together for a better world.

FY24 People Highlights

23,850
global headcount

03
new locations added to global footprint

Making Persistent a Phenomenal Place to Build a Life

HR Excellence

Confederation of Indian Industry (CII) recognised us with "Significant Achievement in HR Excellence" at the 14th National HR Excellence Award for the year 2023-2024

CII acknowledged our HR excellence for:

- Inclusive, collaborative leadership environment, enabling people to participate in organisation-level decision-making.
- Fostering a culture of continuous learning and upskilling through flagship Learning and Development (L&D) interventions led by Persistent University.
- Ensuring growth while keeping work-life well-being and diversity at the core.

MyLife@Persistent

MyLife@Persistent, the brainchild of Dr. Anand Deshpande who advocates work-life harmony and employee happiness, aims to build a community of fulfilled individuals by positively impacting their lives beyond their professional roles. The goal is to create and maintain an environment that robustly supports Persistent employees in achieving their life goals by promoting work-life balance and implementing comprehensive well-being programmes.
The framework consists of three levels: Individual, Collective, and Community. Besides positioning Persistent as an employer of choice, MyLife@Persistent fosters a happy and healthy work environment, cultivates a strong sense of belonging for employees and their families, and reduces attrition.

In FY24, MyLife@Persistent offered eight comprehensive programmes to support employees' overall well-being, encompassing physical, emotional, social, and financial wellness.

Wellness category	Number of events	Number of participants
Emotional Wellness	46	2,017
Financial Wellness	9	3,100
Physical Wellness	55	30,514
Social Wellness	174	48,752
Grand Total	**284**	**84,383**

13 locations

280+ events

2,000+ volunteers

84,000+ participants

Flagship Events

MyLife@Persistent organises several flagship events each year to promote physical and social well-being among employees.

Persistent Run

An impressive 8,746 employees across the globe participated in Persistent Run, our flagship event that promotes physical wellness and employee team spirit.

Sports Fest

More than 2,000 employees across India participated in our annual celebration of team spirit through sports.

Team Bonding Sessions

In FY24, 10,345 employees participated in 137 Team Bonding Sessions. These hour-long sessions are fun ice-breakers to create bonds between team members so that they are refreshed, rejuvenated, and more connected with their peers.

Bring Your Kids to Office

More than 1,300 kids were welcomed and engaged across global Persistent locations.

PULSE

PULSE is the best platform to showcase the vibrancy of our collective talents — for the employees and by the employees of Persistent. In FY24, 20,848 employees participated in PULSE across 13 locations in India.

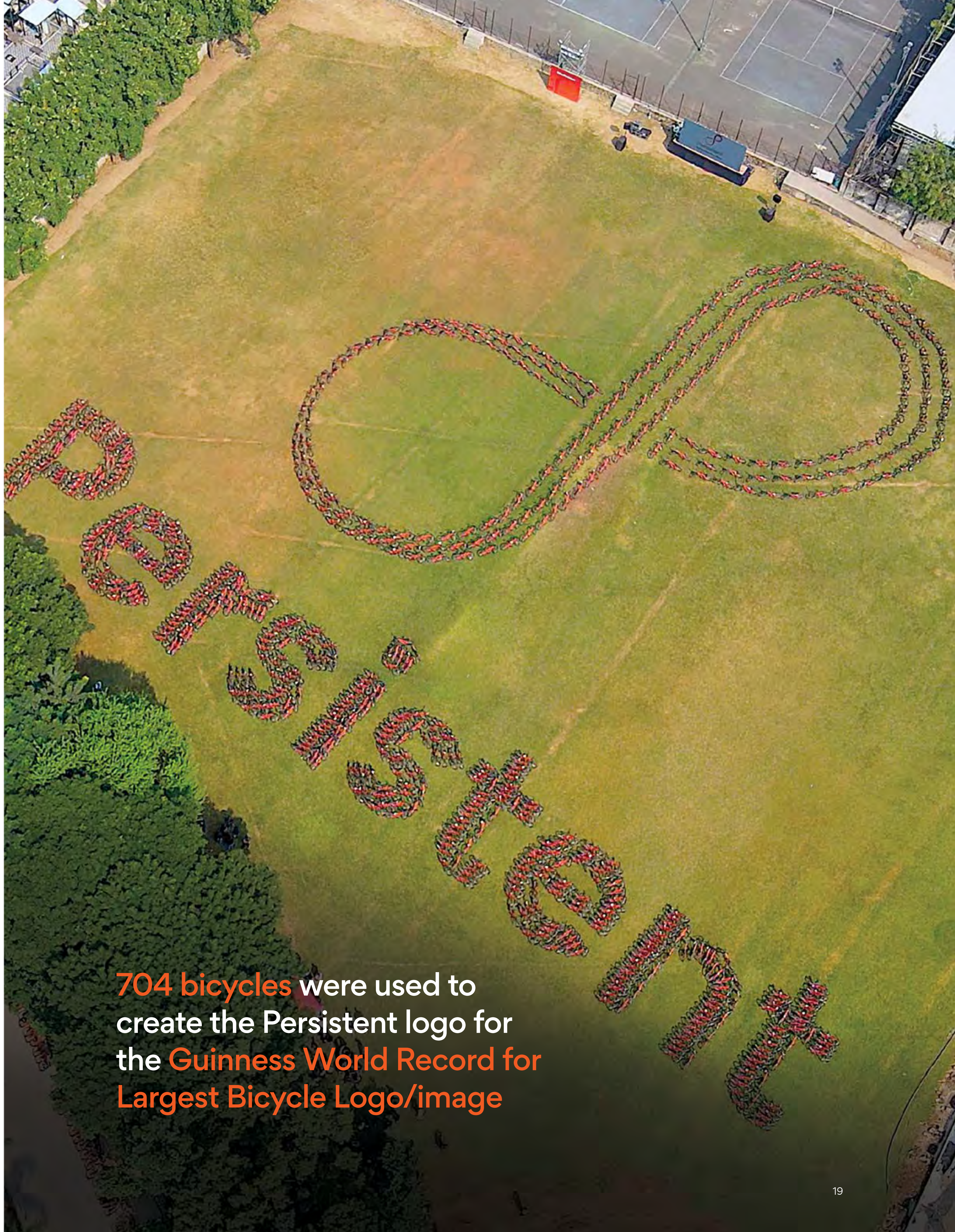
Persistent Makes History with Three GUINNESS WORLD RECORDS™ Titles

With these titles, we reinforced our commitment to the environment and employee health:

Largest bicycle logo / image

Most live viewers of a cycling awareness video lesson on YouTube

Largest online video album of people riding bicycles



704 bicycles were used to create the Persistent logo for the Guinness World Record for Largest Bicycle Logo/image

Persistent University
For Learning and Development

Throughout FY 2024, Persistent University consistently achieved remarkable milestones in employee learning and development, enabling our global team to build resilient careers. With an average of 9 learning days per employee and a total of 16 lakh learning hours companywide, the University attained an impressive 90% employee learning coverage. The launch of the Persistent Digital Experience Academy (PDEA) 1.0, which certified 2,500 employees, and the introduction of nearly 10 domain and project management e-learning programmes showcased our ongoing commitment to upskilling and employee development. Additionally, the University enabled 4.1% of total customer demand for certifications through internal training programmes. Collectively, these efforts ensure that our workforce is future-ready and fully prepared to take advantage of new waves of innovation.

FY24 Highlights

Total no. of digital, technical and power skill courses conducted in FY24

426

Total no. of hyperscaler partner certifications

16,200

Total no. of (non-hyperscaler) external certifications

5,910

Total no. of GenAI-trained employees

16,509

Total no. of internal GenAI trainings

5 Courses

Total no. of Generative AI and AI/Machine Learning external certifications

1,487

Persistent University Awards and Recognitions

Persistent Learning and Development claimed the APEX 2024 Award for its employee training and development excellence and made a significant leap of 21 places in the rankings, from 85 to 64.

Our collaborative Propeller programme with StackRoute Learning and NIIT secured two Brandon Hall awards, including Gold for Best Unique or Innovative Learning and Development programme and Silver for the Best Advance in Competencies and Skill Development for the Architect Competence Development programme.

The TISS LeapVault CLO Awards India, the most prestigious awards for excellence in corporate learning, honoured Persistent University in four categories: Global CLO (Chief Learning Officer) of the Year, Best Corporate University, Best Games-Based Learning programme, and Best Employee Engagement programme.

We received Recognition for Excellence in Learning and Development from SHRM Foundation.

Environmental, Social and Governance

"We address ESG issues that matter most to Persistent's business and stakeholders and strive to create a more sustainable future."

At Persistent, we view ESG as not only a corporate responsibility, but also a duty that we owe to our people, our planet, and our communities. Persistent embeds ESG into its strategy, decision-making, risk management, and employee engagement programme, creating a culture of sustainability that supports openness and collaboration.

We address ESG issues that matter most to Persistent's business and stakeholders and strive to create a more sustainable future. We use a holistic and collaborative method to identify and prioritise ESG issues, align our strategy with key material priorities, and establish challenging and measurable goals and targets.

Persistent discloses its ESG performance and progress in a transparent and accountable way, using external verification and stakeholder feedback. We also follow emerging reporting standards and frameworks to stay ahead of the curve.

We provide an overview of our ESG activities here in the Annual Report, and a full accounting in our accompanying FY2023-24 ESG Report. We are committed to leading by example and working together to make a better world, with a strong conviction that sustainability must be a part of every aspect of our daily operations.

—

Chitra Byregowda
Head of Environmental, Social and Governance

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

Our Commitments

100% Renewable Energy

We are committed to 100% renewable energy sourcing for our owned India facilities by the middle of FY25.

Net-Zero Commitment

Persistent is committed to setting near- and long-term company-wide emission reductions in line with science-based Net-Zero standards from the SBTI (Science-Based Target Initiative). Our strategy includes immediate actions and long-term initiatives to align with the goal of limiting global temperature rise to 1.5 degrees Celsius. We are committed to reach Net-Zero by reducing absolute Scope 1, 2, and 3 GHG emissions by 2050 from the 2024 baseline, demonstrating our proactive approach to emissions reduction.

Commitment to UNGC

Persistent has joined the United Nations Global Compact as a part of its commitment to being a responsible organisation. Participating members align their strategies and operations around universal principles on human rights, labour, the environment, and anti-corruption.

Corporate Sustainability Assessment (CSA) S&P Global ESG Score

Persistent Systems
IT services

S&P Global CSA Score 2023
A key component of the S&P Global ESG Score

61 /100

As of January 23, 2024

The S&P Global Corporate Sustainability Accessibility (CSA) Score is the S&P Global ESG Score without the inclusion of any modelling approaches, Company scores can be compared to their peers in the same industry. Learn more at spglobal.com/esg/scores

S&P Global Sustainable1

Climate Action Goals

\ To be Carbon Neutral for Scope 1 and Scope 2 emissions by 2025

\ To source 100% electricity from renewable sources by 2025

\ Reduce 30% Scope 3 emissions by 2028

Key Achievements

Environment

42% Emissions reduced through 2 windmills (2.1 MW each) and 2 MW solar rooftops

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Renewable Energy

39% of renewable energy consumed from Wind and Solar across Global Locations

16% self-generated Renewable Energy Certificates (REC)

45% of purchased International Renewable Energy Certificates (I-RECs)

28.3% of treated wastewater in owned campuses is used within our facilities

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99% of waste recycled

25,000 trees planted, taking the overall count to **121,035** trees

Social

29.5% Women in the workforce

58 Nationalities

45 Specially-abled people

Employee Well-Being

8,746 Persistent Run participants

20,848 participants in PULSE
Persistent's ultra-large social event

72 Hours

Average employee learning hours

Zero accidents

8.2/10

Employee Net Promoter Score (eNPS)

Governance

7/10

Independent Non-Executive Directors on the Board

2/7

Independent directors on the Board are women

99%

Code of Conduct training coverage

No data breaches reported

Customer Satisfaction Score

- NPS - **69**
- Response rate - **88%**

Message from the Chairperson

"Giving back, being in a position of privilege and having the means to help make a difference in the lives of less fortunate people, have been the most fulfilling part of our journey."

"The greatness of a community is most accurately measured by the compassionate actions of its members." — Coretta Scott King

This quote rings so true in my ears. It is surreal to realise that Persistent Foundation has completed 15 years of dedicated service to society. We are so blessed to have been given this opportunity to be a part of the community for the last decade and a half. Giving back, being in a position of privilege and having the means to help make a difference in the lives of less fortunate people, have been the most fulfilling part of our journey.

Over 15 years, having spent INR one hundred crores, boggles the mind. Having touched the lives of over one and a half lakh individuals makes us wonder. Did we really accomplish all of this? This realisation makes our hearts swell with pride, our heads bow in humility and our hands folded in gratitude.

"We learned about gratitude and humility — that so many people had a hand in our success." — Michelle Obama

Over the years, our esteemed Chief Guests have taught us important lessons that we continue to follow today.

Ms. Anu Aga taught us the privilege of education.
Dr. Anil Awachat advised us on the importance of de-addiction in the youth.
Dr. D. R. Mehta exemplifies the aspect of philanthropy.
Dr. Ravindra Kolhe showed us the path of empathy towards tribal communities.
Dr. Abhay Bang pioneered healthcare in rural India.
Mr. Shridhar Venkat explained the philosophy behind Akshaya Patra.
Dr. Praveen Bhagwat inspired us to pursue courage and afforestation.
Mr. Satyajit Bhatkal shared his wisdom on solving drinking water problems in villages.

Mr. Dileep Ranjekar guided us on the best practices for CSR.
Dr. Girish Sohoni directed us to do more agro-based work along with animal husbandry.
Dr. Prakash Amte taught us the importance of empathy towards animals along with providing healthcare to tribal communities.

"Help others without any reason and give without the expectation of receiving anything in return." — Roy T Bennett

All of our esteemed guests embody this emotion.

What have we accomplished in these 15 years?

We have been able to touch the lives of four and a half lakh people through various initiatives. These include our participation in initiatives in Health, Education, Community Development and Preservation of Heritage and Wildlife.

Over 15 years, our health projects have improved healthcare for many. We funded cleft surgeries on 4,700 children and 3,000 pediatric surgeries. We also provided nutrition programmes for nearly 7,000 babies and conducted over 12,500 cataract surgeries for senior citizens. Our initiatives include cochlear implants, squint corrections, spinal surgeries, mental health support, and more. Additionally, our mobile medical van, support for old age homes, and physiotherapy centre have helped 22,000 senior citizens. We've also assisted almost 2,000 individuals with the Jaipur Foot artificial limb project.

In the Education vertical, the Kiran programme has empowered 500 young women to become engineers and find jobs. We've supported 65,500 students in completing their school education and helped 10,000 students improve their academic performance. 1,700 individuals received vocational training, and more than 12,000 have gained employment through this programme. Toilet construction in 110 schools has benefited 21,000 children, and we've assisted over 700 specially-abled children. In total, 160,000 students have used our services through various initiatives.

In Community Development, we cultivated 10,000 hectares of land, provided fodder for over 3,000 animals, and facilitated the birth of 1,000+ female calves through artificial insemination. We also planted 120,000+ trees, constructed 55 wells, and completed 16,000 km of desilting of rivers and canals. We collaborated with Rama Purushottam Foundation to construct hostels for schoolgirls and working women and residences for police constables. We also installed 12 solar rooftop plants, resulting in significant power bill savings of INR 3.5 crore.

Through our newest vertical, Preservation of Heritage and Wildlife, we've supported the rescue of injured animals in forests by donating 4 ambulances. We've also helped print 2,000 books to preserve the tribal Kolami language, benefiting 20 schools and local community members.

During the 2020 COVID-19 pandemic, we contributed nearly INR 17 crore to various schemes. We provided meals and ration kits to 25,000 families, facilitated vaccinations for 43,000 people in 160 villages, supported 20,000 school children with education, helped nearly 600 individuals with livelihood support, set up 5 COVID Care Centres, and provided medical equipment to hospitals, including 32 ventilators, 2 Bipap machines, 130 oxygen concentrators, 2 oxygen plants, 80 ICU beds, and 20,000 PPE kits.

"In ordinary life, we hardly realise that we receive a great deal more than we give, and that it is only with gratitude that life becomes rich."
— Dietrich Bonhoeffer

Persistent employees have generously donated INR 9 crore and have contributed a total of 56,000 volunteering hours to various activities like tree plantation, mentoring our Kiran scholars, assembling school kits, painting lamps and piggy banks, making seed balls, rice plantation and several others. We are truly grateful for their wholehearted participation in various programmes.

We are indebted to the Board Members and the Trustees for their unwavering support and guidance throughout our journey and for recognising and appreciating our accomplishments and successes.

The Foundation team deserves all the applause and commendations for being extremely passionate and dedicated in all they do. I am so proud of their integrity and commitment to the cause of service.

"Gratitude is when memory is stored in the heart and not in the mind." — Lionel Hampton

With Best Regards,

—

Sonali Deshpande
Chairperson
Persistent Foundation
Persistent India Foundation

Learn more about Persistent Foundation:
https://www.persistentfoundation.org/

Summary of FY24 Achievements

8

new locations

68

impactful projects completed

65

implementing partners

29,927

individuals postively impacted

42,717

lives benefited

15 Persistent Foundation
Serving Society

Established in 2009, Persistent Foundation embodies Persistent Systems' commitment to Corporate Social Responsibility. Since its inception, Persistent Systems has donated 1% of its profits towards social causes until 2013. Thereafter, we have been donating 2% of our profits. The Foundation's initiatives target specific community needs in Pune, Nagpur, Bangalore, Hyderabad, and Goa, with a focus on Health, Education, Community Development, and Preservation of Heritage and Wildlife.

The Foundation provides support to medical services, bridges learning gaps, aids in income generation and entrepreneurship, and more. Our interventions evolve with changing needs, such as the integration of COVID-19 relief work during the pandemic. The Foundation works in solidarity with communities, encouraging self-reliance by involving community members in project planning and execution. Collaborations with government authorities, NGOs, hospitals, schools, and other relevant organisations help maximise impact. Persistent employees have contributed over INR 90 lakhs in donations and 4,000 hours of valuable time, playing a tremendous role in the Foundation's success.

After 15 years of successful CSR interventions, the Foundation's resolve to empower communities and foster sustainable development remains unwavering. With a continued commitment to its core thrust areas and the addition of a new vertical, Preservation of Heritage and Wildlife, the Foundation aims to create a lasting impact and empower communities to thrive.

Education

Persistent Foundation is dedicated to nurturing and empowering young minds by providing top-notch education and enhancing infrastructure, all in the pursuit of a brighter future. In FY 2023-24, the Foundation spearheaded 26 impactful initiatives, benefiting 25,169 individuals, with 19,060 unique beneficiaries. Furthermore, the Foundation succeeded in establishing 33 valuable partnerships to further its mission.

Flagship Project:

Kiran Girls Scholarship and Mentoring Programme

The Kiran Girls Scholarship and Mentoring Programme, Persistent Foundation's flagship educational initiative, is making a massive difference in the lives of girls and young women. Implemented at four locations in partnership with the Foundation, the programme has already benefited 150 girls with the support of 106 mentors.

Notably, the daughter of a security guard employed with Persistent Systems has also become eligible for this life-changing scholarship. In terms of placements, 44 students have graduated, with 30 already securing positions and more placements in progress.

The success stories include a student securing a lucrative INR 20 L package from J.P. Morgan, while the lowest package stands at INR 3.5 L.

Additionally, three Pune Kiran Scholars have found placement in Persistent Systems, highlighting the programme's effectiveness.

Health

The Foundation continues to make a tremendous impact on the lives of children and the elderly by providing crucial healthcare support and creating healthier and happier communities. Throughout the year, the Foundation initiated 16 impactful healthcare projects, benefiting a total of 8,232 individuals. These initiatives were made possible through the strategic establishment of 17 partnerships with various esteemed organisations.

Flagship Project:

Support for Facial Cleft and Palate Surgeries

Our flagship project focused on providing vital support for facial cleft and palate surgeries, which were successfully implemented at eight different locations, reached a total of 1,014 patients. One of the key partner organisations involved in this noble endeavor was Akhila Bharatha Mahila Seva Samaja (ABMSS).

Persistent Foundation was honoured with the **Award for Excellence in Health Facilities for the Underprivileged** at the prestigious **Act of Compassion Awards 2024,** recognising its invaluable work in providing life-changing facial cleft and palate surgeries to underprivileged children.

Community Development

In FY 2023-24, the Foundation passionately led sustainable initiatives for water conservation, green energy, and livelihood support to create a positive societal impact. We have successfully implemented 20 initiatives, benefiting 7,316 individuals, including 1,635 unique beneficiaries. Additionally, we have forged partnerships with 11 like-minded organisations, amplifying our efforts for a better world.

Flagship Project:

Watershed—Integrated Development

The Government of Maharashtra launched the “Jalyukt Shivar Yojana” project to make the state drought-free by 2019, involving deepening streams, constructing dams and farm ponds, and harvesting rainwater. Persistent Foundation collaborated with authorities and NGOs to implement watershed projects in identified villages. These projects involved desilting streams, constructing check dams, and excavation work, fostering stakeholder engagement through participation.

The implementation led to water budgeting, economic stability, crop diversification, and improved agricultural production for villagers. It strengthened soil and water structures downstream. Additionally, it improved villagers' health, reduced women's daily labour burden, enabling them to focus more on farming. The project facilitated behavioral changes among villagers towards water conservation and management. Increased access to water has enabled farmers to diversify crops and improve agricultural production.

Preservation of Heritage and Wildlife

Persistent Foundation is deeply committed to the preservation of cultural heritage, the mitigation of human-animal conflicts, and the conservation of biodiversity to ensure a harmonious co-existence. This multi-faceted approach involved the implementation of six specific initiatives, each tailored to address unique challenges and opportunities. The combined efforts directly impacted a total of 2,000 individuals, with 1,000 unique beneficiaries benefiting from these initiatives. Moreover, the Foundation actively sought and established four strategic partnerships with like-minded organisations and stakeholders to further amplify its impact and reach.

Employee Engagement in CSR Activities

Persistent Foundation utilised 100% of funds against donations received.

5,613
total donors

INR 79.87 Lakhs
donated

8,118
volunteers

11,388
volunteering hours

Client Resilience and Success

The Persistent Way allows our clients to thrive during challenging times. For modern enterprises, success in a changing digital world means building resiliency into their business operations and IT systems, allowing them to function more efficiently and deliver new products and services more quickly. We bring our own best practices and learnings as a future-ready company to our wide range of client engagements. We help healthcare providers improve patient experiences, use clients' data and our unique AI solutions to enhance employee engagement, and create distinct customer-focused platforms for financial institutions. Our client collaborations are based on trust, confidence, and a relentless pursuit of excellence.

Learn more about our client successes:
https://www.persistent.com/client-success/

Empowering a Global Medtech Leader with Data to Accelerate Patient Recovery

With a promise of enabling everyone to live their lives to the fullest, Persistent believes in the power of technology to redefine healthcare. When a global healthcare and MedTech leader needed a robust solution to manage and integrate patient data to respond to inquiries more quickly, we helped the provider build a cloud-based data integration platform using Amazon Web Services (AWS) and Snowflake to offer personalised solutions for improving the quality of care.

Our client, on a relentless mission to deliver positive patient outcomes, needed to integrate data from multiple sources. The company's existing system was fragmented, causing delays and inaccuracies in data processing, ultimately impacting its ability to respond to customer needs better and faster. The healthcare major required a robust solution to centralise and manage its data efficiently.

As an AWS Advanced Consulting Partner, we worked with the client organisation to set up an AWS-based Snowflake environment to facilitate the intake, consolidation, and transfer of data inputs from multiple source systems. AWS provided the foundation for seamless data processing, while Snowflake offered a scalable platform for data integration.

We designed a data pipeline to enable a consolidated view of required data to better forecast demand based on advanced surgery scheduling. We also ensured that the centralised data warehouse was capable of handling large volumes of diverse data in real time.

Since this data contained surgical case details, we set up appropriate Identity Access Management and rules-based access control for user authentication and authorisation policies. To maintain consistent security standards for the further use of this data, we established procedures, documentation, and guidelines for the healthcare data platform team to follow.

By eliminating manual consolidation efforts with automated data inputs, the client significantly enhanced productivity. The timely access to accurate, critical surgical case data not only improved forecasting but also accelerated surgical lead times. Real-time access to patient information empowered the healthcare company to provide quicker and more personalised responses to customer inquiries, directly benefiting the health and well-being of hundreds around the world.

Promoting a Sustainability Mission Through Digital Transformation

Eco-sustainability is a paramount issue worldwide, and not only do we actively promote sustainable practices in our business, but we also work with clients that do the same. For one client, a leading French transnational company overseeing water, waste, and energy management services, operational inefficiencies and outdated IT systems were impacting its eco-sustainability mission and growth.

Specifically, our client needed targeted IT and operations remediations to improve customer reach and time-to-market, based on creating a data-driven culture internally for greater visibility into its daily digital operations. This is where we intervened with a tailored approach to unleash efficiencies, utilising a Digital-First/Front-To-Back model to help our client execute critical transformations.

Our journey began with a comprehensive analysis of the client's infrastructure and processes. We mapped business processes with digital workflows to create seamless user experiences, reduce turnaround times and improve operational efficiencies.

Armed with a front-to-back digital transformation roadmap, we engineered an application stack hosted on Amazon Web Services to build interoperability with internal and external systems and streamline activities such as invoice generation, accounts payable, and report generation. Powering these applications was a unified data platform that sourced relevant data from internal systems and validated data to create a single source of truth.

At the front end, we re-engineered the client's product landscape with a customer-facing mobile application and a web portal that served as a primary communication channel, which, when fed into revamped internal processes, accelerated support resolutions and improved service delivery.

Through our work, the client achieved a 10% boost in productivity by streamlining general and administrative tasks. Operational efficiencies generated a 20% increase in revenue, and the company slashed total optimisation costs by 30% through a cloud-hosted application stack. The intuitive digital interfaces improved overall service quality with timely prompts on activities such as waste collection and customer support. All these led to a substantial improvement in brand recall with end customers and strengthened the client's position as a leading ecological solutions provider.

Elevating Care and Improving Patient Outcomes with Data and Cloud

For more than 30 years, we have reaffirmed our commitment to enhancing human lives through technology. With our expertise in advanced data analytics, we empower healthcare professionals to make informed decisions, ensuring timely and effective treatments. When New Jersey's largest hospital chain wanted to benchmark and enhance care quality, we collaborated with our client to transform vast amounts of data into actionable insights for better patient outcomes.

Working with 18 network hospitals, 7,000 doctors and 500+ patient care locations, the hospital system needed a rigorous solution to aggregate, analyse, and benchmark patient care data from multiple sources. This was crucial for improving operations by connecting financial performance with patient outcomes and identifying areas of improvement to ensure high-quality care across its numerous facilities.

Persistent worked to migrate the client's on-premises data centre to Google Cloud Platform's (GCP) BigQuery for scalability, performance, and reliability. The platform integrated diverse data streams, enabling real-time analytics and reporting. Leveraging GCP's scalable infrastructure and our expertise in data solutions, the hospital chain could seamlessly process and analyse large volumes of data, providing valuable insights into patient care metrics.

Persistent's GCP-backed analytical backend profoundly impacted the hospital's ability to deliver high-quality care — and by extension, patients' lives. By providing healthcare professionals with real-time access to critical data, we enabled more informed decision-making on physician performance, patient outcomes, and hospital care quality. Clinicians could quickly identify trends, monitor patient outcomes, and implement necessary interventions to improve care quickly.

This data-driven approach also allowed hospital administration to benchmark performance and identify gaps around care demand and physician availability, ensuring continuous improvement in service delivery. As a result, patients received more timely and effective treatments, enhancing their overall healthcare experiences.

With the new data analytics platform, the hospital system outperformed leading healthcare indices at the state level. The ability to benchmark and monitor care in real time led to better patient outcomes, increased operational efficiency, and improved care outcomes. Our collaboration allows the hospital system to better execute on its primary mission — to serve and provide care for its patients and communities.

In sports, where swing speed or angle can alter a game's outcome, mastering the right form and technique as a player is paramount. Athletes — whether amateur, collegiate, or professional — dedicate years to perfecting these skills.

Our client, a California-based company, stands out in the sports industry by providing unique analyses, performance insights, and training recommendations for athletes based on motion-capture and biometrics technologies. During the past decade, our client has amassed data from 300 million swings, enabling it to offer personalised recommendations through its custom solution to players, parents, and professional coaches.

The client wanted to extend its innovation and offer point recommendations and additional details via a Generative AI (GenAI) interface. The company needed a strategic partner with extensive know-how in operationalising GenAI systems and data analytics expertise. AI and data are at the core of Persistent’s product engineering DNA, with accelerators to supercharge GenAI application development from the get-go, which made us the ideal partner for this client.

Extending the client’s current investments in Amazon Web Services (AWS), we leveraged our intimate knowledge as a tier-1 partner of AWS's data architecture, AI stack, and GenAI services to speed up the development process — from proof of concept to production cycle — for our client.

Our data scientists transformed the client’s raw data into valuable insights, utilising Amazon SageMaker, AWS’s machine learning model platform, for data wrangling and performance benchmarking based on player profiles. We also ensured data security by configuring Amazon DynamoDB to comply with the client's internal guidelines. Then we used Amazon LangChain, AWS’s open-source framework for building applications based on large language models (LLMs), to tie it all together.

As a tier-1 partner, we had early access to AWS’ entire GenAI stack, including Amazon Bedrock, Titan, and AI21 Labs’ Jurassic foundation models, which provided our client with an invaluable head start to launch its use case, one that is fundamentally transforming its business model with a fully scalable and distinctive offering. The company’s solution is also aiding athletes with their performance at all skill levels, with enhanced coaching strategies for skills improvements so they can achieve their peak performance goals.

Enabling Superior Athletic Performance with Generative AI-Powered Insights

Building an AI-Driven Employee Collaboration Platform for a Private Equity Firm

In the private equity world, insights are born from a team-first approach, with analysts and decision-makers sharing perspectives, best practices, and operational reports on financial performance and potential investments. Our client, a private equity firm that invests in mid-market software, data, and analytics companies, lacked a platform for internal stakeholder interactions, leading to friction in developing team-based business insights. The company also needed to share operational reports with senior executives of its subsidiary companies. As a solution, the firm's Chief Technology Officer decided to utilise an AI-driven collaboration platform.

Persistent developed a Microsoft-powered employee collaboration and knowledge management app that utilises an AI-powered chatbot to deliver actionable business insights. As the client's trusted partner, we deliberately selected Microsoft SharePoint and Microsoft Power Apps as the primary collaboration platforms. These solutions allowed high degrees of flexibility as we built an internal intranet for efficiently managing and sharing files. Moreover, SharePoint allows the client to create web pages and document libraries as needed, as well as share videos, news, and updates, while Power Apps constructs automated workflows and dashboards that can be quickly connected to multiple data sources.

Our chatbot app, powered by Microsoft Azure OpenAI and Azure AI Search (formerly CognitiveSearch), which provides secure information retrieval at scale over users' applications, stands out with its ability to intelligently process and catalog vast amounts of business information. This unique feature enhances user experiences by providing key phrase extraction, optical character recognition, and role-based access control per our client's requirements. We also deployed Azure Application Insights, an analytics service that vigilantly monitors the performance and usage of live web applications.

The firm is already experiencing the benefits that AI can bring in collaboration, registering increased productivity and enhanced user experiences, with a minimum of 80% accuracy in chatbot answers to complex inquiries. All these factors are allowing the firm to make faster and better investment decisions enabled by AI-powered data information sharing.

Accelerating Business Value with Generative AI for a US Healthcare Leader

Healthcare is one of the most highly regulated sectors, with compliance procedures that require meticulous adherence to rules and specifications for companies throughout the healthcare industry. Our client, an American multinational healthcare corporation with a vast portfolio of products and services for the consumer, pharmaceutical, and medical device markets, knows this first-hand. The corporation's Technology Services (TS) organisation works across 65 workgroups to create anywhere from 10,000 to 12,000 statements of work (SOWs) and proposal documents each year.

Our client was dealing with processes that were manual, high-touch, and inefficient, with dispersed knowledge across multiple disjointed sources. When combined with such high volume and demand for SOWs and proposals, the inefficiencies dragged on the company's productivity, and on the TS group's ability to deliver business value. To accelerate the process of designing proposals and solutions for upcoming business requirements, the client wanted to build a Generative AI-based TS Copilot platform that would automate responses by tapping into historical sources of knowledge, service, and application catalogs.

The client turned to Persistent as its trusted partner to build the GenAI-powered platform and streamline proposal and solution creation. The Copilot platform taps into various data sources, including service catalogues, application and component inventories, and other knowledge sources. Using playbooks based on previous SOWs and proposals, the Copilot leverages virtual agents powered by large language models (LLMs) to guide users in step-by-step journeys from business requirements to proposals. The Copilot platform also interacts with predictive models to estimate proposed solutions' timelines, personnel requirements, and costs. Using past solution diagrams and descriptions, the platform generates all this information for new business requirements using multi-modal LLMs.

Positive outcomes came quickly. Our collaborative solution, powered by GenAI, reduced human touchpoints in proposal creation by 70-80%, and accelerated proposal response time by an astounding 90%. In practical terms, these results mean that the corporation can capitalise quickly on opportunities that lead to growth and value. What's more, from a technology perspective, our client's disparate data sources and technology assets are now integrated into a single source of truth, which positions the company for even greater future success.

Transforming Time-to-Market for a Global E-Commerce Leader

Competition to attract online consumers never ends, especially with such a variety of choices, styles, and brands available worldwide. To stay ahead, e-commerce brands must constantly reinvent and transform, not only in how quickly they present and offer new goods and services externally, but their internal applications and processes. Our client, one of the top 10 global e-commerce leaders offering home furnishings, decor, home improvement solutions, housewares, and more, partnered with Persistent to drive some of its most critical digital transformations to date.

To contend with stagnant revenue growth and rising competition, our client wanted to optimise costs, transform its legacy monolithic applications, and improve inefficient end-to-end engineering processes. The company turned to us because of our ability to manage multiple IT-driven tracks quickly and simultaneously, including SupplierTech, Infrastructure and Platforms, MarTech, SearchTech, Fintech, SalesTech, OrderTech, Supply Chain Tech, and more.

Persistent stepped in to accelerate the client's digital transformation journey, enabling it to save costs and unleash operational efficiencies. Given our expertise in Digital Engineering, we set up a dedicated Global Technology Centre in India, assembling experienced and proven teams for feature development and product engineering. We leveraged the Google Cloud Platform native services to accelerate cloud enablement, infrastructure modernisation, and data migration.

We were also responsible for product management, architectural guidance, and delivering required artifacts for each track. We took end-to-end ownership of 47 products across eight technology tracks: Storefront, SearchTech, MarTech, Fintech, SalesTech, OrderTech, Supply Chain Tech (including Nexus WMS), Infrastructure, and Platforms. We worked with the client to analyse and resolve the technical debt and ensured the smooth transition of 350+ engineering roles from the incumbent onshore teams spread across 60+ tracks.

Our wide-ranging collaboration with our client is driving new levels of success. During a three-year period, the company registered more than $70 million in cost savings, a 40% improvement in developer productivity, and an acceleration of new product releases from three months to just four weeks. Through this collaborative transformation, our client is more efficient and better aligned to handle whatever competitive and market dynamics come into play.

Global industry leaders understand the importance of Territory Management processes — ones that sellers utilise to prioritise and manage customers and prospects — in driving accurate sales, managing accounts, and ensuring sustainable growth. Our client, a top consumer electronics company and a globally renowned brand, previously relied on outdated legacy systems for territory and account data. This approach involved multiple manual processes and provided limited visibility into historical data for valuable insights and account planning. Consequently, this hindered overall system management, restricted territory planning and modeling capabilities, and ultimately impacted efficiency, productivity, and sales performance.

Persistent partnered closely with the client to leverage Salesforce's Enterprise Territory Management, establishing a unified source of truth for sales territory and account data. The platform housed master data for accounts and sales coverage planning, eradicating data redundancy and manipulation. It was designed to enable audit logs on territories, accounts, and user assignments, with both automated and manual assignment functions available. With this innovative solution, users can exploit swiftly generated "what-if" scenarios for territory modeling using the Territory Planning tool while benefiting from reduced complexity in managing territory assignments.

Currently, more than 1,000 users access the solution developed by Persistent and Salesforce to enhance Territory Management. We implemented the solution in eight additional regions following initial success in the US and Canada. Users can now create, design, and assign territories in a logical and scalable manner, providing a more holistic approach to effective sales and account assignment and coverage. Furthermore, the solution offers advanced capabilities in tracking, reporting, historical data analysis, and ROI assessment of territory performance across 10 regions and more than 200 territories.

As a result, the client experienced a remarkable surge in sales. By strategically aligning territories and allocating resources efficiently, the client could tap into new revenue streams and capitalise on growth opportunities. Additionally, streamlined processes and optimised resource allocation minimised overhead, driving down costs while maintaining high performance. Our solution didn't just improve the bottom line; it enhanced the productivity of the client's sales teams with clear territory assignments and efficient workflows. With better territory management, the client could offer more personalised and prompt service, strengthening customer loyalty and satisfaction.

Creating Revenue, Growth, and Partnership Opportunities for a Premier Global Brand

FY24 Awards and Analyst Recognitions

Persistent named as "Most Promising Company" of the Year at CNBC-TV18's India Business Leader Awards

Sandeep Kalra recognised as the Best CEO in the IT and ITeS category by Business Today

Persistent included in three prestigious capital market indices: MSCI India Index, S&P BSE 100 and S&P BSE SENSEX Next 50

Persistent won the Golden Peacock Award for Excellence in Corporate Governance for 2023

Persistent achieved three GUINNESS WORLD RECORDS titles

Persistent named the fastest-growing IT Services brand in India in the Brand Finance India 100 2023 Report

Persistent won four 2023 ISG Star of Excellence™ Awards recognising the highest standard of Customer Service Excellence

Persistent featured as a Generative AI Leader in HFS Horizons: Generative Enterprise™ Services 2023 Report

Persistent cited as a Leader in Everest Group's Data and Analytics Services for Mid-Market Enterprises PEAK Matrix® 2023

For more information, visit: https://www.persistent.com/awards-and-recognitions/

Persistent named a Challenger in the 2023 Gartner® Magic Quadrant™ for Public Cloud IT Transformation Services

Persistent named a Leader in Everest Group's Talent Readiness for Next-Generation IT Services PEAK Matrix® 2023

Persistent listed on the 2023 Constellation ShortList™ for AI Services: Global

Persistent named a Top 15 Engineering Services Provider in the Everest Group 2023 PEAK Matrix® Engineering Services (ES) Service Provider of the Year™ Awards

Persistent named a Leader in ISG Provider Lens™ Digital Engineering Services Quadrants U.S. 2023

Persistent named a Leader in the Salesforce Ecosystem Partners 2023 ISG Provider Lens™ Study

Persistent named a Leader in the 2023 IDC MarketScape for Software Engineering Services

Persistent awarded Best Enterprise Services Vendor by Constellation Research in 2023

Persistent named a Leader in the Analyst Services 2023 ISG Provider Lens™ Study

Innovation for Resilience and Excellence

Innovation at Persistent takes many forms — and all our efforts are aimed at generating new breakthroughs and growth for our clients.

We leverage our industry-leading IP, accelerators, and frameworks to develop scalable enterprise-ready solutions that help our clients ride out turbulent market forces and grow stronger and more resilient than ever. We work with hyperscalers and our specialised cloud units to leverage skills, expertise, and best practices for clients' infrastructure optimisation and cloud migration projects. With our product engineering mindset, we collaborate with clients to capitalise on those investments by securely integrating their data and enabling new applications and digital services.

We create industry-specific use cases across our core verticals so our clients can maintain their industry leadership and delight their customers. From new customer experiences in banking and insurance to clinical trial operations in life sciences to patient-centric services in healthcare, our innovation impacts lives and livelihoods every day.

This past year, we focused our innovation heritage on bringing our decades of AI experience to the forefront with reimagined and new capabilities and solutions that accelerate enterprise AI adoption in software development, customer service, and other critical areas.

With each innovative discovery we make by collaborating with our clients, we showcase our unique market advantage and technical prowess that continues to propel our growth and success.

Persistent.AI

AI is in Persistent's DNA.

AI is powered by data, and as a company founded on expertise with data systems, we've been working in AI, machine learning, and analytics for decades — which is why clients and partners turn to us as the AI ecosystem provider of choice.

Backed by market-leading offerings and groundbreaking innovations, we're uniquely positioned to work with enterprises on their AI roadmaps, strategies, and projects.

With more than 16,000 AI-trained technical and sales professionals, we're recognised as a Leader in Everest Group's recent Talent Readiness for Next-Generation IT Services PEAK Matrix® report for the future-ready skills of our global team and our comprehensive skilling programmes.

We've unified all our AI capabilities and initiatives under a singular, differentiated banner: Persistent.AI.

Learn more about our Persistent.AI.:
https://www.persistent.com/ai/

SASVA™

SASVA™ is a manageable and secure AI solution that solves complex and specialised enterprise use cases. It revolutionises software engineering with an AI-powered platform leveraging large language models (LLMs) and machine learning.

SASVA™, when embedded into software engineering, drives enhanced efficiency and agility for organisations across industries by automating and optimising the software engineering lifecycle while ensuring security, privacy and compliance. It seamlessly integrates with enterprise tools, offering a structured and cohesive project workflow that spans multiple areas: project planning, automated code generation, review requests, validation, release management, and more.

\ Multidimensional Knowledge Base
Build robust repositories providing insights, recommendations and code generation.

\ Training Models
Evolves private fine-tuned large and small language models, models, base LLMs, and ML models on complex enterprise use cases for better management, performance, and cost.

\ Theme-Based Releases
Integrate with enterprise tools to adopt a holistic approach for release planning and execution based on security, performance, upgrades, features, and more.

\ Tech and Security Debt Reduction
Address debt through ongoing learning and high-quality code generation with improved security and performance.

Learn more about SASVA™: https://www.persistent.com/ai/sasva/

ExtenSURE.AI

ExtenSURE.AI is our Generative AI-powered, end-to-end product engineering framework. It's supported by rich partnerships and our own accelerators and is accessible by every developer within Persistent to deliver ongoing value to clients.

For more than three decades, Persistent has empowered enterprises to stay competitive and grow with groundbreaking products and our unmatched expertise. Our home-grown accelerators in ExtenSURE.AI fast-track every stage of the product engineering lifecycle — from experience design to product development, deployment, maintenance, and sustenance — unlocking synergies, efficiencies, and opportunities. We expedite our clients' journey from prototype to product with extensive domain expertise and a practitioner-led approach, delivering impact across business, customer experience, and digital transformation.

\ Imagine
Visualise new products and strategise an execution roadmap for accelerated turnaround.

\ Engineer
Build end-to-end cloud-native products, leveraging in-house accelerators and Persistent Intelligent Cloud Automation Stack (PiCAS).

\ Reimagine
Extend enterprise product shelf life with cloud-native architectures and new technologies.

\ Sustain
Extract value from mature product lines using modern engineering techniques.

Learn more about ExtenSURE.AI: https://www.persistent.com/ai/extensure-ai/

Persistent GenAI Hub

Enterprises want to take advantage of Generative AI's immense potential — but they need to act fast. More importantly, they don't want to start from scratch — they want to layer in and integrate new GenAI-powered capabilities across previous investments and applications to create the next generation of digital services.

We created the Persistent GenAI Hub to help enterprises transform faster with GenAI. Our platform allows businesses build faster, more efficient, and secure GenAI experiences at scale, using Responsible AI principles. Enterprises can access GenAI utilising different large language models (LLMs) and their preferred cloud infrastructure, without being tied to one provider, and connect it with their current assets and pre-built accelerators. The Persistent GenAI Hub gives enterprises a complete platform and roadmap to quickly develop and launch new AI-powered services.

Learn more about Persistent GenAI Hub: https://www.persistent.com/ai/persistent-genai-hub/

Persistent iAURA

Businesses need to make fast and efficient decisions based on data to stay ahead of the competition in the AI era. Persistent iAURA offers AI-powered data solutions, such as data insights, data migration, DevOps for machine learning and AI, and Data Foundry. With our solutions, companies transform into AI-driven enterprises.

Insights

\ Enterprises converse with their databases guided chat-bot interfaces to process data, generate charts and reports, and find outliers from data sources.

\ Chat-bot interfaces powered by large language models (LLMs) and Retrieval-Augmented Generation (RAG) extract entities and enable semantic document library searches.

Migrate

\ Accelerated business intelligence migration using Generative AI-enabled tools.

\ Data warehouse migration and inventory assessments powered by GenAI.

\ Machine learning/GenAI-based rationalisation frameworks for report inventories.

\ Extract, Transform, Load (ETL) migration from legacy tools to modern platforms.

Data Ops

\ Automated data profiling and rule recommendations using machine learning.

\ Data reconciliation on data sources such as transactional databases.

\ Detection of frequency and volume anomalies through unsupervised machine learning.

\ Data and image generation for structured and semi-structured data as well as images.

Data Foundry

\ A managed enterprise cloud data platform that brings together cloud analytics, Data Ops, governance, security, and cost management under one solution.

Learn more about Persistent iAURA: https://www.persistent.com/ai/persistent-iaura/

Persistent Consulting

Persistent Consulting capitalises on our decades of Digital Engineering leadership to deliver actionable roadmaps for tech-led digital transformations and practical approaches for enabling change with our clients. Spearheaded by a seasoned team that taps into the collective expertise of our 23,000+ global technology leaders, Persistent Consulting is a strategic ally to help enterprises map business value to corporate priorities and technology investments such as AI, analytics and product development. We match the right technologies to enterprise challenges to power innovation, new business models and growth.

Our Consulting Principles

We uncover business value, drive transformative change, and create immersive and impactful new-world user experiences by applying the latest tech and a Digital Engineering approach.

We are innovation champions who want to collaborate with global brands, identify pockets of untapped potential and remove roadblocks to business innovation.

We drive sustainable change throughout industries by redefining business models and strategies for growth and competitive differentiation.

Our Consulting Offerings

Innovation Strategy
Creating curated strategies to stay competitive, adapt to changing market dynamics, and foster an innovation culture.

Experience Transformation
Reinventing how businesses interact and connect with customers, employees and global stakeholders.

Next-Gen Business Transformation
Evolving and optimising enterprises by driving efficiency, agility and resilience to meet market demands.

Change Transformation
Managing the human side of change to ensure smooth transitions minimise hurdles and maximise engagement.

Learn more about Persistent Consulting: https://www.persistent.com/services/consulting/

Persistent Open Source Hub

Leveraging decades of engineering expertise and innovative technologies, Persistent offers seamless open-source security and integrity with Persistent Open Source Hub. Through our subscription-based service, enterprises accelerate their ability to optimise operations and improve efficiencies by delivering tailored, secure, rapid, high-quality, and certified open-source fixes, ensuring security, high performance, and project compatibility.

Clients register to access a range of offerings — from a complimentary project assessment to premium subscriptions. The complimentary option provides valuable insights and recommendations on potential project vulnerabilities and areas of improvement.

To opt in to tailored open source solutions, the Open Source Hub offers two subscriptions. One subscription service provides timely alerts and support for available solutions with customised fixes if solutions are unavailable within the open source community. The second subscription is a comprehensive package that provides end-to-end automated deployment of solutions, streamlining implementation.

From scaling software upgrades to keeping them up-to-date, Persistent serves as enterprises' dedicated open source team and knowledge hub, providing open source solutions tailored to every project's unique needs.

Learn more about Persistent Open Source Hub: https://www.persistent.com/services/persistent-open-source-hub/

IP, Accelerators and Marketplace

Our clients value speed and time-to-market as key factors for their success. Persistent constantly creates new innovations and IP to help clients speed up cloud migration, AI use case development, enterprise modernisation, and product development — all a reflection of our market leadership.

We have a diverse collection of Frameworks and Accelerators that our experts use in client engagements to accelerate delivery and reveal value across all our service lines, technologies and industries. Offerings cover AI and Generative AI-powered solutions, cloud migration with our hyperscaler partners, data and analytics frameworks for extracting new insights from massive data repositories, and various use cases across banking, insurance, healthcare, life sciences and other industries.

When making critical technology investments, enterprises and ISVs 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. The Persistent Marketplace is a live repository of enterprise-tested and ready-to-use APIs, products, solutions, accelerators, automations, tools and more. Available through our website, visitors can search, discover and purchase digital assets to drive business transformation, and developers can find the right API to build new applications and innovations. Partners and publishers also collaborate with us to publish their digital assets, reach new customer segments and vertical industries, and drive new growth.

Learn more about Persistent Marketplace: https://www.persistent.com/marketplace/

Partnering for Future-Ready Solutions

Our strategic relationships with leading hyperscalers and other ecosystem partners are a testament to our commitment to building resilient and future-ready solutions in a rapidly transforming technology landscape. These collaborations enable us to deliver innovative and scalable client solutions in cloud, AI and Generative AI, data and analytics, and industry-leading software development. In addition to our longtime alliances, we've established new partner relationships that have been a strong catalyst for our market-leading growth. Through all our partnerships, we empower our clients to harness the full potential of cloud, data, and AI to unlock new business models, modernise infrastructures, increase business agility, and accelerate time to value.

Learn more about our partners:
https://www.persistent.com/partner-ecosystem/

AWS

As an AWS Premier Partner with more than 12 years of collaborative expertise, Persistent commands a vast team of 2,500+ practitioners and delivery professionals providing a range of offerings, including Application Migration and Modernisation, AI and Machine Learning, Data and Analytics, Managed Operations, Cloud Native Development, and Security and Identity Access Management. With 1,350+ certified professionals and an impressive track record of 150+ engagements, our unwavering commitment to excellence with AWS is unmistakable. Earlier this year, we expanded our AWS relationship to adopt Amazon CodeWhisperer and Amazon Bedrock to drive developer productivity and accelerate Generative AI adoption.

Partnership Duration
12+ years

Partnership Status
Premier/Strategic Collaboration Agreement

No. of Practitioners & Delivery Professionals
2,500+

Offerings & Managed Services
Application Migration and Modernisation, AI and Machine Learning, Data and Analytics, Managed Operations, Cloud Native Development, Security and Identity Access Management

No. of Certifications/ Certified Professionals
1350+

Partner-related PR/announcements made in FY24
Persistent Expands Relationship with AWS to Adopt Amazon CodeWhisperer

Persistent Announces Strategic Collaboration Agreement with AWS to Accelerate GenAI Adoption

No. of Engagements
150+

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

Google

Persistent and Google have fostered a dynamic relationship for more than a decade, one that was recently strengthened through a Strategic Partnership Agreement. With a team of 225+ practitioners and delivery professionals, Persistent offers a comprehensive suite of Google Cloud offerings spanning Data and AI, Infrastructure, Applications, Engineering, and Managed Services. Boasting 1,600+ certifications and experience with 550+ engagements, Persistent is at the forefront of driving Google Cloud innovations and delivering partnership excellence. Recent achievements, including the launch of a suite of Google Cloud-powered Generative AI solutions and recognition as Google Cloud Partner of the Year, underscore the depth and success of our collaborative alliance with Google.

Partnership Duration
10+ years

No. of Practitioners & Delivery Professionals
225+

No. of Certifications/ Certified Professionals
1,600+ certifications

No. of Engagements
550+

Partnership Status
Global Systems Integrator (recently signed Strategic Partnership Agreement)

Offerings & Managed Services
Data & AI, Infrastructure, Applications, Engineering and Managed Services

Partner-related PR/announcements made in FY24
Persistent Launches Generative AI Solutions in Partnership with Google Cloud

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

IBM

As a Platinum Business Partner for the last two years, Persistent shares a strong 21-year relationship with IBM. With more than 1,500 practitioners, Persistent offers a range of services, including reselling, system integration, professional services, and managed services across various IBM products. Backed by 400+ badged team members and 40 proficient individuals, Persistent has successfully engaged in more than 50 IBM-related projects to bring new levels of innovation and value to our diverse client base. Our IBM partnership underscores our shared vision of transforming enterprises for sustainable growth.

Partnership Duration
21 years of engagement
8-year partnership
Two years as
Platinum Partner

No. of Practitioners & Delivery Professionals
1,500+

No. of Certifications/ Certified Professionals
400+ Badged Team Members

40 Proficient Individuals

No. of Engagements
50+ including Resell, ESA, PES, and more

Partnership Status
Platinum Business Partner

Offerings & Managed Services
Resell, System Integration, Professional Services, Managed Services for large set of products

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

Microsoft

With a longstanding partnership of more than 32 years, Persistent holds Solution Partner Designation across all six major Microsoft solution areas. Leveraging a team of 4,500+ practitioners, Persistent offers diverse solutions, including Patient Care NXT, Service 360 and VIVA implementations. Backed by 4,500+ certifications and a remarkable track record of more than 100,000 engagements, Persistent is a trusted Microsoft ally for driving innovation and delivering value.

Persistent was featured in Microsoft CEO Satya Nadella's keynote during this year's Mumbai AI Tour event. We even got a distinguished opportunity to showcase our cancer research platform to Mr. Nadella, amongst a few select participants, at the Microsoft AI Tour Bangalore event. Additionally, our SmartQMS solution was featured in an exclusive coverage in an AI First Movers coffee table book produced by Microsoft.

Partnership Duration
32+ years

No. of Practitioners & Delivery Professionals
4,500+

No. of Certifications/ Certified Professionals
4,500+

No. of Engagements
100,000+

Partnership Status
Solution Partner Designation for all six Microsoft solution areas

Offerings & Managed Services
15+ marketplace offers, including Patient Care NXT, Service 360, Multiomics Solution, Viva Implementation and more.

Partner-related PR/announcements made in FY24
Persistent Launches Population Health Management Solution Using Microsoft Azure OpenAI Service

Persistent Establishes Dedicated Microsoft Viva Practice Integrated with Generative AI

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

Salesforce

With a partnership spanning more than 20 years, Persistent has established a robust alliance with Salesforce as a Summit, ISV, and Product Development Partner. Leveraging a team of 2,000+ practitioners, Persistent delivers a comprehensive suite of Salesforce-based offerings, including CX Transformation, Technology Advisory, Business Transformation and Salesforce Cloud Implementation. With 7,600+ certifications and expertise derived from more than 2,200+ engagements, we excel in driving CX innovation and delivering tangible results to global organisations across industries through their Salesforce implementations.

Partnership Duration
20+ years

No. of Engagements
2,200+

No. of Practitioners & Delivery Professionals
2,000+

Partnership Status
Summit Partner, ISV Partner
Product Dev. Partner

No. of Certifications/ Certified Professionals
7,600+ certifications

Offerings & Managed Services
CX Transformation, Technology Advisory, CX Integration, Business Transformation, Salesforce Cloud Implementation, CX ROI Accelerators, Data and AI Solutions, Managed Services (MuleSoft, nCino)

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

OutSystems

For seven years, Persistent has fostered a robust and enduring partnership with OutSystems, a pioneer in low-code software development platforms, attaining esteemed Premier status. The team, including 180 OutSystems practitioners and 260+ delivery professionals, specialises in providing a range of innovative solutions, including AssistX, Digital Front Door and Revenue Cycle Optimisation. With 241 certified professionals and 627 certifications, Persistent successfully engaged in more than 35 projects during the year, demonstrating our expertise and unwavering commitment to driving client value. This enduring partnership underscores Persistent's dedication to delivering industry-leading solutions and spearheading digital transformation across industries.

Partnership Duration
7 years

No. of Engagements
35+

No. of Practitioners & Delivery Professionals
Projects Team: 260+
Practitioners: 180+

Partnership Status
Premier

No. of Certifications/ Certified Professionals
627 certifications

Offerings & Managed Services
AssistX, Digital Front Door, Digital Bank in a Box, Loan Origination, eKYC, Pitchbook, Revenue Cycle Optimisation

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

Snowflake

Persistent's robust five-year relationship with Snowflake, a leading data management and analytics provider solidifies and enhances our position as a premier provider of data and analytics solutions. Snowflake's team of more than 400 dedicated practitioners and delivery professionals offer market-leading solutions such as Persistent iAURA, which reimagines enterprise data management through AI and machine learning. With 82 certifications and a proven track record of more than 20 engagements, Persistent is committed to delivering excellence and driving forward efficient and optimised data management. Recent milestones with Snowflake and the introduction of iAURA demonstrate their role as a trusted partner, empowering organisations to harness the true power of data.

Partnership Duration
5+ years

No. of Practitioners & Delivery Professionals
400+

No. of Certifications/ Certified Professionals
82

No. of Engagements
20 and Growing

Partnership Status
Premier Services Partner

Offerings & Managed Services
Persistent iAURA

Partner-related PR/announcements made in FY24
Persistent Achieves Premier Services Partner Status with Snowflake

Persistent Transforms Enterprise Data Management with iAURA

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

Zscaler

Persistent recently achieved the Zenith Tier Partnership level with Zscaler, a market cybersecurity and Zero Trust transformation leader, marking a significant milestone in our year-old collaboration. This partnership underscores Persistent's dedication to remaining at the forefront of cybersecurity innovation and providing critical services to address evolving threats and digital risks. With a dedicated team of 28 practitioners, Persistent specialises in designing, deploying and implementing the Zscaler Zero Trust Exchange platform. Backed by 178 certifications, we deliver highly effective security solutions, and have so far engaged with clients across 15 initiatives to shore up digital security procedures and mitigate risk.

Partnership Duration
1+ year

No. of Practitioners & Delivery Professionals
28

No. of Certifications/ Certified Professionals
178 certifications

No. of Engagements
15

Partnership Status
Zenith Tier

Offerings & Managed Services
Zscaler Zero Trust Exchange

Partner-related PR/announcements made in FY24
Persistent Systems Achieves Zenith Tier Partnership with Zscaler

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

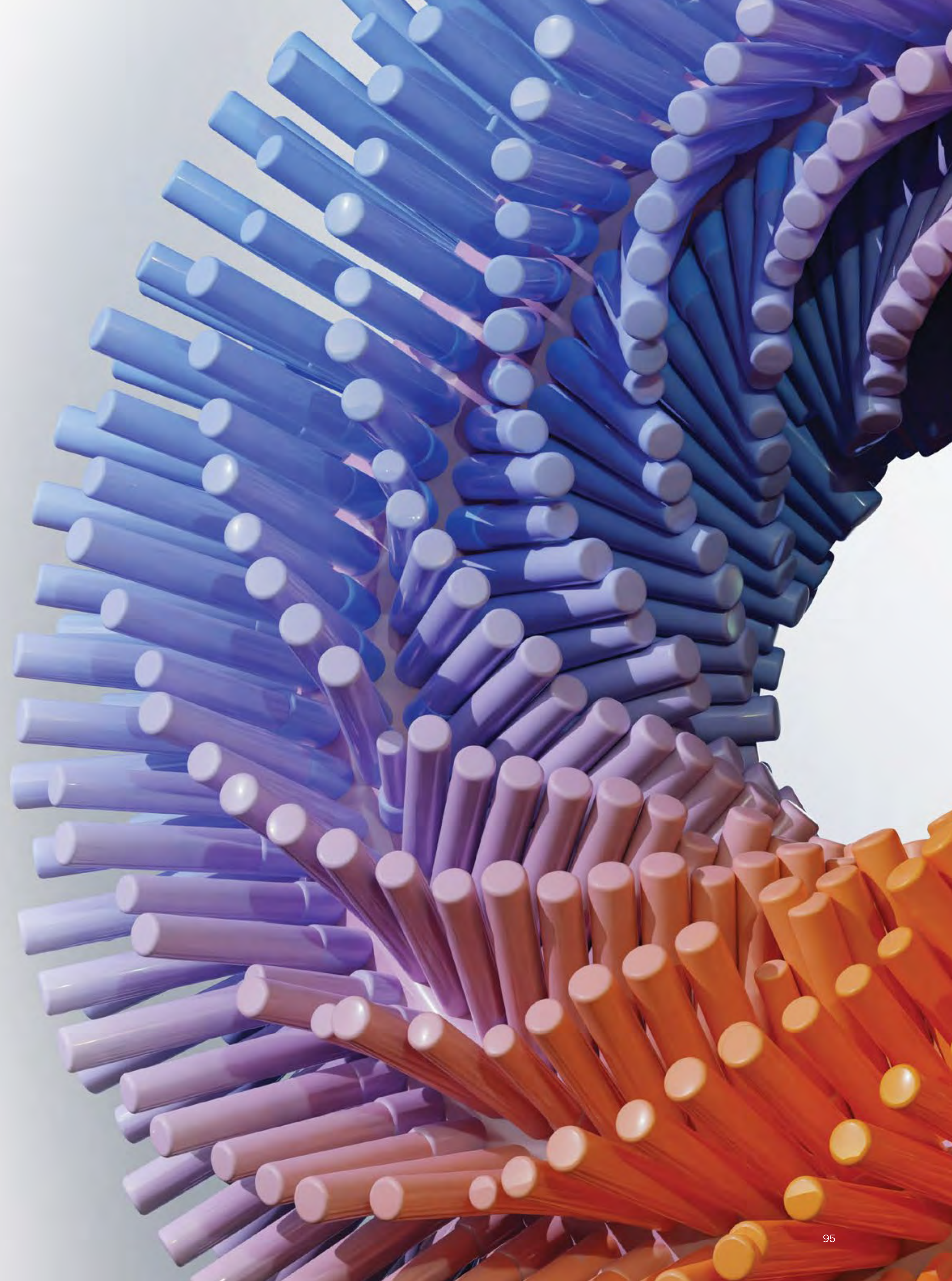
The Persistent Way:
Future-Ready for Growth, Excellence, and Prosperity

Looking back at the past year, our dedication to delivering unlimited value to our clients is unwavering and grounded in our resilient business, culture, and people.

By constantly pursuing innovations and leveraging the latest Digital Engineering technologies, our global team enables transformative change, unlocks competitive advantages, and embeds resiliency within our clients' businesses across industries. We question the usual ways of thinking, leading to new breakthroughs so our clients can adapt and improve operations and enter new markets. Partners view us as change agents that renew and advance modern enterprises, enabled by collaboration on trailblazing solutions in AI, data, analytics, and cloud technologies.

Our ability to outperform competitors, drive growth, and enable value is why our clients place such high levels of trust and confidence in our relationships. We're constantly taking on initiatives to sustain our resiliency while simultaneously preparing for new technologies, so we can keep our clients stay ahead of the latest market trends.

We believe more strongly than ever in The Persistent Way and its capacity to manifest our clients' ability to always be future-ready and succeed.

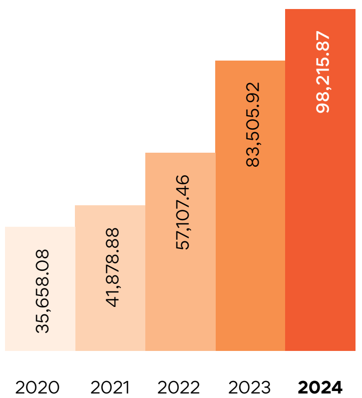


Corporate Information

Financial Highlights

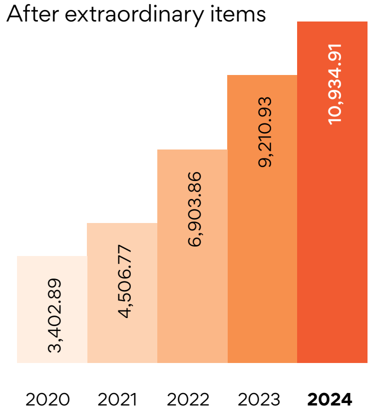
Financial Year ending on March 31, 2024

Total Revenue In ₹ Million

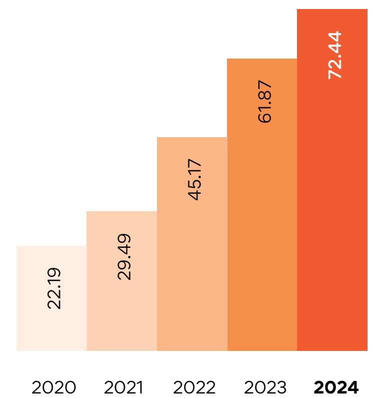


Profit After Tax In ₹ Million

After extraordinary items



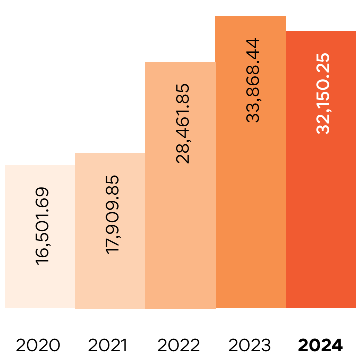
Earnings Per Equity Share (Basic)* In ₹



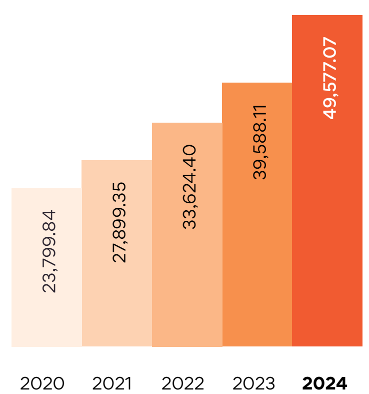
Fixed Assets In ₹ Million

Gross block, including

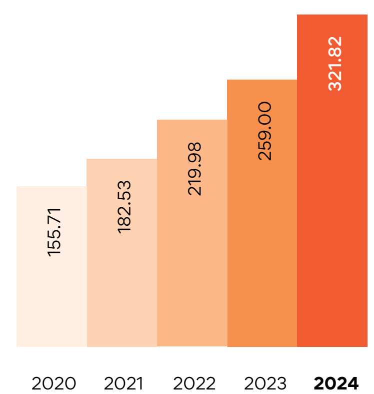
Capital work-in-progress



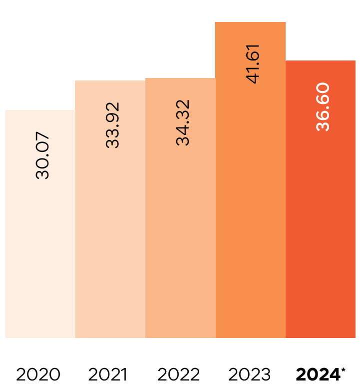
Net Worth# In ₹ Million



Book Value per Share#* In ₹



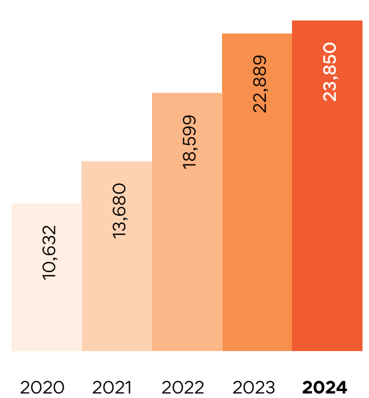
Dividend Payout Ratio^ In %



* Subject to Shareholders' approval.

Persistent Team In Numbers

Including trainees and associates



* Adjusted to consider the impact of share split.

\# 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	2023-24	2022-23	2021-22	2020-21	2019-20
Income					
Revenue	98,215.87	83,505.92	57,107.46	41,878.88	35,658.08
Other Income	1,280.20	706.17	1,439.55	1,077.72	1,323.77
Total	**99,496.07**	**84,212.09**	**58,547.01**	**42,956.60**	**36,981.85**
Personnel expenses (including cost of professionals)	71,102.40	60,121.66	42,567.28	30,721.67	25,475.34
Operating and other expenses	10,356.61	8,193.01	4,958.47	4,327.06	5,260.15
Profit before interest, depreciation and amortisation, exceptional item and tax	18,037.06	15,897.42	11,021.26	7,907.87	6,246.36
Interest*	467.27	473.40	118.35	57.94	63.32
Depreciation and amortisation	3,093.73	2,718.95	1,660.12	1,755.50	1,659.62
Exceptional item (expense)	-	(296.55)	-	-	-
Provision for taxation	3,541.15	3,197.59	2,338.93	1,587.66	1,120.53
Profit After Tax (PAT)	**10,934.91**	**9,210.93**	**6,903.86**	**4,506.77**	**3,402.89**
Dividend (including proposed dividend) and tax thereon #*	4,002.10	3,832.25	2,369.18	1,528.50	1,023.25

* Finance costs include interest on lease liability of ₹ 180.02 million under finance costs (Previous year ₹ 137.86 million) and notional interest on amounts due to selling shareholders ₹ 51.05 million (Previous year ₹ 112.76 million).

\# Subject to Shareholders' approval.

Profit and Loss Account (Ratios)

Particulars	2023-24	2022-23	2021-22	2020-21	2019-20
Personnel expenses/Revenue (%)	**72.39**	72.00	74.54	73.36	71.44
Operating and other expenses/Revenue (%)	**10.54**	9.81	8.68	10.33	14.75
Profit before interest, depreciation and amortisation, exceptional item and tax/ Revenue (%)	**18.36**	19.04	19.30	18.88	17.52
Interest/Revenue (%)	**0.476**	0.567	0.207	0.138	0.178
Depreciation and amortisation/Revenue (%)	**3.15**	3.26	2.91	4.19	4.65
Exceptional item/Revenue (%)	-	(0.36)	-	-	-
Tax/Revenue (%)	**3.61**	3.83	4.10	3.79	3.14
PAT/Revenue (%)	**11.13**	11.03	12.09	10.76	9.54
ROCE (%)*	**28.58**	30.43	24.00	19.55	13.78

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

Committees of the Board

As on June 7, 2024

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
	Prof. Ajit Ranade	Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
	Sunil Sapre	Executive Director
	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
	Prof. Ajit Ranade	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
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
	Avani Davda	Independent Director
	Dr. Ambuj Goyal	Independent Director
	Praveen Kadle	Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
	Sunil Sapre	Executive 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

Roshini Bakshi
Independent Director

Avani Davda
Independent Director

Dr. Ambuj Goyal
Independent Director

Arvind Goel
Independent Director

Anjali Joshi
Additional Director (Independent Member)

Praveen Kadle
Independent Director

Dan'l Lewin
Independent Director

Prof. Ajit Ranade
Independent Director

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 recognised 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 from its inception in 1990 to the publicly traded global Company of today. In 2023, he received the EY Entrepreneur Of The Year™ Award in the Services Category, recognizing his prowess in transforming the business by anticipating client needs, bringing innovative perspectives to boost the economy, and contributing to a better working world. In June 2024, Anand received the Association for Computing Machinery (ACM) Presidential Award for long-standing contributions to the broader computing community and to ACM.

Prior to founding Persistent, 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.

Anand is the Vice President of Mahratta Chamber of Commerce, Industries and Agriculture, Pune and the founding President of Association for Computing Machinery (ACM) India. 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 interim Chairman of the Board of Governors at IIIT Allahabad. In addition, he is on the Board of Gokhale Institute of Politics and Economics, Pune.

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.

Anand is a founding trustee of Persistent Foundation and has served numerous positions at various professional and nonprofit organisations — NASSCOM's Executive Council, 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.

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 programme, in collaboration with Dr. Ashok Korwar, he 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 revitalising businesses to boost growth and profitability. A graduate of the Indian Institute of Management Calcutta, he spent over 16 years at HCL Technologies, holding various leadership positions, including for Outsourced Product Engineering, extending HCL's presence in Latin America and Canada, as well as leading the pharmaceuticals vertical.

After leaving HCL, Sandeep joined Symphony Teleca, where he was instrumental in its growth and successful acquisition by HARMAN. Subsequently, he led the 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 an industry leader that retains its impressive legacy while fostering creativity, collaboration, and diversity. Under his guidance, the Company is evolving from a specialised technology provider into a dynamic, cutting-edge digital transformation partner and strong global brand.

Over the past four years, Persistent has achieved significant recognition from renowned industry analysts such as Gartner, ISG, Zinnov, Everest Group, and Constellation Research, fortified its capabilities across industry verticals and service lines, and more than doubled its revenue. In addition, the Company was acknowledged as the "Most Promising Company" of the Year by CNBC-TV18 at the 2023 India Business Leader Awards. Additionally, Persistent has been included in three prestigious capital market indices — MSCI India Index, S&P BSE 100 and S&P BSE SENSEX Next 50 Indices. Forbes recently spotlighted Persistent as one of four midcap firms reshaping the Indian IT landscape.

Persistent 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 companies located in Asia. Moreover, as CEO and Executive Director of Persistent, Sandeep ranked second among his peers for this award.

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

Sandeep loves hiking, watching gymnastics and American football, and traveling to meet new people and learn about other cultures.

Sandeep is married to Jyotika and they have three daughters.

Sunil Sapre

Executive Director

Sunil has 34 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, a subsidiary 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 Asha and they have a son.

Roshini Bakshi

Independent Director

Roshini 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 4 public companies — Persistent Systems Limited, JM Financials Limited, JM Financials Products Limited, and Restaurant Brands Asia Limited. 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 a 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 Stephen's 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 programme 'TAS' (Tata Administrative Services) in 2002. Thereafter she worked in 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 of India and is recognised 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 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 the 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 1,500 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 over $10 billion.

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

Arvind Goel

Independent Director

Arvind holds a bachelor's degree in mechanical engineering from National Institute of Technology, Kurukshetra. He has completed advance leadership and management programme from Harvard Business School, NYU Stern School of Business and Center for Creative Leadership in Singapore.

Arvind is currently the Chairman of Tata AutoComp Systems Limited. Previously, he was the Managing Director & Chief Executive Officer of Tata AutoComp Systems Limited till October 2022. Associated with the Tata Group since 2018, Arvind has held several leadership positions, including Chief Operating Officer and President and has been instrumental in creating multiple joint ventures and the acquisition of TitanX.

Previously, Arvind has held senior leadership positions in several companies, including Man Force Trucks, Force Motors, Bajaj Tempo, and Kirloskar Oil Engines.

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

With an extensive experience of more than 40 years in the automotive industry,

Arvind has been the recipient of 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 and "Economic Times Inspiring CEO 2021" by Economic Times.

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

Anjali Joshi

Additional Director

(Independent Member)

Anjali Joshi has joined the Board as an Additional Director (Independent Member) of Persistent Systems with effect from June 12, 2024.

Anjali is an experienced technology and product leader and professional director with more than 30 years of experience in engineering and product management. She received her B. Tech. in Electrical Engineering from IIT, a Master's in Computer Engineering from the State University of New York, and a Master's in Engineering Management from Stanford University. She was awarded the Distinguished Alumna Award from the Indian Institute of Technology.

She is currently a director of Xero and LocoNav and was previously a director of Alteryx, Lattice Semiconductor, Iteris, MobileIron, and McClatchy. Anjali holds advisory positions at the Markkula Center for Applied Ethics at Santa Clara University, the National AI Institute for Exceptional Education at SUNY Buffalo, and Insight Partners in New York.

Anjali spent 13 years in senior product leadership at Google where she was instrumental in building and scaling several products including Search and Maps globally across internet, mobile, and video platforms. Before joining Google, Anjali held engineering leadership positions at Covad Communications and Systems Engineering roles at AT&T Bell Labs.

Anjali is married to Sanjay Kasturia and they have two daughters.

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 close to the last three decades. 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 recognised 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 artiste 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 organisation, 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 organisations 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.

Prof. Ajit Ranade
Independent Director

Prof. 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.

Prof. 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.

Prof. 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.

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

Corporate Information

As on June 12, 2024

Board of Directors

Dr. Anand Deshpande
Founder, Chairman and Managing Director

Sandeep Kalra
Chief Executive Officer and Executive Director

Sunil Sapre
Executive Director

Independent Directors
Roshini Bakshi
Avani Davda
Arvind Goel
Dr. Ambuj Goyal
Anjali Joshi
Praveen Kadle
Dan'l Lewin
Prof. Ajit Ranade

Chief Financial Officer
Vinit Teredesai

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

Contact Info

Tel: +91 20 6703 0000
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
+91-20-6703-0000

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
Fax: +91-20-6798-0009

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

Capiot Software Private Limited
Registered Office:
'Bhageerath', Vetal Chowk, 402E
Senapati Bapat Road, Gokhalenagar
Pune Haveli, Maharashtra, India, 411 016
+91-20-6703-0000

Persistent India Foundation -
CSR Foundation - Section 8 Company
Registered Office:
'Bhageerath', Vetal Chowk, 402E
Senapati Bapat Road, Gokhalenagar
Pune Haveli, Maharashtra, India, 411 016
+91-20-6703-0000

Gurugram
MediaAgility India Private Limited
Registered Office:
18th Floor, Tower – C, DLF Building No. 05
DLF Cyber City, Gurugram 122 002, Haryana

Ahmedabad
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 - 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

Chennai
5th floor, Olympia Pinnacle, #1, S.No. 69/2A1
S.No. 67/1-2A, New S.No. 67/4
Old Mahabalipuram Road
Okkiam Thuraipakkam Village
Thuraipakkam, Chennai 600096

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

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

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

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

Kochi
9th floor, Level 10, Nippon Q 1
Near Don Bosco Cultural Centre, NH 66 Bypass
Vennala PO, Ernakulam, Kerala 682 028

Kolkata
7th Floor, Godrej Genesis, Block EP & GP
Sector - V, Salt Lake City
Bidhannagar, Kolkata 700 091

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 440 022
Tel: +91-0712-6692-960
Fax: +91-0712-6692-111

2nd and 3rd Floor, Infotech Tower, IT Park
M.I.D.C, Parsodi, Nagpur 440 022
Tel: +91-0712-6732321

Ground Floor, B wing, North Block
CFB Building, MIHAN SEZ, Nagpur-411 108

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

Logix Cyber Park, Tower D, Sector 62, Noida
Uttar Pradesh 201 301

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

Australia

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

Sydney
Level 20 & 21, 201 Sussex Street, NSW 2000

Melbourne
Level 21, 567 Collins St.Melbourne, VIC 3000

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

Canada

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

British Columbia
Pacific Centre, 400-725 Granville Street
Tel: +1 604 687 2242
Fax: +1 604 6431 200
Vancouver, BC, V7Y 1G5, Canada

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

Quebec
1000 De La Gauchetière Street West
Suite 3700, Montréal, QC, H3B 4W5
Tel: +1 514 875 5210
Fax: +1 514 875 4308

Costa Rica

Persistent Systems Costa Rica 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, France

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

Paris Office
Régus Saint Lazare
28 Rue de Londres, 75009 Paris, France

Nantes
24 rue Crebillon, 44000 Nantes, France

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

Germany

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

Ireland

Aepona Group Limited
9, Exchange Place, International Financial
Services Centre, Dublin 1, Ireland

Japan

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

Malaysia

Persistent Systems Malaysia Sdn. Bhd.
Registered Office
Level 15-2 Bangunan Faber Imperial
Court, Jalan Sultan Ismail 50250 Kuala
Lumpur, Wilayah Persekutuan

601-602, Level 6, Uptown 1, Jalan SS21/58
Damansara Utama, 47400 Petaling Jaya
Selangor Darul Ehsan, Malaysia
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
Av. Lopez Mateos Sur 1450 Piso 2
Colonia Las Villas, Tlajomulco de Zuñiga
45643 Jalisco, Mexico

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
Bucharest Sector 2, 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 #37-01A Suntec Tower One
Singapore 038987
Tel: +65 6223 4355
Fax: +65 6223 7955

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

Sri Lanka

Persistent Systems Lanka (Private) Limited
4th Floor, 123, Bauddhaloka Mawatha
Colombo – 4, Sri Lanka 400 003

South Africa

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

Switzerland

Persistent Systems Switzerland AG
Birmensdorferstrasse 108, 8003 Zürich
Tel: +41 43 500 97 00
Fax: +41 43 500 97 01

Rasude 2, CH-1006 Lausanne

The Netherlands

Persistent Systems Limited
Teleportboulevard 110
1043 EJ Amsterdam, The Netherlands
Tel: +31 20 312 1212
Fax: +31 20 312 1210

United Kingdom

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

MediaAgility UK
London
Level 1, Broadgate Tower, 20 Primrose Street
London EC2A 2EW, United Kingdom

USA

Persistent Systems Inc.
Persistent Telecom Solutions Inc.
Registered Office
2055 Laurelwood Road, Suite. 210
Santa Clara, CA 95054, USA
Tel: +1 408 216 7010
Fax: +1 408 451 9177

Persistent Systems Inc.
Branch Offices
New Jersey
100 Somerset Corporate Center Bridgewater
Township, New Jersey, NJ 08807, USA

Morrissville
Perimeter One , 3005 Carrington Mill Boulevard,
Morrissville, North Carolina, 27560

Dallas
5801 Tennyson Parkway, Suite 275
Plano, TX 75024

Software Corporation International
100 Somerset Corporate Center Bridgewater
Township, New Jersey , NJ 08807, USA

Persistent Telecom Solutions Inc.
Branch Offices
Seattle / Bellevue
3380 146th Place SE, Suite 220, Bellevue
Washington 98007, USA

Dublin
5080 Tuttle Crossing, Blvd. Suite 150
Dublin, Ohio 43016

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

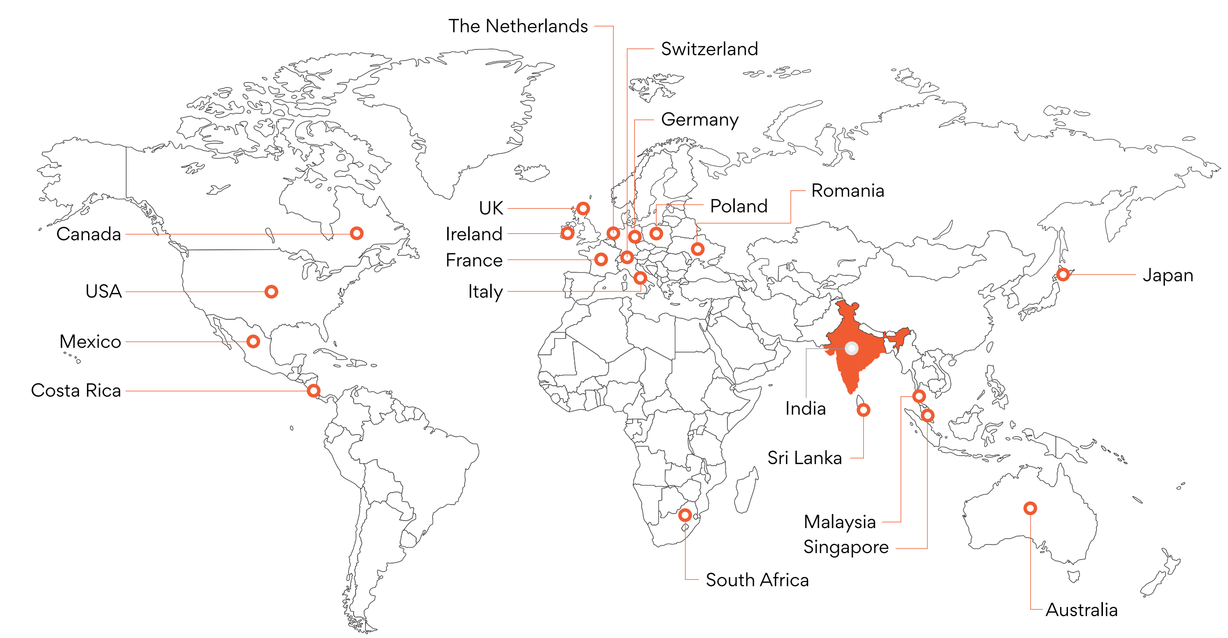
Atlanta, GA
12600 Deerfield Parkway, Suite 100
Alpharetta, Georgia, 30004

MediaAgility Inc.
100 Somerset Corporate Center Bridgewater
Township, New Jersey , NJ 08807, USA

Persistent Systems Limited
California
2055 Laurelwood Road, Ste 210,
Santa Clara, CA 95054, USA

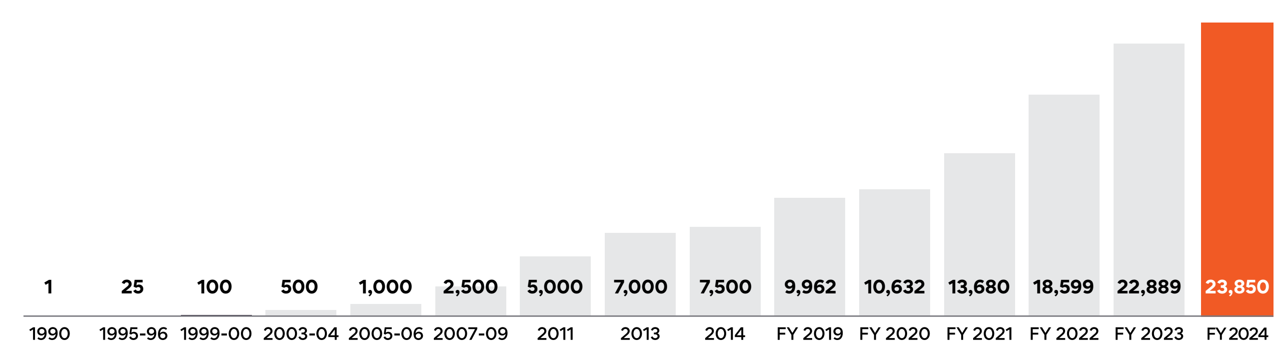
Persistent Systems Limited
North Carolina
Prosperity Place III,10150 Mallard Creek
Suite 305, Mecklenburg County North Carolina
Charlotte, NC 28262 USA

Global Presence



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

Employee Growth



Statutory

Message from the CFO

Dear Shareowners,

Reflecting on the financial year 2023-24, I am pleased to state that we have delivered strong financial results despite the global uncertainties. Amid a tough macro environment caused by sustained high inflation and continued geo-political upheavals, we have been able to sustain our growth momentum, thanks to the invaluable support from customers and partners and the resilience shown by our 23,850+ committed team members.

With this support, we could achieve a YoY revenue growth of 14.5% in USD terms, with an EBIT margin of 14.4%.

Major Highlights from the performance for FY 2023-24 include:

\ Revenue grew by 14.5% in USD terms to $ 1.186 Billion. While in INR terms, it translated to ₹ 98.216 Billion, with 17.6% growth over the previous year

\ Profit After Tax (PAT) grew by 18.7% and was at ₹ 10,935 Million, as compared to ₹ 9,211 Million

\ The Growth in EPS was 17.1%

\ OCF / EBITDA for FY24 was at 0.76 as against 0.63 in FY23

\ Billed DSO as on March 31, 2024, was 63 days as against 68 days as on March 31, 2023

\ The cash and cash equivalents at the end of FY24, net of borrowings, stood at ₹ 18,585 Million as compared to ₹ 13,821 Million at the end of FY23

The profitable growth journey was recognised in the form of your company's inclusion in 3 prestigious capital market indices during the year, viz. MSCI, S&P BSE 100 and S&P BSE Sensex Next 50.

As regards the market segments we operate in, the growth was broad-based, with BFSI registering growth of 11%, Healthcare registering growth of 22.3% and Software & Hi-tech registering growth of 13.6%. In terms of geographic distribution of revenue, North America continued to be the dominant region contributing 79.6% of revenue, with Europe and Rest of the World contributing 9% and 11.4% respectively.

In terms of quality of revenue and deepening of relationships with customers, we continued to make good progress, adding 1 client in $ 30M+ category and the number of $ 5M+ clients went up from 34 to 40. Number of clients in $ 1 - 5M category also increased from 126 to 138.

The year gone by was characterised by slow demand environment and longer sales cycles. To counter this slow conversion, we invested in sales and engaged proactively with different sourcing channels. These efforts resulted in strong order wins with annual contract value bookings of USD $ 1.297 Billion, as compared to $ 1.171 Billion in the previous year. With continued focus on multi-year deals, the total contract value bookings were $ 1.829 Billion, as compared to $ 1.624 Billion in the previous year.

On the talent supply side, attrition level on TTM basis came down significantly to 11.5% from 19.8% a year ago. We continued to invest in building capabilities. In this context, the new Learning and Development facility at Pune has helped in increased coverage of skills across various technology areas, and industry verticals. This has also helped in providing best learning experience to our employees and in improving employee engagement level.

Coming to the key return ratios, Return on Capital Employed (ROCE) was 28.6% as compared to 30.4% in the previous year.

We continued our contribution to CSR activities in the field of education, health, and community development. During the year, we spent ₹ 207 Million on CSR activities. We also continue our journey on green initiatives, details of which are shared in the ESG report.

We had a Sub-Division/ Stock Split as approved by the shareholders under postal ballot in March 2024, whereby one Equity Share of ₹ 10 each has been sub-divided into 2 Equity Shares of ₹ 5 each effective April 1, 2024.

The Board has recommended a final dividend of ₹ 10 per Equity Share of ₹ 5 each. Along with the interim dividend of ₹ 32 per share (which was pre-split), on a like-to-like basis, it works out to ₹ 52 per share as compared to ₹ 50 per share for the previous year. You will recall that the dividend for 2022-23 included a special dividend of ₹ 10 per share on the occasion of the Company crossing $ 1 Billion revenue milestone. The total dividend payout for FY24 will be ₹ 4,002 Million as compared to ₹ 3,832 Million for FY23.

The demand environment continues to remain challenging, but the investments in sales and delivery capabilities made in FY24 has helped us remain resilient and ready to harness opportunities as the market improves.

I would like to thank our employees who have shown the agility and flexibility time and again to drive stable growth. As we strengthen our business partnerships and strategic initiatives, we will continue to improve financial agility to allow us to respond promptly to market changes. It will also be extremely important to continue managing risks and promoting sustainable ESG practices to meet growing expectations from the stakeholders.

Finally, as I am slated to retire later this year, I am very happy to welcome Vinit Teredesai and wish him the best as he steps in as the next CFO of the Company. I will be working closely with him to ensure a smooth transition. I would like to express my deepest gratitude to our Board for the trust placed in me, and for their support, and guidance throughout my tenure as CFO.

I would like to express my sincere thanks to our customers, partners, bankers, investors, analysts, key advisors, vendors, and other stakeholders for their support through this journey.

Sincerely,

Sunil Sapre
Executive Director
DIN: 06475949

Report of the Directors

Note: All the numbers of Equity Shares mentioned in this Report are pre-Sub-Division of the Equity Shares of the Company i.e., before the Record Date (April 1, 2024), unless stated otherwise.

Your Directors are pleased to present the Thirty-Fourth Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2024.

Business Update

FY24 was yet another transformative year for Persistent with over $1 billion in annual revenue. We have showcased unparalleled resilience and innovation in this year globally. This has propelled us to the forefront of technology advancements and client-driven solutions. Your Board extends its heartfelt thanks to the clients, partners, employees, and shareholders for their continued trust and confidence in our journey to create significant value and achieve shared success.

Despite facing some of the most challenging market conditions in recent history, we have made remarkable strides in our growth journey. This year, we achieved $1.186 billion in revenue with 14.5% year-on-year growth, marking 16 sequential quarters of growth. This performance significantly outpaces other major service providers globally and positions us strongly in our chosen markets. This year, we announced a total dividend of ₹52 per share compared to ₹50 per share in FY23. This dividend amount per share does not take into account the stock split which came into effect on April 1, 2024. Additionally, our inclusion in the MSCI India Index, S&P BSE 100, and S&P BSE SENSEX Next 50 underscores our growing prominence in the capital markets.

Our global team, spanning across 20 countries, has expanded to over 23,800 employees, enhancing our capacity to support our clients' needs to stay competitive and grow, even in volatile and uncertain markets. This expansion is complemented by fortified leadership, strengthened operations, and enhanced budgetary discipline, enabling us to respond adeptly to dynamic industry and macroeconomic challenges.

Despite these achievements, we remain keenly aware of the need to continuously innovate and differentiate ourselves in the market on an ongoing basis. As challenging conditions persist, our clients rely on our industry expertise and robust product solutions to optimise operations, unlock value, and drive growth.

This year, we solidified our position as a leading AI provider of choice, launching a comprehensive range of AI and GenAI solutions designed to accelerate software development, create unique customer experiences, and boost organisational productivity. An illustrative list of frameworks and platforms that we launched are:

- **ExtenSURE.AI:** Our GenAI-powered end-to-end framework that reimagines modern product engineering.
- **SASVA™:** An AI-powered platform that revolutionises the software engineering lifecycle through automation and optimisation.
- **Persistent iAURA:** A suite of data solutions leveraging AI and machine learning to enable data-driven decision-making for enterprises.

Our storied heritage across Product engineering and Custom Software Development complemented by our deep data, analytics, and cloud capabilities have been brought to bear in developing these innovative AI solutions and frameworks. We are actively engaging with clients on AI proof-of-concepts (PoCs) and pilots across various industry verticals. Based on the success of these PoCs, many clients are in discussions with us to scale these trials to production.

In parallel, we expanded our partnerships with leading hyperscalers, like Amazon Web Services (AWS), to accelerate GenAI innovation and achieved Premier Tier Partner status within the AWS Partner Network. Our many strategic collaborations extend to enhancing our Salesforce capabilities, launching new initiatives with Microsoft through the VIVA platform and strengthening our Google Cloud partnership with new GenAI solutions. To be able to provide AI talent at scale, we've embarked on extensive internal AI training delivered through our very own Persistent University for over 16,000 employees, further boosting our capability to innovate and deliver to our customers' most complex technology challenges.

Our commitment to innovation and excellence has been recognised by industry analysts and thought leaders. This year, we were named as a Challenger in the Gartner Magic Quadrant for Public Cloud Transformation Services and named as a GenAI Leader by HFS Research. Additionally, Persistent was honoured as the "Most Promising Company of the Year" at CNBC-TV18's India Business Leader Awards (IBLA), recognising our consistent ability to deliver sustained impact for global clients. Our Founder and Chairman, Dr. Anand Deshpande received "EY Entrepreneur of the year 2023" award for his visionary leadership. Our CEO and Executive Director, Mr. Sandeep Kalra was honoured with the "Best CEO award in IT and ITES Category" by Business Today for his commitment to excellence, prowess to envision industry trends and passion for innovation. We also received multiple accolades from ISG for overall excellence and Everest Group for our leadership in next-gen IT services talent.

Furthermore, Persistent was acknowledged for its continued leadership in Environmental, Social, and Governance (ESG) activities and was named as one of India's leading listed ESG entities 2024 by Dun & Bradstreet. We are happy on the progress we are making towards achieving carbon neutrality for Scope 1 and Scope 2 emissions, and 100% renewable energy sourcing for our owned facilities in India, by the middle of FY25.

With a resilient business model and a vision geared towards the future, Persistent remains dedicated to delivering operational efficiency, financial discipline, and sustainable growth. As we navigate through challenging economic and market conditions, we are well-poised to leverage our global strengths to continue creating value for all stakeholders.

A. Financial Section

Financial Results

The highlights of the financial performance on a consolidated basis for the year ended March 31, 2024, 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	**2023-24**	**2022-23**	**2023-24**	**2022-23**	
Revenue from Operations	**1,185.99**	1,037.88	**98,215.87**	83,505.92	17.62%
Earnings before interest, depreciation, amortisation and taxes	**202.35**	185.12	**16,756.86**	14,894.70	12.50%
Finance Cost*	**5.64**	5.88	**467.27**	473.40	-1.29%
Depreciation and amortisation	**37.36**	33.79	**3,093.73**	2,718.95	13.78%
Other incomes	**15.46**	8.78	**1,280.20**	706.17	81.29%
Tax expenses	**42.76**	39.74	**3,541.15**	3,197.59	10.74%
Net profit	**132.04**	114.48	**10,934.91**	9,210.93	18.72%
Transfer to general reserve	**47.54**	38.51	**3,965.23**	3,164.51	25.30%
Net worth#	**593.69**	481.78	**49,513.46**	39,588.11	25.07%
Earnings per share (EPS) (Basic)@	**0.87**	0.77	**72.44**	61.87	17.08%
Earnings per share (EPS) (Diluted)@	**0.86**	0.75	**71.07**	60.26	17.94%
Book value per equity share	**3.85**	3.15	**321.41**	259.00	24.10%
Market value per equity share as on March 31					
BSE Limited	**-**	-	**3,989.25**	4,609.20	73.10%
National Stock Exchange of India Limited	**-**	-	**3,984.55**	4,609.50	72.88%

[Conversion Rate USD 1 = INR 82.81 for Profit and Loss items; USD 1 = INR 83.40 for Balance Sheet items (Financial Year 2023-24) and USD 1 = INR 80.46 for Profit and Loss items; USD 1 = INR 82.17 for Balance Sheet items (Financial Year 2022-23).]

@ The Equity Shares of the Company have been Sub-Divided in a 1:2 ratio and the impact of the Sub-Division has been given to EPS.

* Includes notional interest on lease liability FY24: INR 180.02 Million (FY23: INR 137.86 Million) recognised in accordance with Ind AS – 116 on Leases and notional interest on amounts due to selling shareholders INR 51.05 Million (Previous year: INR 112.76 Million).

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, 2024, are as under:

Particulars	(Amount in USD Million except EPS and Book Value) 2023-24	2022-23	(Amount in ₹ Million except EPS and Book Value) 2023-24	2022-23	% Change (based on amounts in ₹)
Revenue from Operations	**786.62**	636.05	**65,142.17**	51,175.53	27.29%
Earnings before interest, depreciation, amortisation and taxes	**160.77**	139.70	**13,313.91**	11,239.85	18.45%
Finance Cost*	**2.05**	1.63	**169.84**	130.97	29.68%
Depreciation and amortisation	**19.61**	16.72	**1,623.64**	1,344.87	20.73%
Other income	**19.86**	9.18	**1,644.86**	738.71	122.67%
Tax expenses	**39.95**	32.21	**3,308.64**	2,591.44	27.68%
Net profit	**119.02**	98.33	**9,856.65**	7,911.28	24.59%
Transfer to general reserve	**47.54**	38.51	**3,965.23**	3,164.51	25.30%
Net worth#	**572.98**	479.69	**47,786.51**	39,416.50	21.23%
Earnings per share (EPS) (Basic)@	**0.77**	0.65	**64.06**	51.76	23.76%
Earnings per share (EPS) (Diluted)@	**0.77**	0.65	**64.06**	51.76	23.76%
Book value per equity share	**3.72**	3.14	**310.20**	257.88	20.29%

[Conversion Rate USD 1 = INR 82.81 for Profit and Loss items; USD 1 = INR 83.40 for Balance Sheet items (Financial Year 2023-24) and USD 1 = INR 80.46 for Profit and Loss items; USD 1 = INR 82.17 for Balance Sheet items (Financial Year 2022-23).]

@ The Equity Shares of the Company have been Sub-Divided in a 1:2 ratio and the impact of the Sub-Division has been given to EPS.

* Includes notional interest on lease liability FY22: INR 147.50 Million (FY 23: INR 119.73 Million) recognised 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

a. The Board of Directors of your Company, at its meeting held on Saturday, January 20, 2024, approved a proposal for Sub-Division / Split of every 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company subject to the approval of Members of the Company.

   The Members approved the resolution with special majority on March 11, 2024. The Scrutinisers appointed for conducting the Postal Ballot process in a fair and transparent manner issued a Scrutiniser's Report on March 11, 2024, confirming that the Sub-Division / Split was approved by 99.86% of the Members. On March 13, 2024, the Board of Directors of your Company, fixed the Record Date for the Sub-Division / Split as April 1, 2024 and the Face Value of the Equity Shares of your Company changed from INR 10/- (INR Ten Only) to INR 5/- (INR Five Only) w.e.f. April 1, 2024. The necessary effect to adjust the number of Equity Shares in the Demat Accounts of the Members was also completed on April 2, 2024.

   The capital structure of the Company pre and post the Sub-Division is as follows:

Particulars	Pre-Split	Post-Split	Pre-Split	Post-Split
Type of Share Capital	Authorised Equity Share Capital		Issued, Subscribed and Paid-up Equity Share Capital	
No. of Equity Shares	200,000,000	400,000,000	77,025,000	154,050,000
Face Value (in INR)	10	5	10	5
Total Share Capital (in INR)	**2,000,000,000**	**2,000,000,000**	**770,250,000**	**770,250,000**

b. The Board of Directors of your Company at its meeting held on Wednesday, March 13, 2024, approved the formation of a Wholly Owned Subsidiary Company under Section 8 of the Companies Act, 2013 (the 'Act'). Accordingly, a Section 8 Company by the name of 'Persistent India Foundation' was incorporated on May 1, 2024.

c. Mr. Sunil Sapre, Executive Director and Chief Financial Officer, through his letter dated May 15, 2024, informed the Board of Directors of your Company that in view of his upcoming superannuation and per the CFO Succession Plan of the Company, he wishes to relinquish the position of Chief Financial Officer ('CFO') effective from the closure of business hours on May 15, 2024 (IST). He further confirmed that there were no material reasons for his relinquishment as the CFO other than the reason mentioned above. The Board expressed its appreciation for his valuable contribution to the Company's growth journey.

   Mr. Sapre further confirmed that he will continue to act as an Executive Director of the Company, in his letter and the Board took note of the same in its meeting held on May 15, 2024.

   In light of Mr. Sapre's relinquishment of the CFO office, the Board of Directors of your Company, in their meeting held on May 15, 2024, appointed Mr. Vinit Teredesai as the Chief Financial Officer and Key Managerial Person in terms of Section 203 of the Companies Act, 2013. Mr. Teredesai is a seasoned finance professional with over 28 years of experience in finance, accounting, auditing, taxation, fund raising, risk management, mergers and acquisitions, and corporate restructuring.

   Mr. Teredesai is a qualified Chartered Accountant, Cost and Management Accountant, and a Certified Public Accountant in the United States. He has also completed a General Management programme from the Sloan School of Management at the Massachusetts Institute of Technology (MIT) focusing on strategy, innovation, and technology.

   There were no other material changes and commitments affecting the financial position of your Company between the end of the Financial Year 2023-24 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 of March 31, 2024. Your Directors believe that the consolidated financial statements present a more comprehensive picture as compared to standalone financial statements. The financial statements are available for inspection during business hours at the Registered Office of your Company and the offices of 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 Affairs' (MCA) Circular dated May 5, 2020, and its extensions from time to time upon written request by any Member of your Company.

Consolidated Financial Statements

Consolidated financial statements of your Company and its subsidiaries as of March 31, 2024, 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.

Changes in the capital structure of your Company during the year

a. The Stakeholders Relationship and ESG Committee has inter-alia approved the allotment of 500,000 (Five Hundred Thousand only) Equity Shares of INR 10 each at the allotment price of INR 2,789 per Equity Share to PSPL ESOP Management Trust on April 6, 2023.

b. The Stakeholders Relationship and ESG Committee has inter-alia approved the allotment of 100,000 (One Hundred Thousand Only) Equity Shares of INR 10 each at the allotment price of INR 2,133 per Equity Share to PSPL ESOP Management Trust on February 1, 2024.

c. The Board of Directors of your Company, at its meeting held on Saturday, January 20, 2024, approved a proposal for Sub-Division / Split of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company which was approved by the Members of the Company through Postal Ballot on March 11, 2024.

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'), M/s. Walker Chandiok & Co. LLP, Statutory Auditors of your Company have confirmed that they hold a valid certificate issued by the 'Peer Review Board' of Institute of Chartered Accountants of India (ICAI) and have provided a copy of the said certificate to your Company for reference and records.

The Auditors' Report for the FY 2023-24 does not contain any qualification, reservation, or adverse remark, however, contains a remark as follows:

As stated in Note 53 of the accompanying standalone financial statements and based on our examination, which included test checks, except for the instance mentioned below, the Company, in respect of financial year commencing on April 1, 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

Nature of exception noted:

Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature.

Details of Exception:

The accounting software (Oracle Fusion ERP) used for maintenance of books of accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

The comments of the Board on the remark mentioned by the Statutory Auditors in the Audit Report are as follows:

"The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from April 1, 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group uses a SaaS based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

The database of the accounting software is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) includes suitability of the design and operating effectiveness of controls. However, the availability of audit trail (edit logs) is not covered in the said report.

In our view, the group's ERP being a SaaS based software, the audit trail at the database level is not applicable."

The Audit Report forms part of the financial statements which are a part of 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, Pune as the Secretarial Auditors of your Company for the Financial Year 2023-24.

Accordingly, the Secretarial Auditors have given the report, which is annexed hereto as Annexure A. There are no qualifications / observations in the Secretarial Audit Report for FY 2023-24.

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 your 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 Act 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, 10, 14, 17, and 33 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 INR 3,942.66 Million has been transferred to the General Reserve and an amount of INR 1,696.69 Million will be retained in the Statement of Profit and Loss after payment of dividend. The balance in the Profit and Loss Account as of March 31, 2024, is INR 17,272.67 Million, and in the General Reserves is INR 25,854.48 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 maintains 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 of March 31, 2024, your Company, on a standalone basis, had cash and cash equivalents (including investments) amounting to INR 14,300.66 Million as against INR 11,352.08 Million as of March 31, 2023.

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

(In ₹ Million)

Particulars	Year ended on March 31 2024	2023
Investment in Mutual Funds at fair value	**4,801.50**	2,814.11
Fixed Deposits with scheduled banks	**3,244.72**	4,215.93
Bonds (quoted)	**2,995.61**	3,085.59
Cash and Bank balances	**3,258.83**	1,236.45
Total	**14,300.66**	**11,352.08**

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

(In ₹ Million)

Particulars	Year ended on March 31 2024	2023
Capital expenditure	-	-
Revenue expenditure	269.48	140.63
Total research and development expenditure	**269.48**	**140.63**
As a percentage of total income	**0.40%**	**0.27%**

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 2024	2023
Earnings	48,403.78	34,921.08
Outgo	8,548.03	4,749.56

Update on Fixed Deposits with IL&FS

Your Company has deposits of INR 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 between January 2019 and 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 and continues to monitor developments in the matter.

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 the 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 2023-24 (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 specialisation, and your Company's long-term strategy for sectoral investments, optimisation 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 is given in Annexure B in Form No. AOC-2 and the same forms 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 2023-24 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 33rd AGM confirmed the appointment of Prof. Ajit Ranade (DIN: 00918651) 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 6, 2023, to June 5, 2028.

Retirement of Prof. Deepak Phatak, Independent Director

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 with respect to the age of Independent Directors. He had confirmed that there were no material reasons for his resignation.

The Board thanked Prof. Phatak for his contribution and wished him the best for his future endeavors.

Retirement by Rotation

In terms of Section 152(6) of the Act and Article 137 of the Articles of Association of your Company, Mr. Sunil Sapre (DIN: 06475949), Executive 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.

Mr. Sapre has confirmed his eligibility and willingness to accept the office of Director of your Company if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Mr. Sapre has the requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the reappointment of Mr. Sapre till September 30, 2024, be passed with the requisite majority.

Appointment of Directors since last AGM

1\ **Proposed appointment of Ms. Anjali Joshi as an Additional Director (Independent Member), not liable to retire by rotation, to hold office with effect from June 10, 2024, till June 9, 2029**

The Nomination and Remuneration Committee ('NRC') of the Board of Directors of the Company at its meeting held on June 7, 2024 recommended the appointment of Ms. Anjali Joshi (DIN: 10661577) as an Additional Director (Independent Member) of the Company.

The Board at its meeting held on June 7, 2024, discussed the same and in-principal agreed to the proposal of the NRC for the appointment of Ms. Joshi, subject to the completion of certain necessary statutory requirements by Ms. Joshi. Your Board considered expertise in the Software Industry, large-scale global operations, strategy and planning, and business acumen of Ms. Joshi while recommending her appointment. She has since obtained a valid registration of the Independent Directors Databank.

The Board will consider and approve her appointment as an Additional Director (Independent Member) through a circular resolution once the Statutory Requirements are completed by Ms. Joshi. Further details will form part of the 34th AGM notice.

2\ **Proposed re-appointment of Mr. Praveen Kadle (DIN: 00016814) as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years i.e. for a term up to April 22, 2025**

The Nomination and Remuneration Committee (the 'NRC') of the Board of Directors at its meeting held on June 7, 2024, recommended the re-appointment of Mr. Praveen Kadle, Independent Director (DIN: 00016814) who will retire from the Board on April 22, 2025, for a second term of 5 (Five) years. The NRC evaluated the balance of skills, knowledge, and experience on the Board and recommended that Mr. Praveen Kadle shall be reappointed as an Independent Director for a further term of 5 (Five) years form April 23, 2025, till April 22, 2030, at the ensuing AGM in order to ensure a seamless continuation and stability on the Board.

In the opinion of the NRC, Mr. Kadle has requisite qualifications and experience. The Board will consider and approve his re-appointment through a circular resolution . Further details will form part of the 34th AGM notice.

3\ **Re-appointment of Mr. Sunil Sapre, Pune, India (DIN: 06475949) as an Executive Director of the Company liable to retire by rotation, to hold the office with effect from October 1, 2024, till December 31, 2024.**

Pursuant to the recommendation from the Nomination and Remuneration Committee, your Board recommends the re-appointment of Mr. Sunil Sapre as an Executive Director with effect from October 1, 2024, till December 31, 2024, i.e., till the date of Mr. Sapre's superannuation, subject to the approval of the Members at the ensuing AGM. Your Board considered his expertise, wide industry experience and financial acumen for recommending his appointment. Pursuant to the provisions of the Act, he is liable to retire by rotation. Mr. Sapre 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, Mr. Sapre has requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the re-appointment of Mr. Sapre be passed with the requisite majority. Mr. Sapre's profile forms part of this Annual Report and has also been provided in the 34th AGM notice.

As on the date of this report, your Company has 7 (Seven) Non-Executive Members on the Board who are Independent Directors. Pursuant to Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations'), every listed company where the Chairperson is an Executive Director shall have at least half of its total strength of the Board of Directors as Independent Directors. Your Company complies with this requirement.

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

1\ Prof. Ranade, Independent Director of the Company, 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.

2\ 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 Familiarisation Programme 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 2023-24, a separate meeting, exclusively of the Independent Directors was held on July 20, 2023, in which the Independent Directors transacted the following businesses along with a 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 organisation

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 your Company. The criteria include expertise area, industry experience, professional background, association with other companies, and similar important parameters.

Once the criteria are 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.

Members of the Nomination and Remuneration Committee interact with at least two and at the most four potential candidates.

Efforts are made to ensure that the Board has adequate diversity across various parameters such as nationality and gender in terms of The Board Diversity Policy. The Board has decided that for every position of the Board, female candidates will also be considered.

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

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/

Performance Evaluation of the Board, its Committees and Directors

Your Company conducts the annual performance evaluation of the Board, the Chairman, its various Committees, and the Directors individually including the Independent Directors. The performance evaluation is done by an external management consultant who specialises in the Board evaluations. The performance of the Board is evaluated by seeking inputs from all the directors and senior management. The evaluation criteria include aspects such as the Board composition, structure, effectiveness of board processes, information, and functioning, etc.

This year, the evaluation was conducted in March and April 2024 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 2024.

The details of the evaluation form part of 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 Act) to the median of employees' remuneration, and the details required under Section 197(12) of the Act 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 all the employees employed throughout the year and in receipt of remuneration of INR 1.02 Crore or more per annum and employees employed for part of the year and in receipt of remuneration of INR 8.5 lakh or more per month, as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, forms part of this Report. However, pursuant to first proviso to Section 136 (1) of the Act, this report is being sent to the Members excluding the aforesaid information. Any Member interested in obtaining the said information may write to the Company Secretary at the Registered Office of the Company and the said information is open for inspection at the Registered Office of the Company.

Employee Stock Option Plan

Your Company has 13 (Thirteen) ESOP Schemes as of March 31, 2024. These Schemes are being implemented as per the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('SEBI SBEB Regulations'), and as of March 31, 2024, 2 (Two) schemes viz. Persistent Employee Stock Option Scheme 2014 and Persistent Systems Limited — Employee Stock Option Plan 2017 are active.

The Members of your Company in the 31st AGM and 33rd 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. Further, through Postal Ballot Notice dated February 6, 2024, of which the results were announced on March 11, 2024, the Members approved an amendment in the PESOS 2014 to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014.

In the Financial Year 2023-24, 343,200 options were granted under PESOS 2014, and 1,865,325 options were granted under ESOP 2017.

As required under the SEBI SBEB Regulations, the 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/2024/06/esop-details-2024.pdf

Corporate Social Responsibility

Your Company is committed to making a difference to the community that we are all part of. Your Company treats the society and the environment among the stakeholders of your Company.

Your Company has engaged with various non-profit organisations and has voluntarily donated 1% profit of the Company for social causes since 1996 and 2% of the profit since 2013, in accordance with Section 135 of the Companies Act, 2013.

To institutionalise and to further your Company's CSR commitment, your Company formed a Public Charitable Trust — 'Persistent Foundation' in the Financial Year 2008-09. When the CSR provisions were first introduced in the Companies Act 2013, your Directors decided to formally request Persistent Foundation's help to fulfil the Company's CSR obligations.

Persistent Foundation (the 'Foundation') is celebrating its fifteenth year of establishment this year. 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. Volunteering by employees of the Company is an important part of the Foundation's mission. Your Company believes that when employees contribute to the community it makes them feel good which in turn helps in their productivity.

Persistent Foundation's main focus areas include Health, Education, Community Development and Wildlife and Heritage Conservation.

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 programmes and activities for the promotion of education, health, community development, and Wildlife and Heritage Conservation. These activities are carried out through projects undertaken by the Foundation with the support of the employees and through the Government authorities, reputed social organisations, and institutions.

The total CSR contribution of INR 175.45 Million, which was 2% of the profits calculated as per the Act, was spent on various CSR initiatives through the Foundation during the Financial Year 2023-24.

A detailed Report on CSR activities of your Company under the provisions of the Act during the Financial Year 2023-24 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 in addition to the above-mentioned Public Charitable Trust, your Company has incorporated a Wholly Owned Subsidiary Company under Section 8 of the Act by the name of 'Persistent India Foundation' on May 1, 2024, to carry out the CSR activities of the Persistent Group. Your Company believes that moving the CSR activities to a Section 8 Company will help with ease of compliance and streamlining activities.

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

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 your 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 extensive and your Company can make a significant impact by staying focused on a few areas through its social initiatives.

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 also 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 the Stakeholders Relationship Committee the additional responsibility of overseeing the ESG monitoring-related work at the company. 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 and the ESG Report for FY 2023-24 can be accessed at https://www.persistent.com/wp-content/uploads/2024/06/esg-sustainability-report-2024.pdf

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 2023-24 have been paid to both BSE and NSE.

The ISIN of your Company has changed to INE262H01021 upon the Sub-Division of the Equity Shares of the Company w.e.f. March 28, 2024, and the Equity Shares with Face Value of INR 5/- per share can be viewed under the new ISIN.

Institutional Holding

As on March 31, 2024, the total institutional holding in your Company stood at 50.84% of the total share capital.

Dividend for the Financial Year 2023-24

The details of the Dividend for the Financial Year 2023-24 and 2022-23 are as follows:

	Financial Year 2023-24		Financial Year 2022-23		
Type of Dividend	**Interim**	**Final***	**Interim**	**Final**	**Special**
Month of declaration/recommendation	Jan-24	Apr-24	Jan-23	Apr-23	Apr-23
Date of Payment	February 7, 2024	To be decided upon Shareholders Approval	February 6, 2023	July 24, 2023	July 24, 2023
Amount of Dividend (In ₹)	32 Per Equity Share of INR 10 each	10* Per Equity Share of INR 5 each	28 Per Equity Share of INR 10 each	12 Per Equity Share of INR 10 each	10 Per Equity Share of INR 10 each
% of Dividend	320%	200%	280%	120%	100%
Total Dividend (In ₹ Million)	2,461.60	1,540.50	2,139.90	923.10	769.25
Total Dividend Outflow for the year (In ₹ Million)	**4,002.10**			**3,832.25**	
Payout Ratio		36.60%			41.61%

* The payment of the Final Dividend of INR 10 per Equity Share of INR 5 each is subject to your approval during the 34th AGM of your Company. The Dividend will be paid out of the profits of your Company.

Out of the interim dividend declared in January 2024, INR 0.23 Million remained unclaimed as of March 31, 2024.

The total unpaid dividend as on March 31, 2024 for the last 7 (Seven) years is INR 2.97 Million which is 0.02% of the unclaimed dividend over these 7 (Seven) years.

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.

Pursuant to the Finance Act, 2020 (the 'Act' for this section), dividend income is taxable in the hands of shareholders and the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof.

As per the Act, your Company is expected to deposit 10% of the dividend to the Income Tax Department as TDS on your behalf. Your Company has appointed M/s. Link Intime India Private Limited ('Link Intime') to manage the share and dividend management process. They have created a facility for online submission of Tax Exemption forms where 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://liiplweb.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 INR 271,449 to the IEPF Authority. Further, 1,315 (2,630 post-split) 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 gave the necessary effect of the Sub-Division / Split on the Equity Shares which have been transferred to IEPF on April 10, 2024.

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. His coordinates form part of the Corporate Governance Report in this Annual Report.

D. ESG

Your Company's commitment to ESG outlines your company-wide approach to integrating Environmental, Social, and Governance (ESG) considerations into the business activities. Your Compay is dedicated to working with the people, clients, partners, and communities to build a more equitable, sustainable, and healthier world through the application of technology and engineering.

Our ESG Vision

Since 2022, Persistent supports the Ten Principles of the United Nations Global Compact (UNGC) on human rights, labour, environment and anti-corruption. We express our commitment to making the UNGC principles part of the strategy, culture and day-to-day operations of our company. Our ESG framework includes the following:

Environmental Sustainability: Use technology solutions to reduce greenhouse gas emissions.

Diversity and Inclusion: Build an inclusive workplace and nurture diverse talent.

Social Responsibility: Commitment to positively impact society.

Corporate Governance: Good governance practices for responsible business and stakeholder value creation.

Environmental Sustainability: We and our stakeholders face both challenges and opportunities from climate change and environmental sustainability. We are firmly dedicated to lowering and minimising the environmental impact of our internal operations.

Our focus will be on four aspects:

\ Reducing Greenhouse Gas (GHG) emissions and using energy from Renewable sources

\ Improving the efficiency of water use and recycling

\ Waste management that is sustainable and reduces waste to landfill

\ Protecting biodiversity

We will achieve this through the following:

\ Setting clear and ambitious goals that are based on sound scientific principles

\ Establishing strong governance through alignment of our business strategies with sustainability agenda

\ Using best-in class solutions and technologies available to reduce GHG emissions from own and value chain operations

\ Reducing the consumption of fossil-fuel based energy by transitioning to renewable & green energy

Priorities and Targets:

Your Company has taken short and long-term targets to reduce GHG emissions by aligning to Sustainable Development Goals (SDG) which are as follows:

\ Achieve Carbon Neutrality for Scope 1 and Scope 2 by FY 2026

\ 100% electricity sourced from renewable energy by FY 2026

\ Reduce 30% emissions (Scope 3) from our global operations by FY 2028

\ Net-zero GHG emissions by FY 2050 will be achieved by:-Science based targets (SBTi) commitment

- Sourcing 100% renewable energy
- Using technology solutions
- Carbon offsetting

Through the adoption of clean technology solutions across our operations, your Compay demonstrates a strong dedication to reducing our environmental footprint and fostering a positive impact. By aligning the business strategies with sustainability initiatives, the focus remains on shaping a brighter future for upcoming generations. Your Company sets targets and made commitments regarding water conservation, building resilience towards climate change, energy efficiency, and emissions reduction, and we are proud to report significant progress towards their achievement.

Your Company has published its ESG/Sustainability Report for the FY 2023-24 and the same is available on your Company's website at https://www.persistent.com/wp-content/uploads/2024/06/esg-sustainability-report-2024.pdf The same is also available at your Company's ESG webpage at: https://www.persistent.com/company-overview/environmental-social-and-governance/

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

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 deployed 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 INR 54.12 Million during the Financial Year 2023-24.

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 ESG and EHS function. 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 utilised 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 working on various initiatives to reduce the footprint as follows:

Green Building Initiatives

\ Your Company uses 100% eco-certified furniture. All the furniture including sofas, chairs, tables, etc. are BIFMA certified all upcoming projects.

\ Two buildings, "Bhageerath" and "Ramanujan" facilities from Pune, are IGBC Platinum-certified buildings.

\ Our two buildings from Pune viz. "Bhageerath" has a BEE 2 Star & "Aryabhatta-Pingala" has a BEE 3 Star rating.

\ Optimum usage of daylight: 55% of the total regularly occupied areas achieve natural daylight of 300 lux or more.

\ Your Company strives to procure materials locally within a radial distance of 500km. This helps to reduce the transportation distance and effective fuel consumption resulting in minimising the overall Carbon emission.

\ Low VOC Emitting Materials: Use of low VOC Paints and adhesives, CRI Green Label plus certified carpets, and green plywood which is Green Pro certified.

\ Double wall brickwork construction reduces AC Load.

\ Use of crushed sand instead of river sand.

\ Use of fly ash bricks instead of clay bricks.

\ Use of double Glass Unit with low 'E' glass for windows and facades.

\ Double glass partition for meeting rooms.

\ Material Acoustic Performance: As recommended, we have installed acoustic ceiling materials, double glass partitions for meeting rooms, CRI green label plus certified partitions, cavity system with glass wool insulation for the partitions.

Green Initiative

Enhancing Corporate Wellness through Indoor Plants

In today's world, where corporate offices are increasingly adopting sustainable practices, your Company takes pride in its commitment to environmental responsibility and employee well-being. As part of our ongoing green initiative, we have transformed our offices into a thriving oasis of nature by incorporating over 15,000 indoor plants. This visionary project not only aligns with our sustainability goals but also fosters a healthier and more productive workplace.

Energy Efficiency Initiatives:

Energy efficiency initiatives are the initiatives to reduce energy requirements without impacting the performance of operations, eliminate energy waste, and use high energy efficiency technology equipment. Energy efficiency brings a variety of benefits: reducing greenhouse gas emissions, reducing demand for energy imports, and lowering our costs.

HVAC Retrofit

\ Replaced existing ACs based on R-22 with energy efficient inverter-based ACs with environment-friendly R-32 gas, resulting in a 15% reduction in electricity consumption

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

\ Upgraded the chiller system with high-efficiency chiller systems at Bhageerath, Pune facility, reducing energy and water consumption. resulting in ~30 % reduction in electricity consumption

\ Replaced old chiller system with high-efficiency VRV System at the Charak-Bhaskar facilities in Goa (lesser energy and water consumption) resulting in energy saving of ~20 % in HVAC consumption

\ Controlled Ozone System: Integrated with air conditioning for energy saving & indoor air quality improvement resulting in energy saving of ~21 % in AHU power consumption

\ Cold aisle containment in the Data centre: Resulted in a saving of ~18% in HVAC Power consumption of the Data centre

Lighting Efficiency

\ Transitioned from CFLs to LED lamps - Replaced CFLs by LED lamps: 5,365 No's of CFLs by LED lamps - indoor, outdoor & all common areas such as parking, lobbies, toilets etc. in our facilities i in the last FY, resulted in an energ saving of ~40 % in lighting power consumptions

\ Proactively controlled smart lighting and AC with sensors and timers / sequential timers / occupancy / motion sensors

Operational Efficiency

\ Energy-saving measures are taken right from the design stage, like double wall construction, low-e glass for facades and windows with double-glazed glass i.e., DGUs, maximum use of natural light and ventilation, underdeck insulation, etc.

\ Use of ASVG, AHF, and Automatic Power Factor Correction (APFC) units at all locations to ensure near unity PF and maintain the current harmonics of less than 5%.

\ Upgradation to high-efficiency modular online UPS systems to reduce losses & have flexibility for future growth. ~18% energy saving achieved

\ Use the thin client in place of CPU for training rooms and some of the projects

\ 100% change over to laptops from desktops to reduce energy consumption and enable work from home, thus reducing office occupancy and optimising power consumption on ACs and office network equipment

\ Active harmonic filter panel for automatic power factor and harmonics control in electrical system, to improve power quality and reduce losses

\ Regulated and optimised schedules for workings of lifts, vending machines, ventilation systems, water coolers, etc. (Shut off at night / off working hours except bare minimum required)

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

\ Controlling and monitoring daily operations through building management system

\ Optimised running hours of air-conditioned systems: Temperature set points are altered based on working time, occupancy, and seasonal aspects. (e.g., In winter, night hrs., weekends etc.)

\ AC Discipline: No cool air leakages from each air-conditioned area

\ AC optimisation: In server rooms and data centres, we have optimised AC utilisation by removing unwanted heat loads, space optimisation, reorganising inlet and outflow, and wall insulation

\ Conference rooms and common area ACs are set to a minimum temperature of 24^{0} C

Renewable Energy

We maintain a dedicated focus on energy usage, with a strategic emphasis on sourcing renewable energy which entails sourcing 100% of its electricity from renewable energy sources by 2026. Presently we source renewable energy from Wind and Solar. Through the adoption of renewable energy, Persistent not only reduces the carbon footprint but also contributes to the global effort to combat climate change.

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

a. Persistent Onsite Rooftop Solar Plants – A total of 1.437 MWp have been installed, at Pune, Goa and Nagpur, India. Total emissions reductions — 1356 tCO2e.
b. Persistent Offsite Wind Mills: 2 windmills with capacity of 2.1 MW. We take wind generated units rebate in our electricity bills and the remaining generated units is converted to Renewable energy Certificates (REC) which is used for Carbon Neutrality. Total emissions reductions – 4798 tCO2e.

Carbon Reduction Initiatives

To achieve the goal of net-zero emissions by the end of 2050, Persistent focusing first on actual reductions across Scope 1, 2, and 3 emissions and then removing any remaining emissions through nature-based carbon removal offsets. The most significant aspects relate to indirect emissions from Scope 2 electricity usage and Scope 3 emissions from purchased goods and services and business travel.

Persistent is not only committed to achieving the net zero goal, but we are also actively accelerating and scaling the actions to ensure we reach this target. Here's how we are doing it:

- **Accelerating Actions:** Persistent is fast-tracking carbon reduction initiatives. This includes speeding up the transition to renewable energy sources, implementing energy-efficient technologies at a faster pace, and expediting waste reduction efforts.
- **Scaling Actions:** Persistent is scaling up successful initiatives across all levels of the organisation. If a particular strategy proves effective in one department or region, steps are being taken to implement the same company-wide.
- **Implementation of iREC and Carbon credit** from Nature base project for residual energy consumption.

Net Zero Commitment

Persistent is committed to achieving Net Zero emissions globally by 2050. Persistent will do this through Net Zero Goal. Persistent is adopting a science-based approach to Net Zero emissions reduction target-setting.

Persistent's short-term plan focuses on immediate actions and the long-term plan involves strategic initiatives. Together, these plans will guide us towards the goal of achieving net-zero emissions, contributing to a sustainable future.

Water Management initiatives

- Prevention of overflow from overhead tanks using the auto-level control system
- As the touchless water taps are installed with no batteries, the hazardous maintenance work of checking and replacing the batteries periodically is eliminated and hazardous waste generation is avoided.
- Special nozzles / aerators were installed to reduce water flow at water taps
- "No leaky tap" policy — leaky tap / pipe is repaired within 2 hours (immediately in cases)
- Monitoring water meter readings twice every day to detect overuse / excessive leakage
- STP output water is recycled for gardening at our Pune, Nagpur and Goa facilities, recycled water gets reused for gardening and flushing of toilets
- Infrastructure and system installed for collection of natural underground spring water leakages / seepages and recycling it for non-drinking and gardening use to reduce consumption of treated water
- Ground water recharging with rainwater harvesting system in Hinjewadi-Pune, Nagpur & Goa facility
- Frequent awareness campaigns are run to encourage employees to save water in the office & at home

Waste Management

Since Persistent is an IT/ITES company, there is no raw and finished physical goods supply/distribution or linked manufacturing / transportation involved. Hence, recycling of material at our premises is largely not applicable.

The Waste Management initiatives are as follows

- Disposal Bins for various types of scrap generated i.e., to collect dry waste (Civil debris, furniture waste, paper, cardboard, plastic, and glass etc.) and wet waste (organic waste). The collected dry waste was segregated and further sent to municipal waste collection. Wet waste is also collected separately and sent to municipal waste collection
- E-waste & hazardous waste is handed over only to authorised agencies approved by the State Pollution Control Board. Employees are also encouraged to deposit their personal E-waste at all our company facilities for disposal, the same way
- Started an initiative of refurbishing old end-of-life (EOL) laptops and donating them to needy NGOs/ educational institutes, thereby creating employment and achieving recycling rather than scrapping them as E-waste
- Minimised plastic bags to almost zero and encouraged cloth or paper bags instead; Persistent organises "No Plastic Days" to promote awareness of using plastic

\ 'ZERO PLATE WASTAGE' week is observed twice a year and regular awareness is through mail and posters

\ Almost paperless office with all work done on email/ soft copies except where statutorily mandated or required by govt. rules / procedures

\ 'Two-sided printing' is set as the default printing mode to reduce paper consumption

\ All waste papers are shredded and recycled through a vendor partner

\ All garden waste is treated in compost pit to get organic fertiliser

\ Dry garbage is collected on daily basis by "Swachh" an NGO appointed by PMC

\ No Tobacco / No smoking policy in our entire organisation

\ Single use plastic water bottles banned plastic spoons / plates / crockery also banned

EV charging stations

\ Introduced EV charging station at 2- 2-wheeler & 4-wheeler parking areas with a Centralised Monitoring System. This will help us to reduce the Carbon Footprint & encourage employees to use electric vehicles with no pollution & minimise environmental impact

\ Started using electric vehicles for employees' commute from April 2024, with no pollution & to minimise environmental impact

Other Initiatives - Awareness Drives

Your Company is running an awareness drive among the employees towards sustainable living 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.

Organisation-level declarations sustainability for stakeholders

\ Since FY22 we have published our efforts in ESG and achievements against our goal to all our external stakeholders by publishing externally assured ESG reports as per ISAE 3000 standards. The report is in accordance to Global Reporting Initiative (GRI Standards) 2021, Business Responsibility and Sustainability Reporting (BRSR) requirements of Security Exchange Board of India (SEBI). Sustainability Accounting Standard Board (SASB) standards, Task Force on Climate related Financial Disclosures (TCFD). Principles, and the material issues are also aligned with the United Nations Sustainable Development Goals (UNSDGs) ensuring transparency and accountability and forms the basis of our Communication on Progress (CoP) with the UN Global Compact (UNGC)

\ Your Company has participated in Carbon Disclosure Project (CDP) (https://www.cdp.net/en). This is a huge transparency initiative for all our stakeholders – investors, shareholders, customers, employees, vendors, etc

\ Your company has disclosed its ESG progress in S&P Global Corporate Sustainability Assessment (CSA) (https://portal.csa.spglobal.com) and now we are a proud participant of CSA

\ Persistent registered for IGBC & LEED programme for new upcoming facility & during the renovation of the building

\ Persistent "Bhageerath", and "Ramanujan" Pune facility "IGBC PLATINUM" certified under the "Green Interiors" category

\ Won an award for the "Energy Conservation and Management Award" category at the MEDA Annual Awards 2023

\ We are one of the very few IT companies to have 1.437 MWp solar panels on almost all onsite rooftops and two offsite windmills with a capacity of 2.1 MW each

\ We partnered with "Grow Tree" to plant 1000+ trees on behalf of our Clients and Global recruitment partners

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 2023-24 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 and is available at https://www.persistent.com/wp-content/uploads/2024/06/business-responsibility-and-sustainability-report-2024.pdf.

Risk Management Policy

Report on Risk Management based on the risk management policy developed and implemented at your Company for the Financial Year 2023-24 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

Whistleblower Helpline

Your Company expects its employees to raise concerns if they have any reason to believe that any employee, or any other stakeholder may have engaged in misconduct, which includes violations or potential violations of law, regulation, rule, or breaches of your Company's policy, standards, procedure, or the Code of Conduct for Directors and Employees.

In the FY 2023-24, your Company has established a 24x7 toll-free number for their employees to report their concerns. The callers can record their complaints which are received directly by the Whistleblower Administrator who is the Chairperson of the Audit Committee. This being an automated system safeguards the caller's identity and anonymity is maintained. Your Company prohibits retaliatory actions against anyone who raises concerns or questions in good faith, or who participates in a subsequent investigation of such concerns.

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 all the 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 the Internal Complaints Committees (IC) across all Company locations in India and abroad to consider and resolve all sexual harassment complaints reported to this Committee. The constitution of the IC is as per the Act and the Committee includes an external member with relevant experience at India locations. The Ethics Committee at the global locations acts in the capacity of the Internal Complaints Committee where the local laws do not enforce the constitution of such a Committee.

During the year under report, your Company has not received any complaints of sexual harassment. Further, as of March 31, 2024, there were no pending complaints of sexual harassment in your Company.

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) has issued the Secretarial Standards.

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

Other Certifications

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

Information Security

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

Your Company is focused on cyber resilience and provides all the necessary budgets 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 to secure the employees' laptops, the corporate network, and confidential data against inadvertent and malicious attacks, including the customer-specific security requirements. Your Company's cloud first strategy is enabled by cloud security measures spanning access management, cloud data security, ensuring privacy in the cloud, safeguarding cloud workloads, effective monitoring and incident management of the cloud aligned to business-relevant outcomes.

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 robust Disaster Recovery. The periodic Disaster Recovery drills ensure the functionality and availability of the critical services. Your Company has a steadfast focus on spreading information security awareness through mandatory information security awareness trainings at joining followed by periodic refresher sessions and usage of enterprise-wide communication and collaboration platforms to keep users updated on evolving cybersecurity risks. The training effectiveness is validated through periodic phishing simulations.

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 did not acquire any new entities, however, restructured group entities as follows:

1\ The Board of Persistent Systems Inc. USA (Wholly Owned Subsidiary) set up an entity in Poland by the name of Persistent Systems Poland sp. z o.o. (Step Down Subsidiary) on April 5, 2023.

2\ CAPIOT Software Pte. Limited, Singapore (Step Down Subsidiary) was struck off on April 6, 2023.

3\ SCI Fusion 360 LLC, USA, (Step Down Subsidiary) was dissolved with effective from May 31, 2023.

4\ Youperience Limited, UK (Step Down Subsidiary) was dissolved with effect from June 27, 2023.

5\ Youperience GmbH, (step down subsidiary) merged into Persistent Systems Germany, GmbH (Wholly Owned Subsidiary) with effect from August 21, 2023.

6\ Parx Consulting GmbH, (Step Down Subsidiary) merged into Persistent Systems Germany, GmbH (Wholly Owned Subsidiary) with effect from August 25, 2023.

7\ CAPIOT Software, Inc. (Step Down Subsidiary) has been dissolved effective from December 29, 2023, pursuant to the Certificate of Dissolution issued by the Secretary of the State of Delaware on January 16, 2024.

8\ Persistent Systems S.R.L, Italy (Step Down Subsidiary) has been dissolved and struck off from the Business Register with effect from February 26, 2024.

9\ The Equity Shares of Persistent Systems UK Limited (a Step-Down Subsidiary) were transferred from Aepona Group Limited, Ireland (a Step-Down Subsidiary) to Persistent Systems Limited resulting in a Wholly Owned Subsidiary (WOS) of the Company.

10\ The Company has incorporated a Company (Not for Profit) under Section 8 of the Companies Act, 2013 on May 1, 2024.

11\ The Equity Shares of Persistent Systems Australia Pty Ltd (SDS) were transferred from Capiot Software Inc. to Persistent Systems Inc. (WOS) of the Company.

12\ The Board of Directors of your Company at its meeting held on January 19, 2024, approved a Scheme of Merger of Capiot Software Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited (Holding Company). The Scheme of Merger was filed with the Hon'ble National Company Law Tribunal (the 'NCLT') on March 22, 2024, and the further directions from the NCLT are awaited.

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 FY 2023-24, the total built-up capacity owned by your Company in India and abroad was 134,363 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	11,331	596
2\ Aryabhata–Pingala	2007	31,683	2,644
3\ Veda Complex, Hinjawadi	2012	45,825	3,197
4\ Ramanujan, Hinjawadi	2023	14,021	1,348
Goa			
1\ Charak and Bhaskar	1997 and 2017, respectively	7,042	724
Nagpur			
1\ IT Tower	2003	3,707	352
2\ Gargi and Maitreyi	2011	19,825	1,183
Grenoble, France	2000	929	50
Total		**134,363**	**10,094**

Along with your Company owned premises, your Company also operates from leased and managed facilities in Australia, Canada, Costa Rica, France, Germany, India, Malaysia, Mexico, Poland, Scotland, Sri Lanka, Switzerland, UK and USA in an area of 45,635.73 m^2 adequate for 4000+ employees.

Annual Return

In accordance with the Act, the annual return in the prescribed format (MGT-7) for the FY 2023-24 is available at https://www.persistent.com/wp-content/uploads/2024/06/annual-return-2024.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 of your Company did not receive any remuneration or commission from any of the subsidiaries.

2\ Mr. Sandeep Kalra, Executive Director and Chief Executive Officer 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 except the following matter that was concluded during FY 2023-24.

Update on the SEIS matter

In respect of the export incentives pertaining to previous periods amounting to INR 255.52 million, which have been refunded under protest with interest of INR 41.03 million, aggregating to INR 296.55 million, your Company had filed an application with Directorate General of Foreign Trade (DGFT). The Company believes that its services were eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature.
With the intention of avoiding litigation and settling the dispute, your Company had applied before the Settlement Commission for settlement of the case and had offered to forego INR 296.55 million. Your Company had recognised a provision of INR 296.55 million for the quarter ended December 31, 2022, which was presented as an "exceptional item" in the statement of profit and loss for that year. During the year, the Settlement Commission has approved your Company's application and has settled the liability of INR 296.55 million including interest. As the amount has already been provided for in full by your Company, no further adjustment is necessary in the results.

4\ There are no applications made or proceedings pending under the Insolvency and Bankruptcy Code, 2016 as at the end of FY 2023-24, nor has the Company done any one-time settlement with any Bank or Financial Institution in India or abroad.

Awards and Recognitions during the Financial Year 2023-24

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 to 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 of March 31, 2024 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

As we plan for the year ahead, our inherent resilience continues to be a cornerstone in navigating the complex tapestry of macroeconomic challenges which include slower industry growth, tightening margins, elevated interest rates, and geopolitical uncertainties. We enter FY25 with cautious optimism, steadfast in our commitment to collaborate with our clients and spearhead innovative solutions that elevate our uniquely differentiated proposition. Our strategy is focused on two primary areas: growth and financial discipline while keeping the client at the centre of everything we do. We are dedicated to cultivating a culture of operational efficiency that enhances profitability, accelerates cash flow generation, and allows us to strategically reinvest in our growth initiatives. This commitment is coupled with rigorous budgetary discipline, ensuring our agility to respond to evolving market dynamics.

Despite the global economic landscape avoiding deep recessions and a slowdown in corporate layoffs, financial pressures continue to challenge many companies' capacities to innovate and expand. This has led to a global contraction in tech spending, elongating decision-making cycles for IT investments and making the environment more competitive. In response, enterprises are prudently managing their capital expenditures while recognising that strategic investments in technology and innovation remain crucial for unlocking new business value and revenue streams. This is particularly evident in the growing investments in AI and GenAI solutions, where companies are proactively advancing strategies to leverage AI's transformative potential. Persistent stands out as a strategic implementation partner, with our robust suite of AI frameworks and solutions, a future-ready approach, and a proficient AI-trained workforce ready to deliver impactful results for both existing clients and new prospects.

Our clientele, comprising some of the most renowned brands across diverse industry sectors, benefit from our unmatched technology and business expertise. We continuously integrate best practices and insights from our partnerships into our processes and offerings. Our ecosystem is strengthened by deepened relationships with all major hyperscalers and strategic alliances that enhance our capabilities in data management, advanced analytics, and cybersecurity. Additionally, we are collaborating with leading startups and industry pioneers to co-develop new intellectual property and products that drive client growth and reduce operational costs.

As we continue our growth journey, we remain dedicated to empowering our 23,800+ global workforce with the necessary skills and opportunities to stay at the forefront of technology advancements, thereby enriching our clients' ventures. We are equally committed to nurturing a diverse and inclusive culture that supports personal growth, learning and development, and social and environmental responsibility.

The resilience built into our business model through years of strategic planning and investment prepares us to thrive in the upcoming fiscal challenges. Our track record as a trusted partner reassures our clients and prospects of our capability to guide them through financial complexities and market uncertainties. We are optimistic about maintaining our leadership in the market and continuing to deliver exceptional value to our investors, clients, employees, and partners as we forge ahead.

As we close this chapter of our journey and look forward to the opportunities and challenges in the coming year, we remain deeply committed to our core values and our pursuit of excellence. Together, with relentless drive and a unified vision, we will continue to innovate and lead, ensuring Persistent Systems not only meets but exceeds the expectations of our clients, partners, and communities worldwide. Thank you for your continued support and belief in our mission. We are excited about what lies ahead and are confident that our collective efforts will propel us towards greater heights.

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, and 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 WyattPrism, 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 Wealth Management, Canara Bank, Citibank NA, Common Wealth 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 all the employees and partners 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

Pune, June 7, 2024

Annexure A to the Report of the Directors

Form No. MR-3

Secretarial Audit Report

For The Financial Year Ended March 31, 2024

[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").

The 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 authorised 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, 2024** 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, 2024 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 the Stock Exchanges 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 mentioned above.

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. except the following:

1. Pursuant to the circular resolution passed by the Board of Directors dated March 28, 2023, the Board of Persistent Systems Inc. USA (PSI), a wholly owned subsidiary of the Company approved setting up of Poland entity viz., Persistent Systems Poland sp. z o.o. dated April 5, 2023. Accordingly, the new entity is the step-down subsidiary of the Company.

2. The Board of Directors approved the following issuance of Equity Shares to the ESOP Trust as per the details as mentioned below:

   a. The Stakeholders Relationship and ESG Committee has inter-alia approved the allotment of 500,000 (Five Hundred Thousand only) Equity Shares of INR 10 each at the allotment price of INR 2,789 per Equity Share to PSPL ESOP Management Trust on April 6, 2023.

b. The Stakeholders Relationship and ESG Committee has inter-alia approved the allotment of 100,000 (One Hundred Thousand Only) Equity Shares of INR 10 each at the allotment price of INR 2,133 per Equity Share to PSPL ESOP Management Trust on February 1, 2024.

3. The following instances of restructuring have been intimated to the Stock Exchange and has been noted by the Board in respective board meetings as mentioned below:

   a. Youperience GmbH, (Step Down Subsidiary) merged into Persistent Systems Germany GmbH (Wholly Owned Subsidiary) with effect from August 21, 2023. The Board of Company has noted the same in its meeting dated September 18, 2023.

   b. Parx Consulting GmbH, (Step Down Subsidiary) merged into Persistent Systems Germany GmbH (Wholly Owned Subsidiary) with effect from August 25, 2023. The Board of Company has noted the same in its meeting dated September 18, 2023.

   c. A business transfer agreement was executed for transfer of business of Australia branch of company to Persistent Systems Australia Pty Ltd (Step Down Subsidiary in Australia) dated October 5, 2023, based rationalisation of the corporate structure of the Company as instructed by the Board in the past. The Board of Company has passed a resolution under section 179 of the Companies Act, 2013 in the board meeting dated October 17 and 18, 2023.

   d. 100% shareholding of Persistent Systems Australia Pty Limited, (Step Down Subsidiary) has been transferred from Capiot Software Inc (Step Down Subsidiary) to Persistent Systems Inc (Wholly Owned Subsidiary) on December 20, 2023. The Board of Company noted the same in the board meeting dated January 19 and 20, 2024.

   e. Capiot Software, Inc. (Step Down Subsidiary) has been dissolved effective from December 29, 2023, pursuant to the Certificate of Dissolution issued by the Secretary of the State of Delaware on January 16, 2024. The Board of the Company noted the same in the board meeting dated January 19 and 20, 2024.

   f. The Board of Directors approved the Merger of Capiot Software Private Limited (Wholly Owned Subsidiary – Transferor) by absorption into Persistent Systems Limited (Holding Company – Transferee) in the board meeting dated January 20, 2024 subject to the receipt of necessary approvals through the National Company Law Tribunal route.

   g. Persistent Systems S.R.L, Italy (Step Down Subsidiary) has been dissolved and struck off from the Business Register with effect from February 26, 2024, pursuant to the report issued by the Chamber of Commerce of Milano Monza Brianza Lodi.

   h. The Board meeting dated March 13, 2024 approved:

      \ Transfer of Equity Shares of Persistent Systems UK Limited from Aepona Group Limited, Ireland to Persistent Systems Limited upon execution of Share Purchase Agreement ('SPA'). The SPA was executed on March 19, 2024.

      \ Transfer of Equity Shares of Persistent Systems Australia Pty Ltd from Persistent Systems Inc, USA to Persistent Systems Limited upon execution of Share Purchase Agreement ('SPA') in due course.

      \ Formation of Wholly Owned Subsidiary (WOS) of Persistent Systems Limited under the provisions of Section 8 (Not for Profit) of the Companies Act, 2013.

4. The Company via press release announced a Strategic Collaboration Agreement with AWS to Accelerate Generative AI Adoption dated January 4, 2024.

5. The following business items were duly approved by the members of the Company at the Annual General Meeting held on July 18, 2023:

   a. Approval of an amendment in the 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to increase the number of stock options allocated to PESOS 2014 by 5,00,000 stock options from 1.4 million stock options to 1.9 million stock options (pre-split).

   b. Approval for granting employee stock options to the employees of subsidiary company(ies) of the Company under 'Persistent Employee Stock Option Scheme 2014' (pre-split).

   c. Approval of an amendment in the 'Persistent Systems Limited- Employee Stock Option Plan 2017 (ESOP 2017)' to increase the number of stock options allocated to ESOP 2017 by 2,500,000 stock options from 5.5 million stock options to 8.0 million stock options.

   d. Approval for granting employee stock options to the employees of subsidiary company(ies) of the Company 'Persistent Systems Limited – Employees Stock Option Plan 2017'.

6. The following business items were duly approved by the members of the Company vide postal ballot dated March 11, 2024:

   a. Approval of Sub-Division / Split of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company.

   b. Approval of an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of stock options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of stock options to the employees of the Company.

   c. Approval of an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of Stock Options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of Stock Options to the employees of the Susbidiary(ies) of the Company.

   d. Approval of an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014.

   e. Approval of an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Subsidiary(ies) of the Company under PESOS 2014.

For **SVD & Associates**
Company Secretaries

Sridhar Mudaliar
Partner
FCS No: 6156
CP No: 2664

Date: June 7, 2024
Place: Pune

Peer Review number: 669/2020
UDIN: F006156F000540681

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 7, 2024
Place: Pune

Peer Review number: 669/2020
UDIN: F006156F000540681

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 2023-24.

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 an 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

Pune, June 7, 2024

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 2023-24, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2023-24 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 2023-24 (₹ Million)	% increase in Remuneration in the Financial Year 2023-24	% increase in remuneration in the Financial Year 2023-24* (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	37.75	3.52%	NA	25.17	NA	
b.	Sandeep Kalra Executive Director and Chief Executive Officer, USA	771.35^^	25.10%	8.79%			
	Ratio of remuneration to median remuneration of employees located in						The increase in revenue was 14.5% and in Profit After Tax was 18.7%.
	India				514.21	92.37	
	USA				68.02	12.22	
c.	Sunil Sapre Executive Director and Chief Financial Officer India	195.84	92.09%	6.67%	130.56	13.64	
d.	Amit Atre Company Secretary India	17.5	80.61%	22.70%	11.37	2.85	
	Non-Executive Directors						
e.	Roshini Bakshi Independent Director	6.48	39.96%	NA	4.32	NA	
f.	Avani Davda Independent Director	6.58	39.11%	NA	4.39	NA	
g.	Praveen Kadle Independent Director	6.65	32.21%	NA	4.43	NA	
h.	Arvind Goel Independent Director	6.15	77.75%	NA	4.10	NA	

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2023-24 (₹ Million)	% increase in Remuneration in the Financial Year 2023-24	% increase in remuneration in the Financial Year 2023-24* (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. Ambuj Goyal Independent Director	6.08	78.30%	NA	4.05	NA	
j.	Dan'l Lewin Independent Director	5.65	74.92%	NA	3.77	NA	
k.	Prof. Ajit Ranade$ Independent Director	4.73	NA	NA	3.15	NA	

$ Appointed as an Independent Director w.e.f. June 6, 2023.

*The Directors/KMPs against whom NA is mentioned, did not exercise/were not eligible for ESOPs.

^^ 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 2023-24 was INR 1,500,000.

3\ The median remuneration of employees of Persistent Systems Inc. during the Financial Year 2023-24 was USD 136,940 (Equivalent INR 11.34 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 2023-24, the median remuneration of employees increased by 20%.

5\ The average annual increase was around 7% in India. However, during the course of the year, the total increase is approximately 8.25%, after considering promotions and other event-based compensation revisions. Employees outside India received a wage increase of about 4%.

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 organisational performance.

6\ As on March 31, 2024, there were 21,950 permanent employees who were on the payroll of the Company (On a 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.

B. The list of top 10 employees posted in India who were employed through the Financial Year and received a remuneration of INR 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 INR 0.85 Million per month 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 forms part of this Report. However, pursuant to first proviso to Section 136(1) of the Act, this report is being sent to the Shareholders excluding the aforesaid information. Any shareholder interested in obtaining said information may write to the Company Secretary at the Registered Office of the Company and the said information is open for inspection at the Registered Office of the Company.

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

Pune, June 7, 2024

Annexure D to the Report of the Directors

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

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 the extensive need for contributing to society and your Company can make a significant contribution by staying focused on a few areas through its social initiatives.

Recognising the intrinsic link between cultural heritage, wildlife conservation, and sustainable development, we have embarked on a new journey to preserve and protect the rich tapestry of our planet's biodiversity and cultural heritages since April 2023. Through collaborative efforts and innovative approaches, we aim to safeguard the delicate balance between civilisation and progress and the nature. This will provide an opportunity to the future generations to reap the benefits of our cultural heritage.

Sustainability, consciousness, actions on the environment and climate change awareness, wildlife conservations 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 institutionalise 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.

In addition to the Persistent Foundation, which is a Registered Public Charitable Trust, your Company has incorporated a Wholly Owned Subsidiary Company under Section 8 of the Act by the name of 'Persistent India Foundation' on May 1, 2024, to carry out the CSR activities of the Persistent Group. Your Company believes that moving the CSR activities to a Section 8 Company will help with ease of compliance and streamlining activities.

Projects and programmes undertaken

During the year under Report, Persistent Foundation has implemented various CSR programmes and projects in the fields of Health, Education, Community Development, Wildlife and heritage conservation.

Birds Eye View of FY 2023-24

Budget Utilization	No. of projects
\ 100% budget utilisation of PSL CSR budget – INR 175.45 Million \ 100% employee donation utilised – INR 7.98 Millions	\ Education - 26 \ Health- 16 \ Community Development- 20 \ Wildlife and Heritage Conservation - 06
Our Reach	**Employees giving back**
\ 29,927 Unique. 42717- Total. Individuals \ 31 Villages \ 55.05 Hectares of land \ 25,000 Trees Planted	\ 11,388 hours of volunteering \ 8,118 total volunteers \ INR 7.98 Millions donation \ 5, 613 total donors

Education:

The Persistent Foundation's Education vertical is dedicated to empowering underprivileged students through holistic development initiatives. The Kiran Girls Scholarship and Mentoring programme is a flagship initiative that provides scholarships, mentoring, and industry exposure to underprivileged girls pursuing IT and Computer Science education.

The Integrated School Development programme improves educational infrastructure and quality of education in 12 schools, enabling a conducive learning environment. The Support to Special Schools initiative offers comprehensive education, rehabilitation, and skill development for 246 students with hearing impairment and multiple intellectual disabilities. The Ensuring Schooling programme operates 18 after-school centres, providing academic assistance, extracurricular activities, and personality development opportunities to 671 students from underprivileged communities.

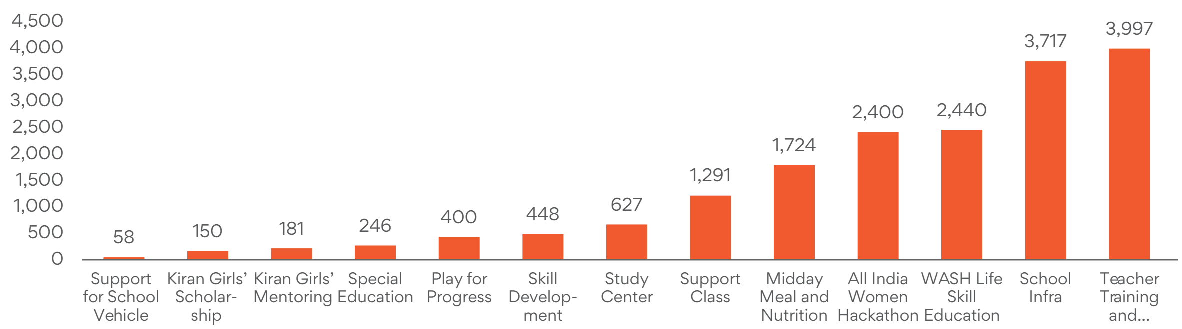
Flagship: Kiran Girls Scholarship and Mentoring programme

- Applications received – 873
- Appeared for aptitude test – 554
- Interviewed for levels 1 – 225
- Interviewed in level 2 – 124
- Selected – 40
- Employees volunteered – 69
- Volunteering hours – 263

Highlights

- The daughter of the PSL security guard has become eligible for the scholarship
- Disbursement not done for 3 girls – for medical reasons as performance was not up to the mark

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



Health:

Our health care initiatives are driven by the conviction that barriers to quality medical care must be addressed with a thoughtful, compassionate approach. We recognise poor access to treatment as a widespread challenge. Individuals and communities in need experience gaps in care for a number of reasons, often requiring support beyond government scheme coverage.

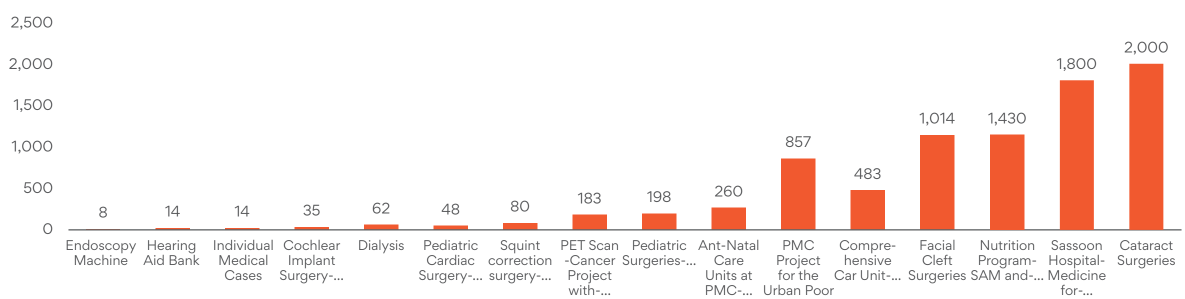
Additionally, deep-rooted harmful beliefs continue to prevent individuals from getting necessary treatments such as facial cleft rehabilitation, including surgery and post-operative care. By identifying under-supported causes in pediatric, geriatric, cancer care, and more, we seek to enhance lives through various preventive and curative initiatives, from screenings to surgery.

Flagship: Support for Facial Cleft and Palate Surgeries

Implemented at 8 locations | Partner Organisation — Akhila Bharatha Mahila Seva Samaja (ABMSS) |
Reached out to 1,014 patients

Location	Total
Maharashtra	294
Nagpur	106
Bengaluru	305
Hyderabad	234
Indore	6
Gurugram	27
Jaipur	3
Kolkata	39
Total	**1,014**

Health – Providing Support for Curative Health Care to Improve Quality of Life
Implemented at 5 locations | Partner Organisation 7 | 11 projects | 5,261 beneficiaries



Community Development

Our Community Development strategy involves tailored projects based on local needs, yielding tangible impacts such as clean water provision, sustainable energy promotion, and increased green cover. We ensure optimal resource allocation by adjusting inputs, geographies, and budgets over time.

Our inclusive approach prioritises community participation, tailoring initiatives to meet unique community requirements and empowering them to take ownership of their development journey. Emphasising a holistic view, we foster collaboration to work towards common goals.

Contributing to the Area of Environment and Livelihood

02 locations | 12 projects | 10 implementing partners | Total 7,316, Unique 1,635

beneficiaries | 31 villages | 25,000 trees

Project Output	
Tree plantation	Planted 25,000 trees at 20.54 Ha (Hectors) of land
Support for livelihood – Eklavya Bamboo Artisanship and Food Production Unit, jute bag making	Supported 55 beneficiaries for machinery, raw material and training INR 18.94 L turnover, INR 5.70 L profit generated
Support for livelihood – Tanabana & Jalmani	Supported 50 women beneficiaries, for the upcycling project training and through Jalmani, 35 youth were trained and have earned profit of INR 2L
Support for livelihood – Project Maya Care	10 PWDs are supported, 270 elderly beneficiaries, 87 care facilities on board
Installation and maintenance of Solar Power Project	02 roof top solar projects- 131 Kwp capacity generating 191000 unit annually. 2 solar water heater projects.
Compressive watershed development programme – Khed	3 villages covering 137 beneficiaries
Compressive watershed development programme – Velhe	5 villages covering 421 beneficiaries
Compressive watershed development programme – Goa	5 villages covering 377 beneficiaries
Support for drinking water	2 open wells supporting 450 villagers
Support to old age Home	16 elderly supported for running expenditure of the old age home
Support for Livelihood- Satpuda	10 types of services, 60 beneficiaries

Wildlife and Heritage Conservation

Recognizing the intrinsic link between cultural heritage, wildlife conservation, and sustainable development, we have embarked on a new journey to preserve and protect the rich tapestry of our planet's biodiversity and cultural treasures. Through collaborative efforts and innovative approaches, we aim to safeguard the delicate balance between human progress and the natural world, ensuring that future generations can appreciate and learn from the wonders of our shared heritage.

02 locations | 3 partners | 06 projects | Total 2,000, Unique 1,000 beneficiaries

Project Details	Project Output
Support for printing Kolami language book	2000 books, 27 schools, 2000 School students, Social workers, Gram Panchayat members and teachers – 5 types of stakeholder
Support for procurement of translocation vehicle	The translocation vehicle will be used to shuffle/move animals in the forest area
Support for laptop, scanner and printer	15 CSC centres are now functional in the core and buffer zone of Pench National Park. These centres are now helping the villagers to file claims and completing the documentation.
Support for animal ambulance	2 animal ambulances
Support for medicines to Animal medical centre	Medicines for 1 quarter.
Support for vehicle to trunk call	1 vehicle for Night patrolling and rescue operations

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\	Dr. Anand Deshpande	Chairman and Managing Director	1	1
3\	Prof. Deepak Phatak^	Independent Director	1	NA
4\	Mr. Arvind Goel$$	Independent Director	1	1

^ Ceased to be a member of the Committee w.e.f. April 2, 2023.

$$ Appointed as a Member of the Committee 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

The average CSR obligation of your Company for the last three financial years has crossed INR 100 Million. The Company also has a project with outlay of INR 10 Million. Since both CSR Obligation and Project Outlay has exceeded the threshold limits, the Impact Assessment Report has become applicable to the Company from this financial year (FY 2023-24). The Impact Assessment Report is to be undertaken after 1 (One) year of completion of that project and hence, the Impact assessment report for FY 2022-23 for the project of Facial Cleft is available at https://www.persistent.com/wp-content/uploads/2024/06/csr-impact-assessment-report-2024.pdf. The Company is regularly conducting internal impact assessments to monitor and evaluate its CSR programmes.

5\ a. Average net profit of the Company as per section 135(5): **INR 8,772.68 Million**

b. Two percent of the average net profit of the Company as per section 135(5): **INR 175.45 Million**

c. Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**

d. Amount required to be set off for the Financial Year, if any: **Not Applicable**

e. Total CSR obligation for the Financial Year 2022-23 (5b+5c-5d) **INR 175.45 Million**

6\ a. Amount spent against other than ongoing projects for the Financial Year: **INR 175.45 Million**

b. Amount spent against ongoing projects for the financial year: **Not Applicable**

c. Amount spent in Administrative Overheads: **NIL**

d. Amount spent on Impact Assessment, if applicable: **Not Applicable**

e. Total amount spent for the Financial Year (6a+6b+6c+6d): **INR 175.45 Million**

f. CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in INR Million)	Amount Unspent (in INR Million)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135.		
	Amount	Date of Transfer	Name of fund	Amount	Date of transfer
175.45	Not Applicable		Not Applicable		

g. Excess amount for set-off, if any: **Not Applicable**

7 Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

8 Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the

a. Financial Year: **Yes**

b. The details of **Capital Assets** created out of the CSR contribution can be found at the following link: https://www.persistent.com/wp-content/uploads/2024/06/csr-list-of-capital-assets-created-2024.pdf

9 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

June 7, 2024

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, operations support & maintenance services, and business enabling functions catering to - Product engineering, platforms integration & solution, digital, cloud, security, internet of things (IoT), data analytics offerings - Banking financial services & insurance, life sciences & health care and industrial markets - Accelerite business unit for software products	India (Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Goa, Hyderabad, Nagpur (Gargi-Maitreyi, InfoTech Tower), Bengaluru (Pritech Park), Mumbai), France, Malaysia, Sri Lanka, Mexico	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 27001:2022** Information Security Management System **ISO 27017:2015** Cloud Security **ISO 27018:2019** Securing PII in the cloud	Management of information security pertaining to software design, development, testing, operations, maintenance, support services, managed services, ensuring privacy & security for PII data in public cloud service utilisation and business enabling functions using the guidance in ISO/IEC 27017:2015 and ISO/IEC 27018:2019 as per the statement of applicability version 10.1 dated 21-Nov-2023 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.	India (Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blue Ridge, Ramanujam), Bengaluru (Pritech Park, Cube-Karle, Whitefield), Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Kolkata, Jaipur, Ahmedabad, Indore, Kochi, Noida), USA (Dublin (Ohio), New Jersey, Bellevue, Santa Clara), France, Mexico, Malaysia, Sri Lanka, Costa Rica	February 6, 2008	March 11, 2022 – March 10, 2025
4\	**ISO 14001:2015** Environment Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blue Ridge, Ramanujam), Bengaluru (Pritech Park, Cube-Karle, Whitefield), Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Kolkata, Jaipur, Ahmedabad, Indore, Kochi, Noida	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, Hinjawadi, Blue Ridge, Ramanujam), Bengaluru (Pritech Park, Cube-Karle, Whitefield), Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Kolkata, Jaipur, Ahmedabad, Indore, Kochi, Noida	March 8, 2019	March 9, 2022 – March 8, 2025
6\	**CMMI** For Dev 2.0 Maturity Level 5	Organisational 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 22301:2019** 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	Blue Ridge, Ramanujam), Bengaluru (Pritech Park, Cube-Karle, Whitefield), Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Kolkata, Jaipur, Ahmedabad, Indore, Kochi, Noida), USA (New Jersey, Bellevue, Santa Clara), France, Mexico, Malaysia, Sri Lanka	February 15, 2021	25 January 2024
8\	**ISO 27701:2019** Privacy Information Management System	Privacy Information Management System for software design, development, testing, operations, maintenance, managed services and 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 with the role as PII Processor and PII Controller for all relevant support services as per the statement of applicability version 10.1 dated 21-Nov-2023	India (Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blue Ridge, Ramanujam), Bengaluru (Pritech Park, Cube-Karle, Whitefield), Goa, Gurugram, Hyderabad, Mumbai, Nagpur (Gargi-Maitreyi, InfoTech Tower), Kolkata, Jaipur, Ahmedabad, Indore, Kochi, Noida), USA (Dublin (Ohio), New Jersey, Bellevue, Santa Clara), France, Mexico, Malaysia, Sri Lanka, Costa Rica	Combined with ISO 27001 Certificate - 11 March 2022 Standalone Certificate - 12 June 2023	11 March 2022 – 10 March 2025

Attestations and Assurance Reports

Sr. No.	Certification Name	Scope	Coverage	Current Attestation Duration	Issued Date
1	SOC 2 Type 2 Report	An Independent Service Auditor's report issued after completion of SSAE 21, SOC 2 Type 2 Audit for the period January 1, 2023, to December 31, 2023	Global	January 1, 2023, to December 31, 2023	April 19, 2024
2	ISAE 3000 – ESG assurance standard	Independent assurance of the Company's ESG Report	Global	Company's ESG Report 2022-23 for the fiscal year ending 1st April 2022- 31st March 2023	Issued June 21, 2023

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Report on Corporate Governance

Company's beliefs on Corporate Governance

"Good governance needs self-discipline. Only discipline within can ensure discipline without."
- Shri Narendra Modi, Prime Minister of India

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 employees and their families, our customers, vendors and partners and 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\ 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.

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. Our clients are keen that we succeed and continue to deliver on our promises and hence the are also vested in our success.

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.

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.

5\ 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.

6\ 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 a part of the ESG efforts of the Company.

Relations with various stakeholders are managed by individuals who are assigned the responsibility of managing the interests of various stakeholders. The Board and the leadership teams periodically review the activities to ensure that they are being conducted to the highest standards. The Nomination and Remuneration Committee (the 'NRC') of the Board caters to our relations with our employees. The Stakeholders Relationship and ESG Committee (the 'SRC') looks after the interests of our investors, shareholders, and any other security holders as mandated by the law. In order to have the Board level attention to the Company's ESG initiatives, these have been brought under the purview of the SRC.

In order to comprehensively cater to building and nurturing harmonious relations with all our stakeholders, the Company additionally requires the SRC to 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 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 / Whole-Time and Independent Directors with rich professional background. As of March 31, 2024, the Company's Board consisted of 10 (Ten) Directors – 3 (Three) Executive Directors and 7 (Seven) Independent Directors. Independent Directors fulfil 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 details of outside directorships held by each of the Directors as of March 31, 2024

Director Identification Number (DIN)	Category	Directorships: Indian Companies		Directorships: Foreign Companies	Directorships in other Listed Entities	Name of Listed Entities	Number of Committee Positions held *	
		Public*	Private				Chairperson	Member
Dr. Anand Deshpande (DIN 00005721)	Founder, Chairman and Managing Director	2	3	5	Nil	-	Nil	1
Roshini Bakshi (DIN: 01832163)	Independent Director	3	2	1	2 (Two)	1\ Independent Director, J M Financial Limited 2\Non-Executive Director, Restaurant Brands Asia Limited	Nil	3
Avani Davda (DIN: 07504739)	Independent Director	5	2	Nil	4 (Four)	1\ Independent Director, Mahindra Logistics Limited 2\ Independent Director, NIIT Limited 3\ Additional Director, Max Estate Limited 4\ Independent Director, Emami Limited	Nil	7
Arvind Goel (DIN: 02300813)	Independent Director	5	8	5	2 (Two)	1\ Non-Executive Non-Independent Director Automotive Stampings and Assemblies Limited 2\ Independent Director Kirloskar Oil Engines Limited	2	5
Dr. Ambuj Goyal (DIN: 09631525)	Independent Director	Nil	Nil	Nil	Nil	-	Nil	Nil

Director Identification Number (DIN)	Category	Directorships: Indian Companies Public*	Directorships: Indian Companies Private	Directorships: Foreign Companies	Directorships in other Listed Entities	Name of Listed Entities	Number of Committee Positions held *: Chairperson	Number of Committee Positions held *: Member
Praveen Kadle (DIN: 00016814)	Independent Director	4	7	2	3 (Three)	1\ Independent Director Tide Water Oil Co India Limited 2\ Independent Director John Cockerill India Limited 3\ Independent Director Divgi Torqtransfer Systems Limited	3	5
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	Nil	2	Nil	-	Nil	Nil
Dan'l Lewin (DIN: 09631526)	Independent Director	Nil	Nil	Nil	Nil	-	Nil	Nil
Prof. Ajit Ranade # (DIN: 00918651)	Independent Director	4	2	Nil	Nil	-	Nil	1
Sunil Sapre @ (DIN: 06475949)	Executive Director and Chief Financial Officer	Nil	2	8	Nil	-	Nil	1

* Excluding directorship in Persistent Systems Limited

** Disclosure includes Chairpersonship/Membership of Committees as required for computation of the maximum number of Committees of which Director can be Chairperson or Member in terms of Regulation 26 of Listing Regulations (i.e. Chairpersonship/Membership of Audit Committee and Stakeholders Relationship Committee in all Indian public companies including Persistent Systems Limited)

Prof. Ajit Ranade was appointed as an Independent Director w.e.f. June 6, 2023

@ Relinquished his position as Chief Financial Officer w.e.f. May 15, 2024.

The number of Memberships of the Directors in the Committee includes the number of posts of Chairperson of the said Committee held in the listed entities including Persistent Systems Limited.

During the year, 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 on April 2, 2023. This is in accordance with your Company's internal norms with respect to the age of Independent Directors. He had confirmed that there were no material reasons for his resignation.

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 holding Directorships.

The Board has adopted standards which assist the Board in evaluating the independence of each of its Directors in terms of Section 149(6) of the Companies Act, 2013 (the 'Act') and Regulation 16(1)(b) of the Listing Regulations. Further, the Independent Directors declared 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 the verification of these declarations, the Board of Directors confirmed that they meet the criteria of independence as mentioned under Section 149(6) of 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\ Prof. Ajit Ranade is the Director of M/s. 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

2\ Dr. Deshpande is the Nominee of the Chancellor on the Board of Management of M/s. Gokhale Institute of Politics and Economics, where Prof. 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 (including Chairpersonship/Membership in the Company's Committees and excluding Chairpersonship/Membership in Private Limited Companies and Stakeholders Relationship Committees and Audit Committees) of March 31, 2024, is given below:

Table 2: Chairpersonship/Membership of Directors of the Company in Other Committees

Name of the Director	Category	Membership in Committees	Chairpersonship in Committees
Dr. Anand Deshpande	Chairman and Managing Director	1	Nil
Roshini Bakshi	Independent Director	7	3
Avani Davda	Independent Director	6	2
Arvind Goel	Independent Director	9	Nil
Dr. Ambuj Goyal	Independent Director	2	Nil
Praveen Kadle	Independent Director	12	5
Sandeep Kalra	Executive Director and Chief Executive Officer	2	Nil
Dan'l Lewin	Independent Director	1	Nil
Prof. Ajit Ranade	Independent Director	4	2
Sunil Sapre[@]	Executive Director and Chief Financial Officer	2	Nil

[@]Relinquished his position as the Chief Financial Officer w.e.f. May 15, 2024.

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 defining, 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, the 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 be involved 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 takes 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
6\ Risk Management

In the table below, the specific areas of focus and expertise of individual Board Members have been highlighted. However, absence of a mark against a Member’s name does not necessarily mean the Member does not possess any corresponding knowledge.

Table 3: 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	Risk Management
Dr. Anand Deshpande	✓	✓	✓	✓	✓	✓
Roshini Bakshi	✓	✓	✓	✓	✓	✓
Avani Davda	-	✓	✓	✓	✓	✓
Arvind Goel	-	✓	✓	-	✓	✓
Dr. Ambuj Goyal	✓	✓	✓	-	-	✓
Praveen Kadle	-	✓	✓	✓	✓	✓
Sandeep Kalra	✓	✓	✓	-	✓	✓
Dan'l Lewin	✓	✓	✓	-	-	✓
Prof. Ajit Ranade	-	✓	✓	✓	-	✓
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 composition 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 and skills.

The Board Diversity Policy adopted by the Board sets out its approach to diversity. The policy is available on our website, at http://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 Board of Directors and the Chairpersons of the respective Board Committees, prepares the agenda and supporting documents for discussion at each Board/Committee meetings, respectively. Members of the Board or Committees may suggest items to be included in the agenda, in addition, they have the 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 at least seven calendar days before the meeting.

The Chairman of the Board circulates an Executive Summary with the following sections:

1\ Highlights
2\ Financial Summary
3\ State of the Business
4\ Items for Decisions in this Meeting
5\ Items for Discussion

The Executive Summary helps the Board Members to be focused on the most important items for the meeting.

The Board and the Audit Committee meet in executive sessions, at least four times during a financial year, mostly in the third week of the first month of the quarter 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 through videoconferencing in accordance with the provisions of the Companies Act, 2013 and the Secretarial Standard – 1 ('SS-1') issued by the Institute of Company Secretaries of India (ICSI).

The Business Unit Heads, Chief Financial Officer, Chief People Officer, Chief Operating Officer, Chief Planning Officer, Chief Admin Officer, Chief Strategy and Growth Officer, General Counsel and the 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 Regulation 17 of the Listing Regulations, the gap between two Board meetings must not exceed one hundred and twenty days; this is strictly followed by the Company. The maximum gap between two Board meetings during the Financial Year 2023-24 was Ninety-Three days i.e., from October 18, 2023, to January 19, 2024.

During the year under report, the Board of Directors considered and accepted as appropriate the recommendations of the various committees.

During the Financial Year 2023-24, seven meetings of the Board of Directors were held on:

1\ April 23, 24 & 25, 2023
2\ June 6, 2023
3\ July 19 & 20, 2023
4\ September 18, 2023
5\ October 17 & 18, 2023
6\ January 19 & 20, 2024, and
7\ March 13, 2024

Table 5 below gives the attendance record of the Directors at the Board meetings and at the Annual General Meeting held on July 18, 2023. In this report, the signs below, wherever they appear, denote the following:

Y – Attended; N – Absent; C – Attended as Chairperson; NA – Not Applicable

Table 4: Attendance of Directors at the Board Meetings and Annual General Meeting (AGM)

	Board Meetings held on							AGM
Name of the Director	**April 23, 24 & 25, 2023**	**June 6, 2023**	**July 19 & 20, 2023**	**September 18, 2023**	**October 17 & 18, 2023**	**January 19 & 20, 2024**	**March 13, 2024**	**July 18, 2023**
Dr. Anand Deshpande	C	C	C	C	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y	Y	Y	Y	Y
Avani Davda	Y	Y	Y	Y	Y	Y	Y	Y
Arvind Goel	Y	Y	Y	Y	Y	Y	Y	Y
Dr. Ambuj Goyal	Y	Y	Y	Y	Y	Y	Y	Y
Praveen Kadle	Y	Y	Y	Y	Y	Y	Y	Y
Sandeep Kalra	Y	Y	Y	Y	Y	Y	Y	Y
Dan'l Lewin	Y	Y	Y	Y	Y	Y	Y	Y
Prof. Ajit Ranade*	NA	NA	Y	Y	Y	Y	N	Y
Sunil Sapre	Y	Y	Y	Y	Y	Y	Y	Y

*Appointed as an Independent Director w.e.f. June 6, 2023

f. Performance Evaluation of the Board, its Committees and Directors

The Company conducted the annual performance evaluation of the Board, the Chairperson, its various Committees and the Directors individually including Independent Directors. The performance evaluation was done by an external management consultant who specializes in the 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, qualitative comments, and future of the Board and the Company etc. The process also evaluated the Board Committees' performance against the requirements of their charters and other aspects of their responsibilities. The external management consultant also conducted one-on-one interviews with each Board Member. The Board then discussed the results of their respective evaluations in an executive session, highlighting actions to be taken in response to the findings of the evaluation process.

The evaluation was conducted in March and April 2024. The findings were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2024.

Extract of the qualitative comments received during the Board evaluation for the year under report are as follows:

\ To have more discussions at a Board level around skills, expertise, knowledge, exits and onboardings of Senior Management Personnel.

\ Mentor-Mentee Program to be restarted where Independent Directors can share their knowledge and expertise with Senior Executives of the Company.

Proposed actions based on the current year's comments:

\ The Management will increase the frequency of discussions around skills, expertise, knowledge, exits and onboardings of Senior Management Personnel and keep the Board duly informed regarding any major changes in the Organization Structure.

\ The Management will initiate a program wherein every Independent Director will be paired with a few senior management employees of your Company and will receive mentorship based on the expertise of the respective Independent Directors.

Previous year's observations (For FY 2022-23) and actions taken are as follows:

1. Observation: To explore scheduling additional time for the strategic discussions in the Board Meetings

   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. Various Committees of the Board also held special meetings with focus on specific identified agenda items for focused discussions.

2. Observation: To arrange a periodic update on the ESG activities/initiatives of the Company to the Board

   Action taken: The ESG Head presents to the Board, the ESG initiatives undertaken at periodic intervals.

2\ Committees of the Board of Directors

As of March 31, 2024, the Company has the following 7 (Seven) Committees of the Board of Directors:

a. Audit Committee
b. Nomination and Remuneration Committee
c. Stakeholders Relationship and ESG Committee
d. Risk Management Committee
e. Corporate Social Responsibility Committee
f. Executive Committee
g. Investment Committee

Memberships of Executive and Non-Executive Directors in all the Board Committees of the Company

		Membership in Persistent Board Committees						
Name	**Designation**	**AC**	**NRC**	**SRC**	**RMC***	**CSR**	**EC**	**IC**
Dr. Anand Deshpande	Chairman and Managing Director			Member		Member		
Roshini Bakshi	Independent Director	Member	Chairperson				Chairperson	Member
Avani Davda	Independent Director	Member		Member		Chairperson	Member	
Arvind Goel	Independent Director			Chairperson	Member	Member		
Dr. Ambuj Goyal	Independent Director		Member				Member	Member
Praveen Kadle	Independent Director	Chairperson			Chairperson		Member	Chairperson
Sandeep Kalra	Executive Director and Chief Executive Officer				Member		Member	
Dan'l Lewin	Independent Director		Member					
Prof. Ajit Ranade	Independent Director		Member		Member			
Sunil Sapre	Executive Director and Chief Financial Officer			Member	Member		Member	

Chairperson   Member

*Mr. Debashis Singh, Chief Information Officer is the member of Risk Mangement Committee

Most of the Board Committees are represented by a combination of Executive and Independent Directors.

The Chairpersons of all the Committees are Independent Directors.

During the Financial Year 2023-24, a separate meeting, exclusively of the Independent Directors was held on July 20, 2023, in which the Independent Directors transacted the following businesses along with a 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.

As per the Charter of respective Committees, the Committees deliberate on the matters assigned 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 are circulated to the Board members for information/noting.

In terms of Section 173(2) of the Act 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 either in person or in hybrid mode. The participation of the Directors through videoconferencing (VC) or by other audio-visual means (OAVM) is counted for the purposes of quorum in accordance with the guidelines issued by the Institute of Company Secretaries of India (ICSI) through the Secretarial Standard - 1 as updated from time to time.

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 committee members are financially literate, and the Chairperson is a financial management expert. As a prudent corporate governance practice, the Audit Committee consists exclusively of the Independent Directors.

Table 5: gives the composition of the Audit Committee of the Board of Directors as of March 31, 2024

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 Operating Officer, Chief Administrative Officer, 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 hold discussion 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. To review, with the management, the statement of uses / application of funds raised through an initial public offering of 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 existing as on the date of coming into force of this provision

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 review the consideration of rationale, cost-benefits, and impact of schemes involving merger, demerger, amalgamation, and allied activities in this regard.

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

5 (Five) meetings of the Audit Committee were held during the Financial Year 2023-24.

Table 6: Details of the attendance at the Audit Committee Meetings held during the Financial Year 2023-24

	Audit Committee Meeting				
Name of the Director	April 24, 2023	July 19, 2023	October 17, 2023	January 19, 2024	February 10, 2024
Praveen Kadle	C	C	C	C	C
Roshini Bakshi	Y	Y	Y	N	Y
Avani Davda	Y	Y	Y	Y	Y

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 (the 'NRC') was constituted on July 24, 2019. It replaced the erstwhile two committees, namely, the Compensation and Remuneration Committee and Nomination and Governance Committee which have been in existence since before the Company went public.

The Chairperson and all members of the Committee are Independent Directors.

The Company Secretary of the Company is the Secretary of the Committee.

Table 7: Composition of the Nomination and Remuneration Committee of the Board of Directors as of March 31, 2024

Name of the Director	Category
Roshini Bakshi	Chairperson of the Committee and Independent Director
Dr. Ambuj Goyal	Independent Director
Dan'l Lewin	Independent Director
Prof. Deepak Phatak©	Independent Director
Prof. Ajit Ranade*	Independent Director

© Ceased to be a member of the Committee w.e.f. April 2, 2023
* Appointed as the member of the Committee w.e.f. July 19, 2023

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 evaluate and recommend termination of membership of an individual director for cause or other appropriate reasons.

vii. 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.

viii. 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.

ix. 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.

x. 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.

xi. To review the general compensation policy of the Company (including that of ESOPs) and convey its recommendation to the Board, if any.

xii. 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.

xiii. 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.

xiv. 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 and other schemes.

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 the employees in Persistent Group including Key Managerial Personnel and Senior Management Personnel 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 2023-24.

Table 8: Details of the Attendance at the Nomination and Remuneration Committee Meetings during the Financial Year 2023-24

	Nomination and Remuneration Committee Meeting	
Name of the Director	April 24 & 25, 2023	June 6, 2023
Roshini Bakshi	C	C
Dr. Ambuj Goyal	Y	Y
Dan'l Lewin	Y	Y
Prof. Deepak Phatak@	NA	NA
Prof. Ajit Ranade*	NA	NA

@ Ceased to be a member of the Committee w.e.f. April 2, 2023

* Appointed as the member of the Committee w.e.f. July 19, 2023

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 the Executive 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 and 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 (₹ 1,718.94 Million for FY 2023-24) and the total remuneration to the managerial persons not to exceed 10% of the net profits of the Company (₹1,562.68 Million for FY 2023-24) 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 to the 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.

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.

Table 9 and Table 10 gives details of remuneration paid to Executive, and Independent Directors of the Company, in the Financial Years 2022-23 and 2023-24.

Directors Access to Senior Management and Director Orientation

The Directors of your Company have access to the senior management and other employees. Newly appointed Directors are provided with an orientation/familiarization program to familiarize them with the businesses and functions. The Board goes through informative sessions on a variety of topics throughout the year in its quarterly Board Meetings.

Succession Planning

The Board reviews the NRC's updates on the performance of Key Managerial Personnel (KMPs) and Senior Management Personnel (SMPs). The Board also works with the NRC to evaluate potential successors to the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and other senior management.

With respect to regular succession planning exercise of the senior management, the Board evaluates internal as well as external candidates on need basis. To find external candidates, the Board seeks input from the members of the Board, senior management, and from reputed recruiting firms.

To develop internal candidates, the Company engages in a number of practices, formal and informal, designed to familiarize the Board with the available talent pool. The formal process involves a periodic talent review of the senior management at which the executive leadership assesses the most promising leaders. The executive leadership learns about each person's experience, skills, areas of expertise, accomplishments, and goals. In addition, the senior management is also invited for the business sessions in the Board meetings, and various strategy sessions organized at the Company. The purpose of the formal review and other interaction is to familiarize the executive leadership with the talent pool inside the Company from which the NRC/Board would be able to choose successors to the senior management and evaluate succession for other senior managers as necessary from time to time.

The complete list of Senior Management Personnel of the Company, including the changes therein since the close of the previous financial year is available at https://www.persistent.com/wp-content/uploads/2024/06/list-of-senior-managerial-personnel.pdf

Table 9: 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 with Perquisites and other payments	Total without Perquisites and other payments
Dr. Anand Deshpande	Chairman and Managing Director	2024	19.82	13.43	4.43	-	37.68	37.68
		2023	18.44	14.7	3.26	-	36.4	36.4
Sandeep Kalra	Executive Director and Chief Executive Officer	2024	83.36	21.42	23.41	637.7	765.89	128.19
		2023	74.23	42.64	10.39	489.3	616.56	127.26
Sunil Sapre@	Executive Director and Chief Financial Officer	2024	10.99	7.45	2.02	143.52	163.98	20.46
		2023	9.78	7.91	1.73	82.77	102.19	19.42
Total		**2024**	**114.17**	**42.3**	**29.86**	**781.22**	**967.55**	**186.33**
		2023	102.45	65.25	15.38	572.07	755.15	183.08

@ Relinquished his position as Chief Financial Officer w.e.f. May 15, 2024.

^ Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 1,562.68 Million (being 10% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013)

The value of perquisite represents the amount of perquisite 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 and Clawback Clause

The Company does not have any policy for service contracts, notice period, severance fees, and clawback clauses or any other payments 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 2023-24, the aggregate commission to all the Non-Executive Directors paid was ₹ 36.72 Million and does not exceed the statutory limit of ₹ 156.26 Million..

Table 10: Remuneration to Non-Executive Directors as per the overall Ceiling as per the Act and Remuneration Policy of the Company, i.e., ₹ 156.26 Million (being 1% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).

(In ₹ Million)

Name of the Director	Category	Year ended March 31	Commission*	Sitting fees*	Total
Roshini Bakshi	Independent Director	2024	4.50	1.32	5.82
		2023	3.15	1.01	4.16
Avani Davda	Independent Director	2024	4.5	1.41	5.91
		2023	3.15	1.10	4.25
Arvind Goel**	Independent Director	2024	4.5	1.03	5.53
		2023	2.57	0.54	3.11
Dr. Ambuj Goyal**	Independent Director	2024	3.85	0.82	4.68
		2023	2.20	0.42	2.62
Praveen Kadle	Independent Director	2024	4.5	1.48	5.98
		2023	3.15	1.37	4.52
Dan'l Lewin#	Independent Director	2024	3.85	0.65	4.51
		2023	2.18	0.30	2.49
Prof. Deepak Phatak##	Independent Director	2024	0.02	NA	NA
		2023	3.15	0.81	3.96
Prof. Ajit Ranade&	Independent Director	2024	3.69	0.56	4.26
		2023	NA	NA	NA
Total		**2024**	**29.41**	**7.31**	**36.72**
		2023	23.64	6.93	30.56

* 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

Ceased to be an Independent Director w.e.f. April 2, 2023

& Appointed as an Additional Independent Director w.e.f. June 6, 2023

None of the Independent Directors as on March 31, 2024, have been granted Stock Options.

Further, no Independent Directors except Mr. Arvind Goel held shares of the Company. Mr. Arvind Goel held 150 shares (pre-split) of the Company as on March 31, 2024. As on the date of this Annual Report i.e., June 12, 2024, Mr. Goel holds 650 shares (Post-split) of the Company. Mr. Goel acquired these shares from the Open Market and in compliance with the Code of Conduct for Prevention of Insider Trading established by your Company and pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.

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 11: Composition of the Risk Management Committee of the Board of Directors as of March 31, 2024

Name of the Director	Category
Praveen Kadle	Chairman 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
Prof. Ajit Ranade**	Independent Director
Debashis Singh$	Member and Executive Management Member – Chief Information Technology
Dr. Ramanathan Venkateswaran*	Chief Information Officer – Information Technology

$Appointed as the Member of the Committee w.e.f. April 23, 2023

**Appointed as the Member of the Committee w.e.f. July 19, 2023

*Resigned from the Committee w.e.f. April 23, 2023

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 2023-24.

Table 12: Details of the attendance at the Risk Management Committee meetings held during the Financial Year 2023-24

	Risk Management Committee Meeting			
Name of the Director	**April 23, 2023**	**July 19, 2023**	**October 17, 2023**	**January 19, 2024**
Praveen Kadle	C	C	C	C
Arvind Goel	Y	Y	Y	Y
Sandeep Kalra	Y	Y	N	Y
Dr. Ramanathan Venkateshwaran*	Y	NA	NA	NA
Prof. Ajit Ranade**	NA	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y
Debashis Singh$	NA	Y	Y	Y

** Appointed as the Member of the Committee w.e.f. July 19, 2023
* Resigned as a Member of the Committee w.e.f. April 2023
$ Appointed as the Member of the Committee w.e.f. April 23, 2023

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 voluntarily on October 4, 2007 even before the Company was not a listed entity. 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 13: Composition of the Stakeholders Relationship and ESG Committee of the Board of Directors as of March 31, 2024

Name of the Director	Category
Arvind Goel[&]	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
Prof. Deepak Phatak[©]	Independent Director

[&] Appointed as the Chairperson as on April 3, 2023
[©] Ceased to be as a member of the Committee w.e.f. April 2, 2023

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 twice every financial year. 2 (Two) meetings of the Committee were held during the Financial Year 2023-24.

Table 14: Details of the Attendance at the Stakeholders Relationship and ESG Committee Meetings held during the Financial Year 2023-24

	Stakeholders Relationship and ESG Committee Meeting	
Name of the Director	**April 25, 2023**	**October 18, 2023**
Arvind Goel[&]	C	C
Dr. Anand Deshpande	Y	Y
Avani Davda	Y	Y
Sunil Sapre	Y	Y

[&]Appointed as the Chairperson of the Committee w.e.f. April 3, 2023

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 Head of Persistent's ESG team presents ESG updates in this meeting.

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 2023-24:

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 2023-24
Board of Directors and the Senior Management	1\ Entity optimization for simplification of group organization structure was initiated in FY 2023-24. 2\ Changes in tax laws analyzed in international jurisdictions and actions implemented for required change in the contracting structure. 3\ A compensations and benefits dashboard was launched provide visibility and authority to the Delivery Management and reduce the dependencies 4\ Dynamic 9-Box Dashboard (DIY Initiative) was introduced. This is a reimagined version of the classic 9Box model, this tool allows users to stack rank, and analyze talent based on parameters such as performance trends, compensation, and competency.
Government Regulatory Authorities/Government bodies/ Chamber of Commerce	1\ Your Company continued to participate in the Surveys conducted by RBI and provided detailed information about the performance of the Company and forecast for the next quarters.
Our Clients and Partners	1\ Your Company launched the Persistent Customer University for key customers, extending the learning experience of our Persistent Rise platform. This will create an account specific view for all employees working within these customer relationships and also create a uniform onboarding experience. 2\ Your Company has introduced Training as a Service for customers based on their requests (TaaS)

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 2023-24
Our Employees	1\ Your Company relaunched the 'Women Returnship Program' and onboarded 21 women candidates with career breaks. 2\ DEIB Awareness Program "Diverse Voices, Inclusive Choices" covering 150+ employees globally to create awareness of the importance of diversity & inclusion in the workplace. 3\ Employee Level L&D Dashboard: Launched employee level learning & development dashboard. 4\ Annual MyLife events such as Pulse (20k+ participants), Persistent Run(~9k) with the highest number of participants. 5\ Your Company published a comprehensive social media policy that applies to all employees. In calendar year 2023, the Company crossed 1 million followers on LinkedIn, a testament to our prowess on this platform. Your Company also runs 'Women in Tech', an internal webinar series with inspiring stories from Persistent's women leaders and from clients. All of these updates and many more are hosted on the internal Intranet portal, a one stop shop for webinar recordings, policy updates and other key internal applications. 6\ The Company leads the Growth & Acceleration sessions for sales enablement, with rapidly developed sessions on new and game changing opportunities around Generative AI and other emerging technologies; The Company received an acknowledgment from Gartner as a Customer First company in multiple categories; the Customer First program is designed to build trust and credibility, by signaling that we solicit reviews from all clients and Gartner recognizes the benefits of honest, unbiased feedback. As the Company continues to strengthen market presence and deliver exceptional value to our clients, maintaining a consistent and cohesive brand identity becomes paramount, we have centralized all our Marketing and Brand assets with the launch of our Marketing Shared Services portal. This is our commitment to upholding our brand standards and contributing to our continued success in the market. 7\ EV Charging Stations were established at all Pune, Nagpur and Goa Office locations in addition to tyre inflation machines. 8\ Procured EV Cycles and EV scooters for commute between facilities in the vicinity. 9\ Your Company gifted its employees a 'Billion Dollar Gift' during the year.
Our Vendors and Consultants	1\ The Admin Department has facilitated the distribution of End of Life (EOL) laptops to the Housekeeping and Security Vendor Staff for their childrendors only.
Shareowners of the Company	1\ The Board in their meetings held on January 19 and 20, 2024, and March 13, 2024, respectively, approved the Sub-Division of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each. Thereafter the Management took the necessary steps to give the effect of the Sub-Division to the Equity Shares of the Company on the Record Date i.e. April 1, 2024 and w.e.f April 1, 2024, the Face Value of the Equity Shares was changed from INR 10/- to INR 5/- per share and the number of Equity Shares contained in the Paid-up capital changed from 77,025,000 to 154,050,000. The RTA, Depositories and both Stock Exchanges were involved during this process and the necessary approvals were sought from these stakeholders for completing this activity 2\ Your Company undertook an initiative where the Shareholders are sent a communication after the announcement of quarterly financial results are made to the Stock Exchanges. This communication is sent on the same day when the results are submitted to the Stock Exchanges. This activity has received positive feedback from the Shareholders. 3\ Your Company took efforts to disburse the Final Dividend for FY 2022-23 in July 2023 well before the statutory timelines. The Company has made efforts to proactively liaise between the bankers, RTA, and TDS Consultant for the correctness of the information and payment of dividends. This was followed by an email intimation to the shareholders mentioning that the dividend was distributed and must be credited to them.

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 2023-24
Shareowners of the Company	4\ Your Company took efforts to disburse dividends well before the statutory timelines. The Company has made prompt communications with RTA, Dividend bankers, and other stakeholders. To have effective management of TDS activities and reduce investor grievances, a TDS consultant has been appointed. These efforts have resulted positively. The Final Dividend 2022-23 which was declared in July 2023, was paid on the 7th day from the AGM. This has resulted in improving shareholders' confidence. 5\ In addition to the submission of Quarterly financial results to the Stock Exchanges which is mandatory submission, the Company releases an Analyst Presentation and Press Release to the exchanges every quarter for shareholders' consumption. The Company further voluntarily scheduled analyst calls to address the queries if any w.r.t quarterly performance and the way forward.
Society at large	Some of these initiatives were coordinated through Persistent Foundation. 1\ All E-Waste / Hazardous waste disposal is done to the SPCB approved vendors only. 2\ Rooftop Solar power plant donation at Annamrita Foundation, Nagpur – 19 kWp rooftop solar plant installation, a Venture centre, NCL campus- 112kWp rooftop solar power plant installation, Swaroop Vardhini Educational Institute – 100 kWp rooftop solar power plant installation, Persistent Nagpur facility 100 kWp rooftop solar plant under implementation was completed. We have installed Solar Water Heater at 5000 Litres, Solar water heater system for Annamrita foundation, Nagpur, 10,000 Litres solar water heater for Deolapar Gurukul Ashram Shala, Nagpur. This has reduced power requirements, low maintenance cost, save electricity bills. Solar power is pollution-free and causes no greenhouse gases to be emitted. This has also reduced dependence on foreign oil and fossil fuels. Solar panels reduce the amount of heat reaching the roof. This provides us Tax Incentives. 3\ Your Company donated Computer Sets, laptops, printers and chairs donated to various Schools, NGOs and government agencies (Total 23 schools & colleges, 5 NGO's and 3 government agencies), Maharashtra Sahitya Parishad, Pune, Talathi Karyalay Erandwana, Pune, Dy. Police , Traffic dept, PCMC Pune, Deccan Police Station, Pune City, Chatrushrungi Police Station, Pune city, Uday Gujar Foundation, Jagruti Seva Sanstha Pune, Dnyandeep Jankalyan Karlaya, Seva Sahayog Foundation, Pune, and various ZP schools at Pune, Satara, Sangli, Kolhapur, Sindhudurg, Akkalkot: - Computer Sets: 118 Nos.,Laptops: 244 Nos.,Printer: 001 Nos,Total – 363 Nos. 4\ Your Company also donated 460 nos. chairs to Ramrajya Madhyamik Vidyalay, Pune, Zilha Parishad Prathamik Shala, Borghar, Tal-Ambegaon, Dist-Pune, Swami Vidya Mandir & D.T. Patil Junior Collage, Dapodi, Tal-Haveli Dist-Pune, Dnyandeep Madhyamik & Anusaya Wadhokar school, Rupi Nagar, Talvade Tal-Haveli, Dist-Pune, Sri Khandoba Devsthan Trust, Pimpalgaon Rotha, Tal-Parner, Dist-Ahmednagar, Gujar Foundation, Pune, Yuva Spandan Foundation Pune, Snehavan Foundation Pune. 5\ Use of "Kalki Bioculture" Kalki is a water-based Bio culture which has improved the Water Quality & Air quality at Nagnadi, Nagpur.

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, 2024, the Company has attended to investors' grievances expeditiously.

Table 15: 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, 2023	Received	Attended	Pending as on March 31, 2024
1\	Revalidation of warrants /issue of fresh drafts	0	67	67	0
2\	SCORES	0	0	0	0
3\	BSE/NSE	0	1	1	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 are trustees of Persistent Foundation and ensure that the Board's guidance is followed by the Foundation.

Mr. Vinit Teredesai, Chief Financial Officer of the Company certified that the CSR funds as per the total CSR obligation of the Company have been disbursed and utilized during FY 2023-24 in the manner approved by the Board of Directors and the same has been placed before the Board at its June 2024 meeting.

Table 16: Composition of the CSR Committee of the Board of Directors as on March 31, 2024:

Name of the Director	Category
Avani Davda	Chairperson of the Committee and Independent Director
Dr. Anand Deshpande	Chairman and Managing Director
Arvind Goel*	Independent Director
Prof. Deepak Phatak$	Independent Director

*Appointed as a Member of the Committee w.e.f. April 25, 2023
$ Ceased to be a Member of the Committee w.e.f. April 2, 2023

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 and Attendance

1 (one) meeting of the Committee was held during the FY 2023-24 on April 21, 2024, to review the CSR activities of the Company to be conducted during the Financial Year 2023-24. 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 ₹ 175.45 Million. The Company spent ₹ 175.45 Million by way of CSR Contributions to Persistent Foundation. 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, 2024, and subject to change for adjustments of overseas branches profit/loss, the Committee recommended to the Board of Directors, the amount of ₹217.78 Million must be spent towards CSR activities as per Section 135 of the Act for the Financial Year 2024-25.

The Chairperson of Persistent Foundation presents updates on the Foundation activities to the Committee during these meetings.

Table 17: Details of the Attendance at the CSR Committee Meeting during the Financial Year 2023-24

	CSR Committee Meeting
Name of the Director	**April 25, 2023**
Avani Davda	C
Dr. Anand Deshpande	Y
Arvind Goel*	Y

*Appointed as a Member of the Committee w.e.f. April 25, 2023

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 18: Composition of the Executive Committee of the Board of Directors as on March 31, 2024

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

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 2023-24.

Table 19: Details of the attendance at the Executive Committee Meetings during the Financial Year 2023-24

	Executive Committee Meeting		
Name of the Director	**August 28, 2023**	**November 29, 2023**	**February 28, 2024**
Roshini Bakshi	C	C	C
Avani Davda	Y	Y	Y
Dr. Ambuj Goyal	N	Y	Y
Praveen Kadle	Y	N	Y
Sandeep Kalra	Y	Y	Y
Sunil Sapre	Y	Y	Y

3\ Subsidiary Companies

During the year under Report, your Company did not acquire any new entities, however, restructured group entities as follows:

1\ The Board of Persistent Systems Inc. USA (Wholly Owned Subsidiary) set up an entity in Poland by the name of Persistent Systems Poland sp. z o.o. (Step Down Subsidiary) on April 5, 2023

2\ CAPIOT Software Pte. Limited, Singapore (Step Down Subsidiary) was struck off on April 6, 2023

3\ SCI Fusion 360 LLC, USA, (Step Down Subsidiary) was dissolved with effective from May 31, 2023

4\ Youperience Limited, UK (Step Down Subsidiary) was dissolved with effect from June 27, 2023

5\ Youperience GmbH, (step down subsidiary) merged into Persistent Systems Germany, GmbH (Wholly Owned Subsidiary) with effect from August 21, 2023

6\ Parx Consulting GmbH, (Step Down Subsidiary) merged into Persistent Systems Germany, GmbH (Wholly Owned Subsidiary) with effect from August 25, 2023

7\ CAPIOT Software, Inc. (Step Down Subsidiary) has been dissolved effective from December 29, 2023, pursuant to the Certificate of Dissolution issued by the Secretary of the State of Delaware on January 16, 2024

8\ Persistent Systems S.R.L, Italy (Step Down Subsidiary) has been dissolved and struck off from the Business Register with effect from February 26, 2024

9\ The Equity Shares of Persistent Systems UK Limited (a Step-Down Subsidiary) were transferred from Aepona Group Limited, Ireland (a Step-Down Subsidiary) to Persistent Systems Limited resulting in a Wholly Owned Subsidiary (WOS) of the Company

10\ The Company has incorporated a Company (Not for Profit) under Section 8 of the Companies Act, 2013 on May 1, 2024

11\ The Equity Shares of Persistent Systems Australia Pty Ltd (SDS) were transferred from Capiot Software Inc. to Persistent Systems Inc. (WOS) of the Company

12\ The Board of Directors of your Company at its meeting held on Friday, January 19, 2024, approved a Scheme of Merger of Capiot Software Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited (Holding Company). The Scheme of Merger was filed with the Hon'ble National Company Law Tribunal (the 'NCLT') on March 22, 2024, and the further directions from the NCLT are awaited.

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.

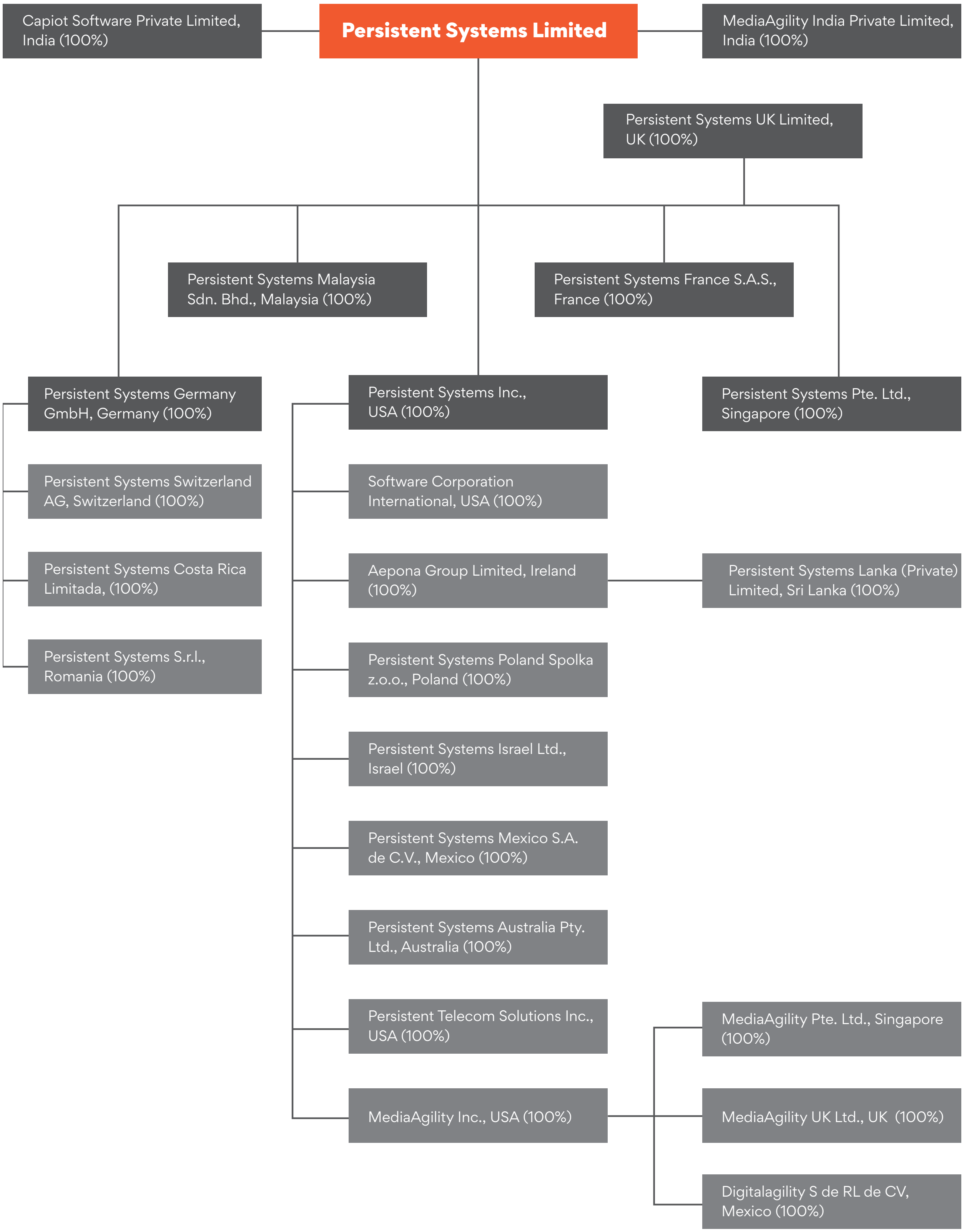
The Audit Committee and the Board of Directors review related party transactions entered into by the Company including those with the subsidiary companies.

Details of percentage holding of the Company in the subsidiary companies as on March 31, 2024

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
Aepona Group Limited	Ireland	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Persistent Systems UK Limited	UK	100% subsidiary of Persistent Systems Limited w.e.f. March 19, 2024
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
Persistent Systems Australia Pty. Ltd.	Australia	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
Persistent Systems Switzerland AG	Switzerland	100% subsidiary of Persistent Systems Germany 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
Persistent Systems Costa Rica 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
Persistent Systems Poland spolka z.o.o.	Poland	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company

@ Application for merger with Persistent Systems Limited has been filed with the Hon'ble National Company Law Tribunal on March 22, 2024.

Pictorial representation of the group structure as of March 31, 2024:



4\ General Meeting Details

a. The details of the last three years Annual General Meetings are as follows:

Financial Year	Date	Time (IST)	Venue
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
2022-23 33rd AGM	July 18, 2023	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 2021-22, FY 2022-23 and FY 2023-24

c. The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Date of AGM	Sr. No.	Resolutions
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, 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, 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, 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, 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
July 18, 2023 33nd AGM	i.	To appoint Dr. Ajit Ranade, India (DIN: 00918651) as an Independent Director of the Company, not liable to retire by rotation, to hold the office for a term of 5 (five) consecutive years i.e., from June 6, 2023 to June 5, 2028
	ii.	To approve amendments in the 'Persistent Employee Stock Option Scheme 2014'
	iii.	To grant Employee Stock Options to the Employees of the Subsidiary Company(ies) of the Company under 'Persistent Stock Options Schemes 2014'
	iv.	To approve amendments in the 'Persistent Systems Limited – Employee Stock Option Plan 2017'
	v.	To grant employee stock options to the employees of Subsidiary company(ies) of the Company under 'Persistent Systems Limited – Employee Stock Options Plan 2017'

5\ Resolutions Passed by Postal Ballot:

During the Financial Year 2023-24, there were 5 extraordinary businesses passed through the Postal Ballot on March 11, 2024, out of which 1 (one) was an Ordinary Resolution and 4 (four) were Special resolutions. Details are as follows:

Sr. No.	Resolutions
i.	To approve Sub-division/ Split of 1 (One) Equity Share of INR 10/- (INR Ten only) each into 2 (Two) Equity Shares of INR 5/- (INR Five only) each and the consequent amendment to the Memorandum and Articles of Association of the Company
ii	To approve an amendment in the scheme document for 'Persistent Employee Stock Options Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of stock options already approved by the shareholders consequent to the Sub-Division/Split of the Equity Shares for grant of stock options to the employees of the Company
iii	To approve an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of Stock Options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of Stock Options to the employees of the Subsidiary (ies) of the Company
iv	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014
v.	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Subsidiary(ies) of the Company under PESOS 2014

Procedure for postal ballot:

The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the General Circular nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, and subsequent circulars issued in this regard, the latest being 9/2023 dated September 25, 2023, respectively issued by the Ministry of Corporate Affairs.

The Board had appointed M/s. SVD & Associates, Practicing Company Secretaries, Pune [represented by Mr. Sridhar Mudaliar (FCS 6156, COP 2664) or failing him, Ms. Sheetal Joshi (FCS 10480, COP 11635)] as the Scrutinizers for conducting the evoting process in a fair and transparent manner.

All the resolutions were duly passed, and the results were announced on March 11, 2024. A summary of the resolutions passed, and the number of votes cast for and against the resolutions is summarized in the following table:

Sr. No.	Resolutions	Total shares as on the cut off date	No. of votes polled	No. of votes in favour	% of votes in favour	No. of votes-against	% of votes-against
i.	To approve Sub-Division/Split of 1 (One) Equity Share of INR 10/- (INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company.	76,925,000	60,882,899	60,796,304	99.8578	86,595	0.1422
ii	To approve an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of stock options already approved by the Shareholders consequent to the Sub-Division/Split of Equity Shares for grant of Stock Options to the employees of the Company.	76,925,000	60,881,057	56,809,814	93.3128	4,071,243	6.6872

Sr. No.	Resolutions	Total shares as on the cut off date	No. of votes polled	No. of votes in favour	% of votes in favour	No. of votes-against	% of votes-against
iii	To approve an amendment in the scheme document for 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to amend the Face Value and accordingly the aggregate number of stock options already approved by the Shareholders consequent to the Sub-Division / Split of Equity Shares for grant of Stock Options to the employees of the Subsidiary(ies) of the Company.	76,925,000	60,880,553	56,809,483	93.3130	4,071,070	6.687
iv	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Company under PESOS 2014.	76,925,000	60,870,601	51,706,889	84.9456	9,163,712	15.0544
v.	To approve an amendment in the clause of 'Persistent Employee Stock Option Scheme 2014 (PESOS 2014)' to add a time period to the existing maximum cap on the Stock Options that could be granted to an individual employee of the Subsidiary(ies) of the Company under PESOS 2014.	76,925,000	60,870,255	51,706,645	84.9457	9,163,610	15.0543

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.

In addition to the annual Code of Conduct, the Board has also established a robust Code of Conduct on Prevention of Insider Trading in terms of the SEBI (Prohibition of Insider Trading) Regulations, 2015. The Company has a zero tolerance policy towards insider trading, corruption, bribery, and money laundering.

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 deliberations on strategy planning

As part of our annual strategy planning process, the Company organizes sessions 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, if they observe any fraudulent financial or other information or conduct that results in instances of unethical behavior or actual or suspected violation of the Company's Code of Conduct and the Ethics Policy. The Board of Directors has appointed the Chairperson 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 Chairperson 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 quarterly meeting and the summary is included in the Report of the Directors. During the year under report, your Company has not received any complaints of sexual harassment. Further, as of March 31, 2024, there were no pending complaints of sexual harassment in your Company.

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 the 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 2023-24, 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 the Financial Statements.

J. 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.

K. 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.

L. 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, 10, 14, 17 and 33 of the Standalone Financial Statements). The Company has not obtained any credit rating during the period under review in this report.

M. Compliance Tool for tracking the applicable scheduled compliances

The Company ensures that adequate tools and appropriate processes are in place for adherence with to all statutory compliances. Compliances applicable in India and abroad to the Company are monitored and tracked through a software tool. In the year 2016, the Company implemented the Compliance Tool to report and track the domestic compliances; while the same tool was then enhanced and is being used to report and track the global compliances for 14 locations. 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 on a regular basis and the same is monitored by the Company.

N. Data Protection Initiatives

Global Data Protection Regulation ("GDPR") is the European framework that came into force in May 2018. The purpose of GDPR is to harmonize data privacy laws across Europe and give greater protection and rights to individuals. The GDPR's applicability is not restricted to European companies; it 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.

O. 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, 2023, to March 31, 2024.

The Company has complied and disclosed all the mandatory requirements under the Listing Regulations.

P. Remuneration to the Directors of the Company

Information relating to the remuneration to the Directors during the Financial Year 2023-24 has been provided under the details of the Nomination and Remuneration Committee in this report.

Q. Disclosure of certain type of agreements binding listed entities

There are no agreements impacting management or control of the Company or imposing any restrictions or creating any liability upon the Company in accordance with Schedule V read with clause 5A of Schedule III of the SEBI LODR, 2015.

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 calls 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 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	-	-	-	✓	✓	✓	✓	✓
Society at large	-	-	-	✓	✓	-	-	✓
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, 2023	September 30, 2023	December 31, 2023	March 31, 2024
English	Date of Publication	July 21, 2023	October 19, 2023	January 21, 2024	April 23, 2024
	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 21, 2023	October 19, 2023	January 21, 2024	April 23, 2024
	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, Maharashtra, 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
Date and Time: Tuesday, July 16, 2024, at 1600 hrs. (IST)
Mode through which the Annual General Meeting will be held: Hybrid mode i.e. combination of in-person attendance and Video Conferencing/Other Audio-Visual Means as per the convenience of Members.
Book Closure dates: From Wednesday, July 10, 2024, to Tuesday, July 16, 2024 (Both days inclusive)

iv. 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.

v. Dividend Payment Date

The Company had declared an Interim Dividend of ₹ 32 per equity share (Pre-split) at its Board meeting held in January 2024 for the Financial Year 2023-24 to those members whose names were appearing in the Register of Members on January 30, 2024 and the payment was made on February 7, 2024.

Your Board has recommended a Final Dividend of ₹ 10 (₹ Ten Only) per Equity Share of ₹ 5 each for the Financial Year 2023-24.

This aggregate Dividend of ₹ 10 (₹ Ten Only) per Equity Share is subject to the approval of Members at the ensuing Annual General Meeting to be held on July 16, 2024, to those members whose names appearing in the Register of Members on July 11, 2024. It is proposed to make the payment before August 12, 2024.

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, 2024 (In ₹)	Due date for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)	Percentage of unclaimed dividend over Total Dividend
2023-24	January 2024 – Interim	2,461,600,000	26,613.00	27-Mar-31	0.00
2022-23	July 2023 – Final	1,692,350,000	300,542.00	22-Sep-30	0.02
2022-23	January 2023 – Interim	2,139,900,000	576,661.00	25-Mar-30	0.03
2021-22	July 2022 – Final	840,675,000	417,313.75	23-Sep-29	0.05
2021-22	January 2022 – Interim	1,528,500,000	421,214.65	27-Mar-29	0.03
2020-21	July 2021 – Final	458,550,000	63,120.68	25-Sep-28	0.01
2020-21	January 2021 - Interim	1,069,950,000	204,748.05	03-Apr-28	0.02
2019-20	March 2020 – 2nd Interim	229,275,000	134,310.00	17-May-27	0.06
2019-20	January 2020 – 1st Interim	687,825,000	198,216.00	06-Apr-27	0.03
2018-19	July 2019 – Final	229,275,000	69,822.00	28-Sep-26	0.03
2018-19	January 2019 – Interim	640,000,000	232,416.00	04-Apr-26	0.04
2017-18	July 2018 – Final	240,000,000	81,702.00	01-Oct-25	0.03
2017-18	January 2018 – Interim	560,000,000	176,708.00	03-Apr-25	0.03
2016-17	July 2017 – Final	240,000,000	75,666.00	24-Sep-24	0.03
Total		**13,017,900,000**	**2,979,053**		**0.02**

Out of the total unpaid dividend of ₹ 321,240 for the Financial Year 2016-17, the dividend of ₹ 229,254 was claimed by 92 shareholders. This resulted in the transfer of the remaining ₹ 194,808 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, 2023	As on March 31, 2024
i	Total Dividend Declared	10,389,450,000	13,017,900,000
ii	Unclaimed Dividend	2,353,525	2,857,112

During the year under report, your Company has transferred the unclaimed and unpaid dividend of ₹ 194,808 to the IEPF Authority.

vii. Share Suspense Account

In accordance with the requirement of Regulation 34(3) and Part F of Schedule V to the SEBI Listing Regulations, 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 balance in the above-mentioned Suspense Account as on March 31, 2024, is NIL

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 2023-24 have been paid to both BSE and NSE. The ISIN of the Company for its shares is INE262H01021 w.e.f. March 28, 2024. The ISIN of the Company was INE262H01013 till March 27, 2024, which was changed due to the Sub-Division of Equity Shares of the Company

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 2023-24, the Board and the Shareholders approved Sub-Division / Split of 1 (One) Equity Share of INR 10/-(INR Ten Only) each into 2 (Two) Equity Shares of INR 5/- (INR Five Only) each and the consequent amendment to the Memorandum of Association of the Company. Resultantly, the necessary corporate action was executed on April 1, 2024.

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 Central Depository Services (India) Limited (CDSL) and 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 INE262H01021.

As on March 31, 2024, 76,657,855 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, 2024

Shareholding of shares	Shareholders	Percentage of total	Total shares	Percentage of total
1 - 5,000	193,713	99.58	7,068,035	9.18
5,001 - 10,000	286	0.15	2,048,572	2.66
10,001 - 20,000	195	0.10	2,774,927	3.60
20,001 - 30,000	79	0.04	1,982,500	2.57
30,001 - 40,000	44	0.02	1,528,538	1.98
40,001 - 50,000	37	0.02	1,640,495	2.13
50,001 - 100,000	84	0.04	5,854,106	7.60
100,001 and above	92	0.05	54,127,827	70.27
Total	**194,530**	**100**	**77,025,000**	**100**

xv. Shareholding pattern as on March 31, 2024

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
1\	Promoters	2	22,873,340	228,733,400	29.70
2\	Promoters Group	9	1,020,625	10,206,250	1.32
3\	Institutions				
	a\ Mutual Funds	34	16,185,646	161,856,460	21.01
	b\ Financial Institutions/Banks	1	4,625	46,250	0.00
	c\ Foreign Portfolio Investors (Corporate)	622	19,171,038	191,710,380	24.89
	d\ Foreign Institutional Investors	3	54,023	540,230	0.07
	e\ Foreign Venture Capital Investors	-	-	-	-
	f\ NBFC	7	3,020	30,200	0.00
	g\ Alternate Investment Funds	21	328,673	3,286,730	0.43
	h\ Insurance Companies	21	3,411,704	34,117,040	4.43
	i\ Central Government	1	150	1,500	0.00
	j\ State Government / Governor	-	-	-	0.00
4\	Non – institutions				
	a\ Bodies Corporate	948	506,603	5,066,030	0.66
	b\ Individuals	179,526	10,554,375	105,543,750	13.70
	c\ Directors/Relatives	3	101,800	1,018,000	0.13
	d\ Key Managerial Personnel	1	3,335	33,350	0.00
	e\ IEPF	1	1,788	17,880	0.00
	f\ NRI	5,983	1,173,355	11,733,550	1.52
	g\ Foreign National	13	20,541	205,410	0.03
	h\ Foreign Company	1	366,862	3,668,620	0.48
	i Any other	-	-	-	-
	ii Trust	19	113,533	1,135,330	0.15
	iii Clearing Members	6	59,848	598,480	0.08
	iv Hindu Undivided Families	2,247	141,462	1,414,620	0.18
	v Limited Liability Partnership	100	67,885	678,850	0.09

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
5\	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	1	860,769	8,607,690	1.12
	Total	**189,570**	**77,025,000**	**770,250,000**	**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, 2024

Sr. No.	Name of Shareholder	No. of Shares	Percentage holding
1\	Kotak Emerging Equity Scheme	2,447,622	3.17
2\	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	2,305,531	2.99
3\	Motilal Oswal Flexi Cap Fund	2,174,778	2.82
4\	HDFC Mutual Fund - HDFC Mid - Cap Opportunities Fund	2,053,866	2.66
5\	Nippon Life India Trustee Ltd – A/C Nippon India Growth Fund	1,127,384	1.46
6\	Shridhar Bhalchandra Shukla	1,101,296	1.42
7\	PSPL ESOP Management Trust*	860,769	1.11
8\	HSBC Small Cap Fund	801,380	1.04
	Total	**12,872,626**	**16.71**

*The Board in its meeting held in January 2024, approved issuance of 1,000,000 (One Million only) Equity Shares of INR 10 each to the PSPL ESOP Management Trust. Out of this, 100,000 Equity Shares of INR 10 each were allotted to the PSPL ESOP Management Trust on February 1, 2024. The remaining 900,000 Equity Shares will be allotted in due course.

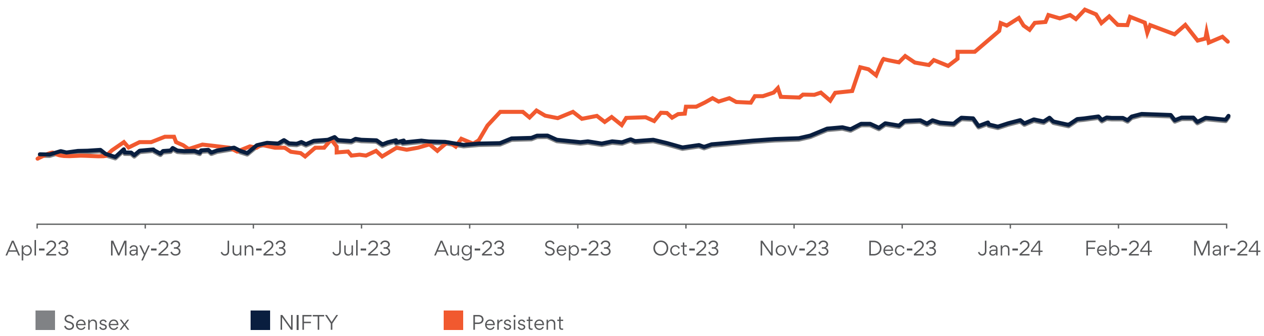
xvii. Market Price Data

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, 2023, to March 31, 2024, on a monthly basis are as below:

	BSE			NSE			
Month ended	**High (₹)**	**Low (₹)**	**Volume**	**High (₹)**	**Low (₹)**	**Volume**	**Total Volume (No.)**
Apr-23	4,767	3,959	2,73,271	4,770	3,962	1,56,59,608	1,59,32,879
May-23	5,157	4,621	2,34,154	5,160	4,617	1,27,29,194	1,29,63,348
Jun-23	5,279	4,773	2,71,361	5,279	4,771	1,24,44,304	1,27,15,665
Jul-23	5,158	4,645	3,52,440	5,158	4,643	1,89,28,978	1,92,81,418
Aug-23	5,389	4,638	2,69,471	5,391	5,182	1,44,00,470	1,46,69,941
Sep-23	6,035	5,320	2,08,018	6,035	5,915	1,58,02,980	1,60,10,998
Oct-23	6,199	5,580	3,34,048	6,200	6,068	1,78,01,628	1,81,35,676
Nov-23	6,614	6,126	2,01,397	6,625	6,433	2,98,69,894	3,00,71,291
Dec-23	7,550	6,270	2,39,749	7,560	7,371	1,67,15,670	1,69,55,419
Jan-24	8,829	7,162	3,14,227	8,830	8,361	1,48,08,924	1,51,23,151
Feb-24	8,980	8,203	1,23,157	8,900	8,713	95,89,548	97,12,705
Mar-24	8,725	7,863	1,34,260	8,727	8,571	1,05,03,552	1,06,37,812

(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, 2023, to March 31, 2024, is as follows:



xviii. American Depository Receipts/Global Depository Receipts/Warrants

As on March 31, 2024, 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 2024-25.

xix. Plant Locations

The Company is in software business and does not require manufacturing plants. However, it has software development centres/offices in India and abroad. The addresses of global development centres/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 2024-25.

Quarter Ending	Tentative dates of the Board Meetings
June 30, 2024	July 17 and 18, 2024
September 30, 2024	October 21 and 22, 2024
December 31, 2024	January 20 and 21, 2025
March 31, 2025	April 22, 23 and 24, 2025

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 (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 a Senior Officer (Head – Internal Audit) nominated by the Board of Directors.

The Ethics Committee is an umbrella committee which oversees handling of various complaints including employee grievances, prevention of insider trading cases, whistleblower cases, bribery and anti-corruption and anti-harassment cases. 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\ 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

18\ 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

19\ 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/

20\ 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
Your 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.

d. Shareholder Communication
Your Company has undertaken an initiative to voluntarily communicate the quarterly results declared at the Board Meetings to the shareholders through emails.

e. Analyst Decks and Quaterly Press Releases

In addition to the submission to the Stock Exchanges, the Company also publishes Investor presentations and press releases on its website on a quarterly basis after declaration of the financial results in the Board Meetings.

21\ 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.

22\ 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, 2024 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	**Vinit Teredesai** Chief Financial Officer
USA June 7, 2024	Pune June 7, 2024

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, 2024 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: 669/2020
UDIN: F006156F000540791

Pune, June 7, 2024

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, 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, 2024** 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\	Dr. Ajit Keshav Ranade#	00918651	June 06, 2023
11\	*Dr. Deepak Bhaskar Pathak	00046205	April 24, 2018

Note:
^ Mrs. Roshini Hemant Bakshi (DIN: 01832163) is reappointed as an Independent Director by way of special resolution passed in the Annual General Meeting of the Company dated July 24, 2019.
# Dr. Ajit Keshav Ranade (DIN: 00918651) was appointed as a Non-Executive Independent Director on Board of Company w.e.f June 06, 2023.
* Dr. Deepak Bhaskar Pathak (DIN: 00046205) ceased to be an Independent Director w.e.f. April 02, 2023.

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

Pune, June 7, 2024

Peer Review No: 669/2020
UDIN: F006156F000541011

Note: We have relied on the documents and evidences provided by electronic mode, for the purpose of issuing this certificate.

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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, Maharashtra 411 016

5\ **Corporate address:** 'Bhageerath', 402 Senapati Bapat Road, Pune, Maharashtra 411 016

6\ **E-mail:** corpsec@persistent.com

7\ **Telephone:** +91 (20) 6703 0000

8\ **Website:** www.persistent.com

9\ **Financial year for which reporting is being done:** April 1, 2023, to March 31, 2024

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, 2024**
154,050,000 No. of Equity Shares of ₹ 5 each amounting to INR 770,250,000

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: investors@persistent.com or companysecretary@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).**
The BRSR report prepared on a Consolidated Basis unless defined in the respective Indicator. If BRSR asks for reporting only from India locations, the report mentions this in the relevant sections.

14\ **Name of assurance provider:** DNV Business Assurance India Private Limited ('DNV').

15\ **Type of assurance obtained:** Reasonable level of Assurance BRSR 9 core attributes. Refer to the **Independent assurance statement**

II. Products / Services

16\ **Details of business activities (accounting for 90% of the turnover):**
Persistent is 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 unique competitive advantage for our clients by giving them the power to see beyond and rise above.
Please refer to **Financial Performance Section** in Annual report.

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%

17\ Products / Services sold by the entity (accounting for 90% of the entity's Turnover)

Click for more details https://www.persistent.com/services/

S. No.	Product / Service	NIC Code	% of total Turnover contribute
1	Software enabled product engineering and designing and R&D services	620	93%
2	IP products	620	7%

III. Operations

18\ 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	23	23
International	Not applicable	45	45

19\ Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	18

b. What is the contribution of exports as a percentage of the total turnover of the entity?

90%

c. A brief on types of customers

Persistent works with leading fortune companies. Click here for more details and hyperlink https://www.persistent.com/services/

IV. Employees

20\ Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

Employees and workers						
Employees						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	21,950	15,426	70.3%	6,524	29.7%
2	Other than Permanent (E)	1,900	1,397	73.5%	503	26.5%
3	**Total employees (D + E)**	**23,850**	**16,823**	**70.5%**	**7,027**	**29.5%**
Workers - Not Applicable						

Total Employees include Full-time employees (FTE), contractors and consultants. The Company does not have any workers, hence it is 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)	45	39	85.7%	6	14.3%
2	Other than Permanent (E)	0	0	0%	0	0%
3	**Total employees (D + E)**	**45**	**39**	**85.7%**	**6**	**14.3%**
Differently Abled Workers - Not Applicable						

Numbers mentioned above are based on voluntary disclosures by employees.

21\ 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%

Key Management Personnel (KMP) includes Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS).

22\ Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.6%	11.4%	11.5%	20.1%	19.1%	19.7%	26.9%	25.1%	26.6%
Permanent Workers	Not Applicable								

Turnover rate for permanent employees includes voluntary turnover.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23\ Names of holding / subsidiary / associate companies / joint ventures

Refer to Corporate Governance Report - subsidiaries section

VI. CSR Details

24i. Whether CSR is applicable as per section 135 of Companies Act, 2013:

Yes

ii. Turnover in ₹ 65,142.17 Million

iii. Net worth in ₹ 47,786.51 Million

This space is intentionally kept blank.

VII. Transparency and Disclosures Compliances

25\ Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

		FY 2023-24			FY 2022-23		
Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No) (If yes, then provide web-link for grievance redress policy)	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has a strong Whistle Blower Policy in place and has also established a toll free whistle blower number. Our Whistle Blower policy is available at Whistle Blower Policy | Persistent Systems.	0	0	All 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.	0	0	All 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.
Investors (other than shareholders)		0	0	Corporate Governance Report contains details of Investor Complaints. Please refer to the 'Investors' Grievances' section of the Corporate Governance Report.	0	0	
Shareholders*		1	0		0	0	
Employees and workers		4	0		8	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	
Other (please specify)		0	0		0	0	

*During FY24, we received a total of 67 other requests from shareholders, while during FY23, we received a total of 109 other requests. All the requests were resolved. Refer to Corporate Governance section of Annual Report.

26\Overview of the entity's material responsible business conduct issues

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	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	External attacks, malware, compromised credentials, Business email compromise via Phishing and other cyber security risks may result in data loss and loss of reputation.	Risk	\ Robust Information Security Management System (ISMS) centered around comprehensive Information Security policies based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity, and availability of information assets. \ Multi-layered governance process with executive and Board oversight. \ Third-party certifications such as ISO 27001, ISO 27017, ISO 27018, ISO 27701, and SOC 2 Type II attestations to demonstrate our commitment to cybersecurity. \ Continued investment and deployment of state-of-the-art technologies such as Zero Trust, Advanced endpoint protection solution, Dark / Deep web monitoring, etc., to secure corporate infra, data & applications. \ Access controls including Multi Factor Authentication for secure access to enterprise applications / network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments. \ Mandatory training and adequate awareness measures across employee life cycle ensure a strong human firewall. \ Implementation of enhanced Data Leakage prevention platform to protect critical data. \ Quarterly Cyber-Risk related insights are shared with the Risk Management Committee (RMC) of the Board for their review and guidance \ Encryption of data, data back-up and recovery mechanisms for ensuring business continuity aligned to ISO 22301:2019 \ Established threat intelligence, security monitoring and incident response processes to detect and respond to cybersecurity threats and incidents coordinated through a 24x7 Security Operations Center. \ Internal and external audits and red teaming to validate effectiveness of controls.	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2\	Data Privacy Risk	\ Persistent operates globally, hence needs to be compliant with the data privacy laws across countries where we operate. \ Unauthorized use or disclosure of employee or company or customer data may lead to either breach of customer contract or fines / penalties from regulators and / or damage to the company's reputation.	Risk	\ Robust Privacy Information Management System (PIMS) to safeguard personal data and ensure compliance with applicable legal, regulatory, and contractual obligations pertaining to data privacy and protection. \ Global privacy policy covering all geographies, all areas of operations, and stakeholders. \ Data Loss Protection (DLP), Data Classification and Data Encryption technologies are deployed to protect personal information. \ Access controls including Multi Factor Authentication, Privileged administrator account management tools are deployed. All access provisioning is on a need-to-know basis and access reviews are performed on a regular basis. \ Dedicated Data Protection Officer and Privacy Team, which is aligned with the leading practices referred as per the DJSI. \ Quarterly Privacy Risk related insights are shared with the RMC of the Board for their review and guidance. \ Continuous strengthening of global privacy program through monitoring of regulatory mandates, revalidation of existing frameworks, policies and processes and ensuring applicability to customer contracts. \ Technical and organization measures such as PII Inventories, Privacy Impact Assessment, Incident Management Procedures and Systems, Breach Notification Management, Data Subject Rights Request Management, etc. \ Development of products & applications, including change in processing of personal data go through appropriate privacy assessments and approval. \ Vendors and third parties subjected to due diligence, contracted with appropriate privacy obligations. \ Mandatory training on data protection, Privacy by Design, and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, and online events. \ Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem. \ Certified under ISO 27701:2019 – Privacy Information Management System, ISO 27018:2014 – Securing Personal Data in Cloud and SOC 2 Type 2 Attestation.	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3\	Foreign Exchange Risk	The Company operates in the global environment and has maximum business from US geography, hence currency fluctuations is a major risk.	Risk	\ 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 regarding hedging quantum. \ Close monitoring of exchange rate movement is done.	Negative
4\	Geo-Political and Macro-Economic Risk	Changing geo-political landscape in multiple regions (war scenarios in Middle-East and Ukraine / Russia), Macroeconomic uncertainty around interest rate cuts may impact customer discretionary spends, leading to potential impact on growth opportunities.	Risk	\ Conduct "Country Risk Assessments" based on PESTEL Framework. \ Engaged with geo-political consultants to get insights on the changing geopolitical landscape. \ Monitoring and reporting of geo-political risks to the RMC of the Board. \ Geo-Diversification for growth planned via Europe and other geographies. \ Pro-active cost takeout proposals to customers to improve their business efficiency. \ Enhanced focus on customer connects and relationships. \ Persistent is ISO 22301 certified and regular BCP testing is performed.	Negative
5	Credit Risk	Delay in collection of customer dues as a result of the global economic situation	Risk	\ The Company has adopted an effective receivables management system to monitor and control the outstanding receivables. \ Credit Risk is managed through policies, procedures, and controls as a part of customer credit risk assessment. \ The Company has adopted expected credit loss model, based on the profile of the customer and aging pattern, to assess the impairment loss or gain on trade receivables.	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6\	Talent Demand and Employee Attrition Risk	\ Market forces – After the great resignation phase that the industry faced post COVID, the talent market has been stable for last year. However, it is hard to predict how long it will last. Any change in the market force may increase voluntary attrition. \ Limited talent pool in emerging technology areas – While larger talent demand has stabilized, demand for emerging technologies is still high. Talent pool for the same is limited. This will continue to impact attrition. \ Employee preferences – Hybrid working seems to be the employee's preference.	Risk	\ Employee Grooming and Upskilling – Focus on employee development and upskilling, enabling them to build their careers has been a part of the 'Persistent way' of working. Persistent University offers an excellent platform for employee to acquire skills, stay relevant and enhance their skills and competencies. Persistent invests in up-skilling of its associates in new age digital technologies and runs Persistent's Digital Engineering Academy (PDEA). PDEA runs upskilling programs in Cloud, Data, Gen AI, etc. \ Employee engagement and all-round wellbeing – All round wellbeing of our employee has been central to our employee engagement approach, which covers physical, financial, and psychological wellbeing. We conduct regular surveys to seek input from the employees on various aspects of their work to understand their engagement and expectations. Input thus received is processed to make necessary improvements in processes and policies. \ Persistent brand – our consistent growth over the last several quarters, scale of operations, geographical presence, and initiatives such as GWR (Guinness World Records) has been helping us continue to position Persistent as a leading brand in the industry. We continue to invest in branding initiatives. \ Inclusive Workplace - Persistent provides a diverse and inclusive workplace which promotes creativity, diversity, inclusivity, and enhanced work culture. \ The attrition level has been controlled at 11.5%.	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7\	Global Regulatory Risk (Emerging Risk)	\ Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, employment laws, data privacy laws etc.) where the company operates globally, may have an impact. \ Persistent operates globally in major markets and industries. There is an inherent risk of non-compliance with the ever-evolving legal landscape resulting into frequent legal updates and changes in regulatory requirements / disclosures (including regulations related to ESG, ethical, and hygiene practices) that are applicable to our business.	Risk	\ The Company uses a professional 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. \ A framework is in place to assess the correctness of the compliances which have been reported in the Tool. \ The 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. \ The Company has a dedicated ESG function for the oversight of any ESG related regulatory compliance changes. \ Company has been certified in ISO14001:2015 Environmental Management System and ISO45001:2018 Occupational Health and Safety Management System.	Negative
			Opportunity	Provide services to customers to enable them to meet their ESG related requirements.	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8\	Sustainability Risk - Climate change	\ Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tornadoes, tropical cyclones, floods, cases of seasonal diseases, epidemics, and pandemics. \ Extreme weather events may have an associated threat to human safety and business operations.	Risk	\ The Company's facilities across India have been certified to be ISO 14001:2015 compliant and this is monitored periodically at a Board level through assurance provided by the respective teams. \ The Company has distributed operations, enablement of remote working, agile delivery focus, and periodic testing of business continuity plans. \ Delivery centers designed to withstand extreme weather events. \ Employee awareness building around conservation of resources to strengthen our business resilience and aligning the resources to the Company. \ Quarterly Emissions and Energy related insights are shared with the SRC and ESG committee of the Board for their review and guidance. \ The CISO of the company and the team ensures implementation of business continuity at project, customer, region, location, and function level, and runs internal audit checks to verify the implementation of the controls. \ Persistent is certified ISO 27001 for information security and 22301 for business continuity. Climate action goals: a. Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025. b. To source 100% energy from Renewable energy sources by 2025. c. 30% reduction of Scope 3 emissions by 2028	Negative
			Opportunity	\ Proactive Climate risk assessment ensures we are equipped to deal with adversities. \ Focus on using technology that supports low carbon emissions and reduce carbon footprint.	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9\	Water Scarcity Risk (Emerging Risk)	\ Being a precious resource, water conservation is crucial for the sustainability of Earth. \ Reducing ground water levels and changing rain cycles is a risk leading to water crisis globally.	Risk	\ Water Resource analysis performed for all global locations and classified accordingly into categories as per 'Aqueduct Water Risk Atlas'. \ Vulnerability Identification and location level mitigation plans implemented to monitor water consumption. \ Conservation and efficiency measures through operational control and continuous awareness sessions with employees to ensure efficiency in water consumption. All our owned facilities are equipped with rainwater recharging facility enabling to recharge ground water. \ We consider locations of ground water sources as the last resort. \ We also conduct frequent awareness sessions on sustainable water management. \ We are engaged with CSR activities like the integrated watershed development program, open well for drinking, to create awareness and community development.	Negative
			Opportunity	Proactive ESG measures and CSR initiatives taken by Persistent strengthen its brand, thus making it attractive to organizations seeking an IT Services partner with a shared vision. Additionally, it also helps attract and retain younger talent.	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10\	Energy Demand Risk (Emerging Risk)	With the advent of new emerging technologies, the level of energy consumption may increase globally, leading to a rise in carbon emissions	Risk	Our Climate action goals: * Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025. * To source 100% energy from Renewable energy sources by 2025. * 30% reduction of Scope 3 emissions by 2028. \ Strategy to ensure carbon neutrality status by adopting innovation and regulatory changes to reduce emission and increase Renewable energy consumption. \ Persistent has committed to set near-and long-term company-wide emission reductions in line with science-based net-zero with the SBTi. \ Decarbonization Roadmap with strategies in line with SBTi guidelines enabling us to achieve in emissions. \ All owned campuses are enabled with roof top solar generation and 2 windmills connected through open access. \ Technology Assessment including potential benefits and energy consumption implications. \ Continuous improvement to monitor and evaluate the environmental performance of new technology, identify areas for improvement and implement corrective measures as a continuous process. \ Green procurement policy enabling buyers to evaluate the suppliers based on emissions from the purchase of goods and services.	Negative
			Opportunity	\ As corporations strive to reduce carbon footprints and focus on environment friendly products and services, it also opens up new business opportunities for Persistent to provide technology-led solutions and services to these organizations. \ We help our customers to migrate their workloads from data centres to the cloud, thus reducing their carbon footprints.	Positive

Please refer to Risk Management section of Annual Report for further information related to Risk Management

Section B: Management and Process Disclosures

P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.
P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3 Businesses should promote the wellbeing of all employees.
P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are. disadvantaged, vulnerable and marginalized.
P5 Businesses should respect and promote human rights.
P6 Business should respect, protect, and make efforts to restore the environment.
P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8 Businesses should support inclusive growth and equitable development.
P9 Businesses should engage with, and provide value to their customers and consumers in a responsible manner.

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1\	Policy and management processes 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 Code of Conduct Ethics Policy Whistleblower Policy Anti-Corruption	Refer to our Vendor Code of Conduct EHS policy	Refer to our EHS policy Anti-Harassment Policy Anti-Human Trafficking policy	Refer to our CSR Policy	Refer to our Anti-Human Trafficking policy Diversity and Inclusion Policy	Refer to our EHS policy	Refer to our Code of Conduct	Refer to our Whistleblower Policy CSR Policy	Refer to our Code of Conduct Privacy Policy Information Security Policy
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,, ISO 9001:2015, ISO 13485:2016, CMMI for Dev2.0 Maturity Level 5	GRI standard, ISO 45001: 2018	GRI standard	GRI standard, Principles of Corporate Governance ILO	ISO 45001:2018	Principles of Corporate Governance	GRI standard, CSR disclosures pursuant to Section 135 of the Companies Act, 2013	GRI Standards, ISO 27001
5\	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Refer to ESG report								
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								

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).**
FY24 ESG report - Chairman and CEO Message

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 oversees our commitment to environmental sustainability, social responsibility, and strong governance practices.

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 the above policies and follow up action	Stakeholders Relationship and ESG Committee Risk Management Committee CSR Committee Audit Committee								
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 where we are present. Refer to Corporate Governance Report								

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	Quarterly and 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, independent assessment of our policies has been carried out by an external agency, Ernst and Young LLP

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.

Essential Indicators

1\ **Percentage coverage by training and awareness programs on any of the principles during the financial year:**

<table>
<tr><th>Segment</th><th>Total number of training and awareness programmes held</th><th>Topics / principles covered under the training and its impact</th><th>%age of persons in respective category covered by the awareness programmed</th></tr>
<tr><td>Board of Directors</td><td colspan="2">**Annual code of conduct declaration by BOD and KMP**
The Code of Conduct (COC) is a Policy of the Company which is circulated annually to all Directors and Employees as an annual declaration taken from the Directors.</td><td>COC – 100%
Familiarization programs – 100%</td></tr>
<tr><td>Key Managerial Personnel</td><td colspan="2">**Familiarization programs**
Every Quarter, the board receives familiarization programs on topics like Risk management, Geo-Political risks, Various amendments to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.</td><td>COC – 100%
Familiarization programme is conducted only for the Board. Hence, please delete this for KMP.</td></tr>
<tr><td>Employees other than BoD and KMPs</td><td>Annual Code of Conduct modules.</td><td>Annual Policies Compliance: The Persistent group is committed to following the highest standards of business conduct, integrity, responsibility, and ethics across its global locations. As a part of the compliance and awareness program at Persistent, all employees are required to go through the online module on the following and provide a sign off:
\ Code of Conduct
\ Modern Slavery & Human trafficking
\ Safe Workplace</td><td>99%*</td></tr>
<tr><td>Workers</td><td>Not Applicable</td><td></td><td></td></tr>
</table>

* % of employees who are not covered under Code of Conduct training are those who are on long leave or 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, The Persistent Group is committed to the prevention of corrupt business practices such as fraud and bribery. This is in alignment with Persistent Group's principles to conduct its business activities with honesty, integrity and with the highest ethical standards across its global locations. It also enforces its business practice, of not engaging / being part of or supporting corrupt business practices in any form. Please refer to 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:**
No Complaints received during the FY24

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

8\ **Number of days of accounts payables (Accounts payable *365) / Cost of goods / services procured) in the following format:**

	FY 2023-24	FY 2022-23
Number of days of accounts payables	**36 days**	29 Days

9\ **Open-ness of business**
Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	None	None
	b. Number of trading houses where purchases are made from	None	None
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	None	None
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	None	None
	b. Number of dealers / distributors to whom sales are made	None	None
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	None	None
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	None	None
	b. Sales (Sales to related parties / Total Sales)	None	None
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	None	None
	d. Investments(Investments in related parties / Total Investments made)	None	None

The details in the above table has been computed based on consolidated financial statements of the company.

Leadership Indicators

1\ **Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
6	1\ ESG Overview 2\ BRSR Core requirements for value chain reporting 3\ Carbon accounting and Scope1, 2 and 3 Reporting 4\ Responsible supply chain 5\ Environmental, Social and Governance principles such as Ethics and compliance 6\ Environmental, health and safety topics	77% of our supply chain partners who contribute to 75% of Persistent Systems' spending during FY24 were covered under the ESG awareness programs.

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.
Refer to Corporate Governance section within the Annual Report.

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.**

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	We continuously invest in R&D to enhance existing and develop new solutions that boost our clients' efficiency, generating positive environmental and social impact. Recognizing the growing importance of ESG goals, we're actively exploring ways to integrate them even deeper into our future offerings.		
Capex	1.64%	1.62%	Capital investments in infrastructure, plant and machinery, Eco-friendly furniture, energy efficiency, electric vehicle and other environmental initiatives.

We have restated the numbers as per FY2022-23 Consolidated Financial Statements.

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?**
We are committed to extending our ethical practices beyond our organization, ensuring the highest level of fairness and integrity when operating with our vendors. Our Vendor Code of Conduct ensures adherence to legal and regulatory compliance practices across all vendors and suppliers in various countries. We actively engage with suppliers to identify green purchasing alternatives, and have purchased 100% eco-certified furniture for our new projects. Our purchase orders include EHS clauses focused on environmental protection, compliance with applicable environmental regulations, protection of human rights, and adherence to our Vendor Code of Conduct.

3\ **Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.**

Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

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
Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

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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
Persistent Systems is a Software and IT consulting organization and we do not produce any products. Life Cycle Perspective / Assessments (LCA) is not applicable for our services.

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
Persistent Systems is a Software and IT consulting organization and we do not produce any products. Life Cycle Perspective / Assessments (LCA) is not applicable for our services. There are no social or environmental concerns and / or risks arising from our service offerings

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.
Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

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.
Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

5\ **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**
Not Applicable. Persistent Systems is a Software and IT consulting organization and we do not produce 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

1\ **a. Details of measures for the well-being of employees:**

	% of employees covered by										
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities[2]	
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[1]											
Male	15,426	15,426	100%	15,426	100%	NA	NA	15,426	100%	Persistent has location-wise tie-ups with third-party day care centres that all employees can avail. We offer a hybrid work environment which can assist our employees with childcare.	
Female	6,524	6,524	100%	6,524	100%	6,524	100%	NA	NA		
Total	**21,950**	**21,950**	**100%**	**21,950**	**100%**	**6,524**	**100%**	**15,426**	**100%**		
Other than Permanent employees. Our contractor employees are governed by their respective direct employers and are required to adhere to the necessary statutory compliance. Persistent, continuously monitors and tracks the adherence of our contractors to applicable local laws. We ensure that our contractors comply with all statutory requirements in the locations where they operate.											
Other than Permanent Employees - Not Applicable											

1. The above table includes benefits offered to Permanent employees across global location

   \ In few countries, accident insurance is a voluntary cover or part of social security.

   \ In countries where group insurance cover is not applicable, reimbursement model applies.

2. Persistent has location-wise tie-ups with third-party day care centres that all employees can avail. We offer a hybrid work environment which can assist our employees with childcare.

b. Details of measures for the well-being of workers:
Not Applicable

c. Spending on measures towards well-being of employees and workers(including permanent and other than permanent) in the following format:

Indicate input material	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	1.91%*	1.28%

*All expenditures related to staff welfare including Employee Insurance, Benefits, Rewards other staff related expenditures excluding salary / wages. Employee salary / wages during Parental benefits are included.

*As a way of showing our dedication to the environment and employee health, we offered bicycles as Persistent achieved the $1 billion yearly revenue milestone in FY23, and around 9,000 employees chose the bicycle.

2\ **Details of retirement benefits, for Current FY and Previous Financial Year.**

Benefits	FY 2023-24 No. of employees covered as a % of total employees	FY 2023-24 No. of workers covered as a % of total workers	FY 2023-24 Deducted and deposited with the authority (Y / N / NA)	FY 2022-23 No. of employees covered as a % of total employees	FY 2022-23 No. of workers covered as a % of total workers	FY 2022-23 Deducted and deposited with the authority (Y/N/N.A.)
PF	99.64%	Not Applicable	Yes	99.54%	Not Applicable	Yes
Gratuity	100%		Yes	99.57%		Yes
ESI	0.45%		Yes	0.70%		Yes
Superannuation	3.90%		Yes	4.06%		Yes
National Pension Scheme	3.40%		Yes	2.42%		Yes

\ Above table is specific to India operations.

\ ESI is provided to Non-Permanent employees. 100% eligible employees are being covered under the ESI scheme.

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, all our owned premises are accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016.

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, Persistent Systems Limited is committed to fostering, cultivating, and preserving a culture of diversity and inclusion within the organization and in larger communities which Persistent partners with. Persistent Systems believes in being an Equal Opportunity Employer as per the Rights of Persons with Disabilities Act, 2016.

Refer Diversity and Inclusion Policy

5\ **Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees Return to work rate	Permanent employees Retention rate	Permanent workers Return to work rate	Permanent workers Retention rate
Male	100%	90.8%	Not Applicable	
Female	100%	95.3%		
Total	100%	92.0%		

The above data is for India Location.

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.**

	(If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
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. Please refer to Whistleblower Policy Upon receipt of complaints, the Whistle-blower administrators office shall ensure further investigation as per the Company's investigation framework.
Other than Permanent Employees	

7\ **Membership of employees and worker in association(s) or Unions recognized by the listed entity:**

Category	FY 2023-24			FY 2022-23		
	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)	% (C / D)
Total Permanent Employees	23,850	0	0%	21,429	0	0%
Male	15,426	0	0%	14,829	0	0%
Female	6,524	0	0%	6,600	0	0%
Total Permanent Workers	Not Applicable					

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.

8\ **Details of training given to employees and workers:**

Category	FY 2023-24						FY 2022-23			
	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. (C)	% (F/D)
Employees										
Male	Training coverage: 90% includes all technical and non-technical offerings.					Training coverage: 89% includes all technical and non-technical offerings.				
Female										
Total										
Workers — Not Applicable										

The above data represents average learning coverage across all employees. Training coverage includes all technical, non-technical offerings and mandatory trainings.

9\ **Details of performance and career development reviews of employees and workers:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	14,115	13,582	96%	12,463	11,633	94%
Female	6,091	5,937	97%	5,691	5,375	93%
Total	**20,206**	**19,519**	**97%**	**18,154**	**17,008**	**94%**
Workers — Not Applicable						

\ The above data includes Permanent employees who were eligible for annual performance review.

\ FY2022-23 Performance review data has been corrected.

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?

Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are

assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.
Refer EHS policy
Refer to ISO 45001:2018 certificates

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Yes, Persistent Systems Health and Safety Management System has always prioritized Risk Management and Risk Assessment. We have a defined process for Hazard Identification & Risk Assessment, and all operations within our facility are covered under a detailed Risk Assessment checklist assessing routine and non-routine activities. Appropriate control measures are implemented to mitigate any identified risk or hazard. Our OHS targets and performance include Reporting of Health and Safety incidents, incident investigation and management, providing safe workplaces for all, Health and Safety awareness and job specific trainings for specific group of people who are involved in carrying our high risk activities, contractor safety and management. Our commitment to enhancing the health and safety of our people in the workplace is ongoing.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y / N)

Yes, Persistent Systems has implemented a Safety incident and reporting process to ensure that all work-related incidents, including accidents, near misses, unsafe conditions, unsafe acts within office premises, are reported and resolved after necessary corrective action are taken. This process is facilitated through a location incident register managed by the EHS Officer, who monitors daily operations involving all employees, contractors and vendors working on our premises. Incident reporting is open for all including contractors and vendors. EHS Officers are also responsible for incident investigations and implementing corrective actions to eliminate hazards and future incidents. Work related incidents / accidents reporting awareness programs are covered in induction manual. OHS Target — ZERO accidents. During FY24 we had ZERO accidents.

d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)

Yes, Persistent employees are covered under Group Personal Accidental (GPA) insurance policy. All types of accidents are covered in our GPA policy. “My Life At Persistent” initiative aims to create a harmonious work-life environment and promote the well-being and health of employees. We offer physical and mental wellbeing programs for our employees. Employees in India owned campuses have access to occupational health centres, gym, and recreational facilities. We also have visiting doctors and online consultations from health experts and master health check-up’s which employees can avail. To enhance physical well-being, we do conduct Persistent Run events across all our geographies.

11\ Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

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 Systems 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 incorporate 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 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.
Refer EHS Policy

13\ **Number of Complaints on the following made by employees and workers:**

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	0	0		0	0	
Health and safety	0	0		0	0	

During FY24, no complaints have been registered.

Our Employee engagement survey allows employees to share their opinions on health and safety issues and working conditions.

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	93% Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations. Refer EHS Policy Refer to ISO 45001:2018 certificates
Working conditions	

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.**

Post assessments following mitigation practices have been implemented

1. Staircase wheelchair / stretcher introduced at Pan India facilities.
2. Resuscitation station (Medical Box) introduced at Pune, India.
3. Power fencing installed at Aryabhata-Pingala facility in Pune, India.

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 audits wherever the supply of manpower is involved, 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:**

None.

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 employees before their retirement date to assist with planning for their retiral benefits, including PF, Gratuity, and Superannuation. We also provide support for continued medical insurance coverage. For those who are interested in continuing to work, we offer assistance in finding direct consulting assignments.

This support is offered to help ensure a smooth transition into retirement.

5\ **Details on assessment of value chain partners**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We ensure all vendors working at India locations follow site specific Health and Safety practices and adhere to working conditions as defined by EHS management systems. Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations. Refer EHS policy Refer to ISO 45001:2018 certificates
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.**
Persistent EHS team conducts regular H&S audits for high-risk vendors such as housekeeping service providers, security services, food and cafeteria vendors, transport vendors, drinking water suppliers etc. Findings observed during these audits are reported and tracked to closure.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

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 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 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, steps to claim unclaimed dividends, decisions taken at quarterly board meetings, other regulatory requirements, sending Annual Reports, notices of general meetings, postal ballots etc. Investor and analyst calls are conducted regularly.
Vendors and Consultants	No	Emails, one-on-one meetings, Annual Report	Ongoing 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.

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
Customers and Partners	No	Client visit and meetings, customer satisfaction surveys, social media, e-mails	Ongoing 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.
Directors	No	Quarterly meetings, emails, website	Ongoing basis	The Company communicates with Directors of the Company 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 studies peer processes / practices by reaching out to peer networks and available peer information, and identifies 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	Ongoing 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	Ongoing basis	The Company engages with the society at large to understand their needs, and through our CSR activities.
Employees	No	Notice board, website, emails	Ongoing basis	The Company engages with employees on a regular basis through employee surveys and Focused Group Discussions (FGDs) for providing various benefits such as trainings, providing world-class learning facilities etc.

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 provides 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, communities, and other stakeholders to build a more equitable, sustainable, and healthier world through the application of technology and engineering. We engage with our stakeholders regularly to understand their expectations, gather insights and identify issues that could materially impact our value creation abilities. Such engagement enables us to nurture long-term relationships based on trust and transparency. Our materiality assessment process ensures we are aligned not only with stakeholder priorities, but also with evolving regulatory requirements, global sustainability trends, and most importantly, our commitment to creating long-term value. Through this identification of key material topics, we translate these findings into actionable Key Performance Indicators (KPIs) that directly influence our strategic decision-making. This ensures our efforts are focused on areas of greatest impact, and that we are setting ambitious and measurable ESG targets for these material topics. These inputs shape our current policies and procedures.

3\ **Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.**

Persistent Foundation supports the underprivileged sections of society, creates opportunities, and strives towards a more equitable society. Please refer to the CSR section in the FY24 ESG Report.

PRINCIPLE 5: Businesses should respect and promote human rights

At Persistent Systems, 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:**

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	21,950	21,904	99%	21,429	21,175	99%
Other than Permanent	1,900	1,648	87%	1,460	1,102	75%
Total Employees	**23,850**	**23,552**	**99%**	**22,889**	**22,277**	**97%**
Workers	Not Applicable					

* % of employees who are not covered under Code of Conduct training are those who are on long leave or inactive status

2\ **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-24					FY 2022-23				
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	21,950	0	0%	21,950	100%	21,429	0	0%	21,429	100%
Male	15,426	0	0%	15,426	100%	14,829	0	0%	14,829	100%
Female	6,524	0	0%	6,524	100%	6,600	0	0%	6,600	100%
Non Permanent	1,900	0	0%	1,900	100%	1,460	0	0%	1,460	100%
Male	1,397	0	0%	1,397	100%	1,018	0	0%	1,018	100%
Female	503	0	0%	503	100%	442	0	0%	442	100%

All employees, regardless of their employment status (Permanent and other than Permanent), have been compensated more than the legal minimum wage requirements of the country where we operate.

3\ **a. Details of remuneration / salary / wages, in the following format:**

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	3	37,755,796	-	-
Key Managerial Personnel	4	17,055,490	-	-
Employees other than BoD and KMP	15,422	1,762,574	6,524	1,300,000
Workers	Not Applicable			

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	24.68%	24.80%

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, Please refer to Whistleblower Policy

5\ **Describe the internal mechanisms in place to redress grievances related to human rights issues.**

All employee/s and other stakeholders of the Company are encouraged to report either orally or in writing to the Whistleblower 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. Please refer to the Whistleblower Policy.
Upon receipt of complaints, the Whistleblower Administrator's office shall ensure further investigation as per the Company's investigation framework.

6\ **Number of complaints made, by employees and workers, on the following:**

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	Not Applicable	2	0	All cases were reviewed and closed
Discrimination at the Workplace	0	0		0	0	
Child Labor	0	0		0	0	
Forced Labor/ Involuntary Labor	0	0		0	0	
Wages	0	0		0	0	
Other Human Rights Related Issues	0	0		8	0	All cases were reviewed and closed

Other human rights related issues include non-sexual, conscience and religion.

7\ **Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format: new question**

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees / workers	0	0.028%
Complaints on POSH upheld	0	0

The above data is for India operations.

8\ **Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.**
Persistent Systems has a zero-tolerance policy. Refer to the protection of whistleblowers.
Please refer to Anti-Harassment Policy

9\ **Do human rights requirements form part of your business agreements and contracts? (Yes / No).**
Yes.

10\ **Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	Our India operations have been assessed by Persistent Internal Audit Team and are also 100% ISO14001:2015 and ISO 45001:2018 certified. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations. Refer EHS Policy Refer to ISO 45001:2018 certificates
Forced / Involuntary Labor	
Sexual harassment	
Discrimination at the Workplace	
Wages	
Others — please specify	

11\ **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**
These assessments did not report any issues.

Leadership Indicators

1\ **Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.**

Persistent Systems Ltd 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 Ethics Policy. Post addressing human rights grievances / complaints, if there is need for any process or policy change the same is modified to ensure that these incidents are not repeated.

2\ **Details of the scope and coverage of any Human Rights due diligence conducted.**

At Persistent Systems, we deeply honor and safeguard the human rights of our diverse workforce, fostering an environment free from discrimination based on race, 24% or any other defining trait. Our comprehensive Human Rights policies serve as a guiding compass, outlining our unwavering commitment to upholding these fundamental principles in all our operations. Persistent System has a Compliance Management tool. This tool has an all compliance checklist for the respective geographies. The Human Rights due diligence is conducted as per of ISO 45001 to assess the Human Rights compliances. Our vendor partners working in Persistent premises are assessed to ensure they are complying with the local statutory rules and law of the land. Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a Certificate of Conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

Refer EHS Policy

Refer to ISO 45001:2018 certificates

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?**

All Persistent Systems owned premises are accessible to differently abled people including visitors as per the Rights of Persons with Disabilities Act, 2016

4\ **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Our India operations have been assessed by Persistent Internal Audit Team and are also 100% ISO14001:2015 and ISO 45001:2018 certified. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations. Our vendor partners working on our premises at India locations are assessed to ensure they are complying to the local statutory rules and law of the land. Refer EHS Policy Refer to ISO 45001:2018 certificates
Discrimination at the Workplace	
Child Labour	
Forced Labour / Involuntary Labour	
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.**

There were no significant risks / concerns reported from the assessments.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1\ **Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-24	FY 2022-23
From renewable sources		
Total electricity consumption (A) — Wind Energy	23,239.58	20,003.19
Total fuel consumption (B) — Solar Energy	-	-
Energy consumption through other sources (C)	Not Applicable	Not Applicable
Total energy consumed from renewable sources (A+B+C)	**23,239.58**	**20,003.19**
From non-renewable sources		
Total electricity consumption (D) — Grid Electricity	36,154.23	29,359.10
Total fuel consumption (E) — DG Electricity	292.6181	312.83
Energy consumption through other sources (F)	Not Applicable	Not Applicable
Total energy consumed from non-renewable sources (D+E+F)	**36,446.85**	**29,671.93**
Total energy consumed (A+B+C+D+E+F)	**59,686.43**	**49,675.12**
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)	0.000000608	0.000000595
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / revenue from operations adjusted for PPP)	0.000013906	0.000013575
Energy intensity in terms of physical output — per employee	**2.50**	**2.17**
Energy intensity (optional) — the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Boundary — Electricity consumption is reported for Global Location.
As employees resumed work and new offices opened in India, Energy consumption has increased.
The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 22.88.
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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

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:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kiloliters)		
(i) Surface water	0	0
(ii) Groundwater	16,671.00	0
(iii) Third party water	72,970.27	46,376.00

Parameter	FY 2023-24	FY 2022-23
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others — Packed drinking water	13,253.85	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	102,895.12	46,376.00
Total volume of water consumption (in kiloliters)	87,798.81	29,131.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000089	0.00000035
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000205	0.0000080
Water intensity in terms of physical output KL/FTE (per year)	4.24	1.44
Water intensity (optional) — the relevant metric may be selected by the entity	Not Applicable	Not Applicable

*Boundary — Water consumption and Withdrawal is reported for India locations.
As employees resumed work and new offices opened in India, Water consumption has increased.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited (‘DNV’).

4\ **Provide the following details related to water discharged:**

Parameter	FY 2023-24	FY 2022-23
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iv) Sent to third parties	**15,096.31**	**17,245.0**
No treatment		
With treatment — send to public sewage treatment plant and the treated water was utilized for irrigation in a public park)	15,096.31	17,245.0
(v) Others		
No treatment	0	0
With treatment — please specify level of treatment	0	0
Total water discharged (in kilolitres)	**15,096.31**	**17,245.0**

*Boundary — Water discharged is reported for India locations.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited (‘DNV’).

5\ **Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Yes, wastewater generated from owned locations in India is treated in sewage treatment plants within the facility and common treatment plants within the vicinity.

6\ **Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	micro gram / m3	12.77	15.09
SOx	micro gram / m3	15.16	18.30
Particulate matter (PM) (PM2.5)	micro gram / m3	34.17	45.15
Persistent organic pollutants (POP)	Units	NA	NA
Volatile organic compounds (VOC) CO	mg / m3	<50	<50
Hazardous air pollutants (HAP)	Units	NA	NA
Others — please specify (PM10)	micro gram / m3	58.15	64.50

\ There are no continuous air emissions from our DG sets present in our owned locations at India. The DG sets are operated only during the power outages and while testing BCP scenarios.

\ FY23 air emissions are corrected to report in respective UOM.

7\ **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	1,025.51	314.08
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	6,492.66	5,890.23
Total Scope 1 and Scope 2	tCO_2e	7,518.18	6,204.31
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO2e / INR tCO_2e per INR	0.000000077	0.000000074
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) **(Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP**	tCO_2e per INR PPP	0.00000175	0.00000170
Total Scope 1 and Scope 2 emission intensity in terms of physical output — per employee	tCO2e / Employee	0.315	0.271
Total Scope 1 and Scope 2 emission intensity (optional) — the relevant metric may be selected by the entity	Units	Not Applicable	Not Applicable

*Boundary — Scope 1 emissions reported for India geo locations with operational control.

*Scope 1 emissions increased due to breakdown of ageing assets and release of refrigerant gases.

*Scope 2 emissions (Electricity consumption) reported for global locations. As employees resumed work and new offices opened in India, energy consumption has increased as a result of which Scope 2 is increased.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

8\ **Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

Yes

Our climate action goals include:

\ Carbon Neutral for Scope 1 and Scope 2 emissions by 2025

\ Reduce 30% Scope 3 emissions from our global operations by 2028

\ RE 100 (100% electricity sourced from renewable energy) by 2025

\ Net-zero emissions aligned with Science-Based Target initiatives (SBTi) standards by 2050

To achieve the above goals, the following initiatives are taken to reduce GHG emissions. Refer ESG report for more details.

- Green Building Initiatives
- Energy Efficiency Initiatives
- Operational Efficiency
- Lighting Efficiency
- Adoption of Renewable Energy

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
Total waste generated in MT		
Plastic waste (A)	22.98	3.15
E-waste (B)	16.45	8.42
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	0	4.54
Battery waste (E)	6.28	0
Radioactive waste (F)	Not Applicable	Not Applicable
Hazardous waste. Please specify, if any. (G)	1.34	0.19
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	83.12	46.06
- Misc Waste	27.49	17.92
- Glass Waste	0.06	1.26
- Metal Waste	24.62	16.26
- Wood Waste	2.05	10.26
- Organic waste	28.90	0.26
Total (A + B + C + D + E + F + G + H)	**130.17**	**62.40**
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000013	0.0000000007
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000030	0.000000017
Waste intensity in terms of physical output	Not Applicable	Not Applicable
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	99.93	57.34
(ii) Re-used	28.90	0.26
(iii) Other recovery operations	-	-
Total	**128.83**	**57.60**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	1.3	0.2
(ii) Landfilling	0	4.6
(iii) Other disposal operations	-	-
Total	**1.3**	**4.8**

*Boundary — Waste generated in operations is reported for India geo location.
As employees resumed work and new offices opened in India, waste generation has risen.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

10\ **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.**
Not applicable.

11\ **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. We don't operate in close proximity to ecologically sensitive areas.

12\ **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**
Not applicable

13\ **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, Persistent Systems is in adherence to all the applicable environmental laws / regulations / guidelines in India and has not incurred any fines / penalties.

Leadership Indicators

1\ **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:**

i. **Name of the area**

During FY 2024, our offices located in following cities of India fall under water stress zones. These zones have been identified as per the Aqueduct report. Please refer to our water conservation efforts mentioned in the FY24 ESG Report. Persistent offices located in Pune, Nagpur, Ahmedabad, Jaipur, Gurugram, Kochin, Noida, Hyderabad, Indore, Bengaluru

ii. **Nature of operations:**

IT Services

iii. **Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2023-24	FY 2022-23
Water withdrawal by source (in kilolitres)		
(i) To Surface water	0	0
(ii) To Groundwater	16,671.00	0
(iii) Third party water	72,970.27	46,376.00
(iv) Seawater / desalinated water	0	0
(v) Others — Packed drinking water	13,253.85	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	102,895.12	46,376.00
Total volume of water consumption (in kilolitres)	89,559.87	29,131.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000091	0.00000035
Water intensity (per employee)	4.32	2.30
Water discharge by destination and level of treatment (in kilolitres)		
(i) To surface water		

Parameter	FY 2023-24	FY 2022-23
No treatment	0	0
With treatment — please specify level of treatment	0	0
(ii) To Groundwater		
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iii) To Seawater		
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iv) Sent to third parties	15,096.31	17,245.00
No treatment	0	0
With treatment — please specify level of treatment	15,096.31	17,245.00
(v) Others		
No treatment	0	0
With treatment — please specify level of treatment	0	0
Total water discharged (in kiloliters)	**1,509.63**	**1,724,.50**

*Boundary — Water discharged is reported for India owned locations.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited (‘DNV’).

2\ **Please provide details of total Scope 3 emissions & its intensity, in the following format:**

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9492.40	4,337.34
Total Scope 3 emissions per rupee of turnover	MT per INR	0.000000097	0.000000052
Total Scope 3 emission intensity (optional) — the relevant metric may be selected by the entity	MT per INR PPP	0.0000022	0.0000012

\ Boundary — Global locations: Purchase of Goods and Services, Capital Goods, Business Travel, Fuel & other energy related activities; Upstream Transport related emissions were considered for Scope 3 emission calculation.
India location: Waste generated from operations — Associate commute related emissions were considered for Scope 3 emission calculation.

\ Scope 3 emissions are estimated in few categories.

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 BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited (‘DNV’).

3\ **With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.**
Not applicable.
Persistent Systems does not operate in ecologically sensitive areas.

4\ **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 a "No Plastic Day" and encourage our employees to adopt eco-friendly practices.	Reduction in plastic waste generation in Persistent Systems facilities
3	Green Energy	1\ Green Energy (solar + wind) generation of 64,55,439kWh in FY2023-24 for our own use. 2\ Purchase of EAC Certificates to convert our power consumption through grid into renewable energy. 3\ Persistent Systems uses 100% eco-certified furniture. All the furniture including sofas, chairs, tables etc., are BIFMA certified in their upcoming projects. 4\ Persistent Systems "Bhageerath" facility from Pune is an IGBC Platinum certified building. 5\ Optimum usage of daylight: 54% of the total regularly occupied areas achieve natural daylight of 300 lux or more. 6\ Our two buildings from Pune, "Bhageerath" BEE 2 Star & "Aryabhatta-Pingala" BEE 3 Star rated building.	Increase of renewable energy usage
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 with 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

5\ **Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.**

Persistent Systems 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 Systems governance risk and compliance services have a structured BCP-DRP framework and methodology, which will assist the enterprise in overcoming all 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/

6\ **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.**

Persistent Systems 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 necessary actions to insist our suppliers minimize e-waste. We have global norms for vendors and are insisting on authorized vendors. No significant adverse impact to the environment arising from our value chain.

7\ **Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**
No significant adverse impact to the environment arising from our value chain.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1a. **Number of affiliations with trade and industry chambers / associations:**
8

1b. **List the top 10 trade and industry chambers / associations (detered 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	Hinjewadi 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
Persistent Systems did not receive any complaints or registered for issues related to anti-competitive conduct from regulatory authorities for year FY 24. Persistent Systems is unwavering in its commitment to integrity and ethical business conduct. “Anti-trust” and “Anti-Competition” refers to actions that provide an unfair advantage in the marketplace and other practices which would monopolise competition in the market.

All employees are expected to adhere to all applicable anti-trust laws and to deal fairly with each other, and with the Company’s customers, suppliers, competitors and third parties. Employees should not take undue advantage of anyone through collusion, price-fixing, market manipulation or any other practices that may compromise fair competition.
Please refer to Code of Conduct Policy

Leadership Indicators

1\ **Details of public policy positions advocated by the entity:**
The Persistent Systems Privacy Policy delineates the company’s objectives concerning privacy management and underscores the management’s unwavering commitment to privacy protection. The application of this policy is mandatory for all group companies, business lines, subsidiaries, and affiliates, including all operations performed on personal data. All employees and third-party entities (suppliers, vendors) associated with Persistent Systems are obligated to adhere to this policy. Furthermore, the policy encompasses all information systems and facilities involved in the processing and storage of personal data, encompassing not only internal systems owned by the company but also those employed in operations and projects executed on behalf of its customers.

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, share our perspectives and insights to research undertaken and foster collaboration within the business community.					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

Essential Indicators

1\ **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**
Not Applicable

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 whistle-blower mechanisms set up for this purpose.
Whistleblower Policy
Upon receipt of complaints, the Whistleblower Administrator's office shall ensure further investigation as per the Company's investigation framework.

4\ **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	2.4%	Not Tracked
Sourced directly from within India	73.5%	Not Tracked

*The above data is applicable to India operations.

5\ **Job creation in smaller towns — Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0%	0%
Semi-urban	0.95%	0.5%
Urban	4.88%	3.9%
Metropolitan	94.17%	95.6%

*The above data is applicable to India operations.
Classification is based on the RBI Guidelines and Census 2011. As per the latest census all urban would be classified as Metropolitan based on the population index.

Leadership Indicators

1\ **Provide details of actions taken to mitigate any negative social impact identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):** None

2\ **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:** Not Applicable

3\ **(a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes / No):**
Yes, for Micro, Small & Medium Enterprises (MSME) suppliers we follow statutory requirements for making on-time payments as per the law of the land.

(b) From which marginalized / vulnerable groups do you procure?
MSMEs certified by Indian government.

(c) What percentage of total procurement (by value) does it constitute?
2.38% is from MSME.

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 where in 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 to improve the quality of education and infrastructure development, skill development, and support for higher education	25,169	100%
2	Projects implemented in the area of curative health care focusing on geriatric and pediatric age group	7,739	100%
3	Tree plantation — 25,000 trees	Not Applicable	Not applicable
4	Support for livelihood	175	30%
5	Compressive watershed development program	935 farmers, 13 villages	Not applicable
6	Support for drinking water	450 villagers, 2 villages	-
7	Support for printing Kolami language book	2,000 students	100%
8	Support for procurement of translocation vehicle, animal ambulance and patrolling — 4 Vehicles	Not Applicable	Not applicable

Note: Women, children and people who are differently-abled are the main vulnerable groups identified.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

Essential Indicators

1\ **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

(a) Client complaints: We have robust mechanism to handle client complaints / escalation received through our dedicated client partners / delivery heads. These are logged into our delivery governance platform Persistent Integrated Quality (PiQ) to go through a formal client complaints / client escalation redressal process. The basic steps of client escalation process are given below.

(b) Analyze and Plan Actions: The Delivery Partner & SQA will assess the business impact of the situation to identify the root causes of the escalation to prepare a Corrective and Preventive Action (CAPA) plan. We are also ensuring customer confirmation on CAPA as part of alignment.

(c) Implement and Track CAPA: The CAPA plan will be implemented by the Project Manager, with support from the Delivery Excellence team. The progress of the CAPA will be tracked and periodically updated.

(d) Closure of Escalation: Delivery Partner will get customer representative acknowledgement (any form) on the closure of customer escalation and will inform the Delivery Head and SQA. SQA will review the overall completion, result and close the escalation in PiQ.

2\ Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and / or safe disposal	

3\ Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks			Remarks
Data privacy	None	None	There were no complaints registered under these heads during FY2024.	None	None	There were no complaints registered under any heads during FY2023.
Advertising	None	None		None	None	
Cyber-security	None	None		None	None	
Delivery of essential services	None	None		None	None	
Restrictive trade practices	None	None		None	None	
Unfair trade practices	None	None		None	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

Yes, Persistent Systems Limited (PSL) operates across multiple business verticals, each catering to distinct customer requirements. With a diverse portfolio spanning industries such as healthcare, financial services, technology, and manufacturing, PSL encounters a wide range of customer needs and expectations. From developing custom software solutions to providing consulting services, PSL's business activities are tailored to meet the unique demands of each vertical. This diversity in business verticals and customer requirements underscores the complexity of PSL's operations and highlights the need for agile and adaptable strategies to effectively serve its diverse clientele. Through a combination of innovative technologies and industry expertise, PSL strives to deliver tailored solutions that address the specific challenges and opportunities faced by its customers in various sectors.

Persistent is certified for ISO 27001, ISO 27017, ISO 27018 for Information Security. Further we are certified for ISO 227701 - Data Privacy and ISO 22301 - Business Continuity.

Web link: Information Security at Persistent Systems

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

7\ Provide the following information relating to data breaches:

(a) Number of instances of data breaches.

None

(b) Percentage of data breaches involving personally identifiable information of customers.

0%

(c) Impact, if any, of the data breaches

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 to the link given below.
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.**
We have a robust governance and escalation process to notify customers of any possible risk of disruption / termination of services.
We identify delivery risks for each project with the customer on a monthly basis and create mitigation plans that are discussed and approved with the senior delivery leaders as well as customers.

The risks are assessed based on risk project number (RPN) and aggregated by risk index at a project level.
Beyond a certain threshold, the projects are termed as "high risk" or "critical risks". These are specifically discussed for mitigations and actions with senior delivery leadership as well as client relationship owners every fortnight.

There are multiple forums / channels through which we communicate with our customers on these risks of disruption / termination of services:

- Weekly Status Reports
- Monthly Business Reviews
- Quarterly Business reviews
- CXO to CXO leadership connections
- Business continuity plans

We have been highly rated on delivery and project management by our clients in our recent annual client satisfaction (CSAT) survey. Other than the formal channels we also have the right connect for each program on the consumer side in case we need to reach out for any escalation.

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)**
Not Applicable

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Independent Assurance Statement - Reasonable level of Assurance BRSR 9 core attributes

DNV

INDEPENDENT ASSURANCE STATEMENT

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Persistent Systems Limited (Corporate Identity Number L72300PN1990PLC056696, hereafter referred to as 'PSL' or 'the Company') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include Core indicators as per Annexure I of SEBI circular dated 12 July 2023 and rest non-financial disclosures in BRSR (Annexure II of SEBI circular dated 12 July 2023).

Reporting standard/framework

The disclosures have been prepared by PSL in reference to:

- BRSR Core - Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard.*
- ISO 14064-1:2018 - *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

Intended User

The intended user of this assurance statement is the Management of PSL ('the Management').

Level of Assurance

- Reasonable Level of assurance for indicators under BRSR 9 Core Attributes (Ref: Annexure I of SEBI circular); and
- Limited Level of assurance for rest Non-Financial disclosures BRSR report (Ref: Annexure II of SEBI circular).

Responsibilities of the Management of PSL and of the Assurance Provider

The Management of PSL has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in the BRSR Core and BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. PSL is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of PSL; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of our engagement includes independent Reasonable level of assurance of indicators under BRSR 9 Core attributes (Ref: Annexure I of SEBI Circular) and a Limited level of assurance for the non-financial disclosures in BRSR (Ref: Annexure II of SEBI circular) for the Financial Year (FY) 2023-24.

Boundary of our assurance work:

- *BRSR Core indicators:* Boundary covers the performance of PSL operations that fall under the direct operational control of the Company's legal structure. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of PSL across all global locations, unless otherwise stated in the table below.

DNV

BRSR Core Attribute	Boundary for reasonable Assurance
Attribute 1 GHG footprint: Scope 1 emissions	India Locations
Attribute 1 GHG footprint: Scope 2 emissions	All Global locations
Attribute 2 Water footprint	India Locations
Attribute 3 Energy footprint	All Global locations
Attribute 4 Waste Management	India Locations
Attribute 5 Enhancing Employee Wellbeing and Safety	All Global locations
Attribute 6 Gross wages paid to females as % of wages paid	All Global locations
Attribute 6 POSH	India Locations
Attribute 7 Enabling Inclusive Development	India Locations
Attribute 8 Fairness in Engaging with Customers and Suppliers	All Global locations
Attribute 9 Openness of business	All Global locations

- *Rest non-financial disclosures in BRSR report:* Boundary for the rest non-financial disclosures in BRSR covers the operations of PSL across all global locations, unless otherwise stated below.
  - Same as mentioned for the BRSR core attributes related cross references to the BRSR, and wherever specified in the BRSR report as applicable for India locations only.

Limitation(s):

We performed a reasonable Level of assurance for the BRSR Core indicators and a limited level of assurance for the BRSR reporting based on our assurance methodology VeriSustain, v06.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (ref- all sections of core indicators where currency; INR has been applied, attribute 8,9) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of PSL. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

BRSR Core Indicators - Reasonable level of Assurance	Rest non-financial disclosures in BRSR Report – Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used a basis of reasonable level of assurance	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in BRSR report.

Assessment of operational control and reporting boundaries	Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.	Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the %age contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annex-II.	DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.	Reviewed the process of reporting as defined in the assessment criteria.

In both the cases, DNV teams conducted the:

- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ for both reasonable level and limited level verification for the disclosures.

Conclusion

Reasonable level of Assurance- BRSR 9 Core Attributes

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, indicators under the BRSR 9 Core attributes (as listed in Annex I of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

Limited Level of Assurance- BRSR Reporting Format

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the disclosures do not properly adhere to the reporting requirements as per BRSR reporting guidelines (Annexure II of SEBI Circular).

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct[1] during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of PSL. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to PSL in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

[1] *DNV Corporate Governance & Code of Conduct - https://www.dnv.com/about/in-brief/corporate-governance.html*

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the PSL. DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Karthik Ramaswamy Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Chandan Sarkar (Verifier) Roshni Sarage (Verifier) Goutam Banik (Verifier)	

13/06/2024, Bengaluru, India.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Annex I

Verified Data

Stipulated as per BRSR Core provided by the company.

Sr. No.	Attribute	Parameter	Unit of Measures	Values	Comments
1	Green-house gas (GHG) footprint	Total Scope 1 emissions	Total emissions (tCO2e)	1025.51	
		Total Scope 2 emissions	tCO2e (Location based)	6492.66	
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO2e/INR	0.000000077	
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for PPP	tCO2e / PPP revenue	0.000001752	
		Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services	tCO2e/ Employee	0.315	
2	Water footprint	Total water consumption	KL	87798.8	
		Water consumption intensity	Water intensity per rupee of turnover (Water consumed / turnover)	0.00000089	
			Water intensity per rupee of turnover adjusted for PPP	0.0000205	
			Water intensity in terms of physical output KL/FTE (per year)	4.24	
		Water Discharge by destination and levels of Treatment	KL	15096.31	Tertiary level of treatment. Send to public STP for treatment (Pune-Hinjawadi site) and reused for Irrigation in public park
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	59686.43	
		% of energy consumed from renewable sources	In % terms	38.9%	
		Energy intensity	GJ/ Rupee of Turnover	0.000000608	
			GJ/ Rupee adjusted for PPP	0.000013906	
			GJ/ Employee	2.50	
4	Embracing circularity - details related to waste management by the entity	Plastic waste **(A)**	MT	22.98	
		E-waste **(B)**	MT	16.45	
		Bio-medical waste **(C)**	MT	Not Applicable	
		Construction and demolition waste **(D)**	MT	0	
		Battery waste **(E)**	MT	6.28	
		Radioactive waste **(F)**	MT	Not Applicable	

		Other Hazardous waste (G)		**1.34**	Oil-soaked Cotton Waste, Used Oil
		Non-hazardous waste			
		Misc Waste	MT	27.49	
		Glass Waste	MT	0.06	
		Metal Waste	MT	24.62	
		Wooden Scrap	MT	2.05	
		Organic Waste	MT	28.90	
		Total Non-Hazardous Waste (H)	MT	**83.12**	
		Total (A+B + C + D + E + F + G+ H)	MT	**130.17**	
		Waste intensity per rupee of turnover from operations	Metric tonnes /INR	0.00000000133	
		Waste intensity per rupee of turnover adjusted for PPP	(Total waste generated [kg] / Revenue from operations adjusted for PPP)	0.000000030	
		Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations	Recycled	99.93	Metal waste, Glass waste, Plastic waste, Mixed paper waste, Wood waste
			Other Recovery	28.90	Food waste is composted
		For each category of waste generated, total waste disposed by nature of disposal method	Landfill	0.00	
			Incinerated	1.3	Used Oil, Used Oil filter
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms	1.91%	
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities	0	
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0	
			No. of fatalities	0	
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	24.68%	Female associate Global wages calculated against overall employee Global Wages
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	0	No POSH Complains registered for FY24
			Complaints on POSH as a % of female employees / workers	0	
			Complaints on POSH upheld	0	

7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	2.4%	
			Sourced directly from within the district and neighbouring districts	73.5%	
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	**Location**		
			Rural	0.0%	
			Semi-urban	1.0%	
			Urban	4.9%	
			Metropolitan	94.2%	
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0%	
		Number of days of accounts payable	days	36 Days	
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	Not Applicable	
			Number of trading houses where purchases are made from	Not Applicable	
			Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable	
			Sales to dealers / distributors as % of total sales	Not Applicable	
			Number of dealers / distributors to whom sales are made	Not Applicable	
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Not Applicable	
			Share of RPTs (as respective %age) in		Persistent does not have RPT related below categories
			Purchases	Nil	
			Sales	Nil	
			Loans & advances	Nil	
			Investments	Nil	

Annex II

Sites selected for audits

S.no	Site	Location
1.	Corporate office	Pune-Hinjawadi
2.	India Offices	Pune-Bhageerath Pune- AR-PG Hyderabad - WaveRock Nagpur-Gargi Maitreyi Goa-Charak Bhaskar Indore - Brilliant Centre Colombo - Bauddhaloka Mawatha California, Santa Clara, Laurelwood Bengaluru - RMZ PRITECH PARK, Shantiniketan

Management Discussion and Analysis Report

Market Overview

The demand environment continues to remain challenging as high level of inflation continues to worry the central banks. Geopolitical conditions remain challenging with actual conflicts and serious risk scenarios creating uncertainty for the world economy. 2024 will also see a record number of elections in major countries of the world. While the immediate macroeconomic impact of these elections is expected to be limited, their outcome will influence the outlook for the coming year.

Growth outlook in advanced economies is likely to be feeble as high price level and tight monetary policies dampen new investment as well as consumption. Annual inflation rates are expected to stay above target in many major economies. Overall risks to the growth outlook are thus tilted to the downside. Geopolitics will remain an important risk factor for the world economy. In an environment of rather weak growth and falling inflation, major central banks are expected to lower bank rates towards later part of 2024.

During early pandemic years, as companies accelerated their digital transformation efforts, technology industry flourished. However during last year, high inflation and elevated interest rates softened global tech spending. It was a turbulent year for the tech sector with many leading tech companies announcing layoffs. Despite these challenges, there are hopes for tech comeback to be imminent. With economists lowering the assessment of recession risks, there are expectations for tech sector to return to modest growth. Tech companies have extended their reach into other industries using digital advancements. Artificial Intelligence (AI) is anticipated to lead the charge in growth as companies seek AI solutions to increase productivity and drive profitability.

No matter what the macroeconomic outlook looks like, Chief Information Officers must work through the various risks of technology and lead their teams to meet or exceed business objectives, and they still have to run efficient and cost effective operations that will navigate the Company through this phase.

Company Overview

We are a global solutions company having technical expertise and industry experience of over 30 years. We imagine, design and deliver new digital experience, revenue streams and business models to meet rising customer expectations. We are focused on staying connected to our clients and employees while building technology solutions. Over last 30+ years, we have invested in establishing partnerships and getting our teams skilled to help our clients navigate through disruptive technology shifts and achieve business differentiation through innovative, yet resilient composition of technology. We are committed to unleashing full potential of every team member by helping them accelerate their professional growth while impacting the world in powerful and positive way by using the latest technology.

Digital adoption has accelerated dramatically, leading to the world in which software is everywhere. We are the digital engineering partner who can help win in this software driven world. Our digital engineering expertise is helping transform market leaders across industries.

With our impactful projects, ranging from groundbreaking IoT solutions to cutting edge advancements in cloud computing and artificial intelligence, we have been at the forefront of the technology wave that's shaping the digital landscape.

The Company emerged as one of India's fastest growing IT companies. We crossed $ 1 Billion in revenue in FY 2022-23 and are working towards crossing $ 2 Billion within next three years. The journey is being steered by dynamic group of professionals. Our client list consists of numerous industry leaders. We were awarded "Most Promising Company of the Year" by CNBC-TV18. We have delivered significant shareholder value, with shareholder returns of 1,152.9% over the last 5 years.

Opportunities & Challenges

Technology industry is in the business of solving everyone else's problem but tech companies are facing its own issues. The IT sector has undergone significant changes since the onset of COVID-19 and technology companies need to prepare for the new challenges in the coming years. Firstly, tech businesses have to keep up with all the new lightning changes in the technology trends. Secondly, given the difficult economic situation, rising inflation curtails tech spending, which impacts demand scenario, though the demand to embrace technology to accelerate business growth has increased. However adopting technology comes with unprecedented challenges. In our digital world, adopting emerging technology is a MUST for companies to stay competitive. However, potential benefits and risks of new technology is difficult to predict. One way to balance technology's potential risk and benefits is encouraging collaboration and promoting the culture of innovation.

While customer demand is volatile, one of the major challenges is the shortage of skilled talent in the new technologies. It's a significant problem in introduction of innovative technology. To retain existing talent, companies have been offering attractive pay packages which has resulted in the elevated salary levels. The global talent shortage has burdened the job market. With tech advancement accelerating by the day, it's possible the problem gets worse.

Problem in communication between remote workforce and office workforce can have a negative impact on the productivity of the entire company. For enhancing productivity, it is important to create a corporate culture where each employee would feel like a participant in the work process.

Another common problem in technology companies is the organisation of internal multicultural communication. When the team is made up of different nationalities, it is necessary to develop an inclusive corporate culture. At the same time, diversity of the workforce also helps improve productivity and competitiveness. Geographic spread of a business also brings in complexity in compliance requirements. Failure to comply with specific regulations result in fines and penalties that can paralyse the business.

Another important threat is of data breach. It affects the financial health and competitive advantage of a business.

Successful navigation through all these challenges may even open doors for new opportunities. Cyber security, multi-cloud operability, and its integration are some of the opportunities that can help drive growth.

Next year looks to be an exciting year for the technology industry. Not only the AI revolution is taking place but there is a transition going on from Web2 to Web3 which Goldman Sachs, Morgan Stanley and Citibank say is worth 8 to 12 trillion dollars. It will be common ground for companies to have digital first strategy where companies will build things digitally before they build it physically. There will be many complexities and regulatory compliances which leaders will have to look at as they attempt to execute their strategies for growth and innovation. To remain agile will be the key.

Business Strategy

No matter what the company's size is, today's business landscape is throwing challenges and disruptions from every direction. After a difficult year in tech sector, everyone is hoping for a comeback. There is much less talk on the recession and hence, a renewed optimism that we could be entering the recovery stage prevails.

Economic uncertainty persists, inflation remains stubborn, talent shortage has not been solved. Technical debt is increasing. Under such circumstances, a report from Gartner suggest that IT services will be the largest segment of IT spend. Thus tech leaders should be prepared to shift strategies to meet these demands. It is expected that majority of the IT enterprise software and services companies will integrate Gen AI into their offerings. The fast-paced developments in the world of AI have led to much excitement as well as controversy.

Secondly, increasing data regulation and security standard require new governance standards. The growth of data privacy regulations has also elevated consumer expectations about data protection and security. Along with legislative data regulations, businesses must meet evolving industry specific compliance standards while also investing in technology strategy that implements modern security solutions to keep customer data safe.

A strategic plan needs to be developed that uses technology initiatives to drive business growth. Resource utilisation should be optimised to serve both – high priority business goals and technology ROI. There should be a method to mitigate potential risks, including data breach and technology failure and other unforeseen cybersecurity threats.

Talent Management

Talent management has become a buzzword in the corporate world. Right talent is an important asset and retaining this talent is an important task. At Persistent, we make sure that employees with right skill stick with the Company for a longer time. Our Human Resource management takes care of recruiting, managing, assessing, developing and maintaining an Organisation's most important resource – i.e. people. Talent management brings together various management initiatives. Our growth mindset has also helped us to build a meaningful work culture.

In this fast-changing tech world, work culture is most important. At Persistent, we promote an environment where employees feel empowered to collaborate and contribute. All our policies and practices demonstrate our people–first approach. Our reflection of core mission and values have helped to find ways to continuously improve and grow putting people at the center. Empathy, communication and transparency are the basis of all our interactions with the team. The shift to remote work has also made it possible to hire people all around the world which helps to create a diverse environment.

Internal Audit & Control

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Companies Act, 2013. Company has an Internal Control System in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations.

The company has an independent in-house internal audit team. Company also takes help of specialized third-party consultants and professionals for specific reviews as and when deemed necessary in line with the audit plan.
In order to maintain objectivity and independence, The head of internal audit team reports to the Chairperson of Audit Committee of the Board. The audits are conducted based on risk based internal audit plan, which is reviewed and approved by the Audit Committee.

An extensive program of internal audits and management reviews supplement the process of internal financial control framework. The Internal auditors perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting along with operational controls and fraud risk controls. Significant audit observations and necessary corrective actions are presented to the Audit Committee in its quarterly meetings. Based on the internal auditor's report process owners undertake corrective action in their respective areas and thereby strengthen the controls.

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 Systems UK Limited (formerly known as Aepona Limited)

8\ Persistent Telecom Solutions Inc. (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 (Merged w.e.f. August 25, 2023) (step-down subsidiary)

15\ Youperience GmbH (Merged w.e.f. August 21, 2023) (step-down subsidiary)

16\ Youperience Limited (Dissolved w.e.f. June 27, 2023) (step-down subsidiary)

17\ CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023) (step-down subsidiary)

18\ Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd) (step-down subsidiary)

19\ CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023) (step-down subsidiary)

20\ Persistent Systems S.R.L. (Dissolved w.e.f. February 26, 2024) (step-down subsidiary)

21\ Software Corporation International (step-down subsidiary)

22\ SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023) (step-down subsidiary)

23\ Persistent Systems Costa Rica Limitada (formerly known as 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\ MediaAgility Pte Ltd (step-down subsidiary)

29\ Persistent Systems S.R.L. Romania (step-down subsidiary)

30\ Persistent Systems Poland sp z.o.o. (step-down subsidiary)

31\ PSPL ESOP Management Trust (controlled 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 2023-24 has been referred to as "the year" and the Financial Year 2022-23 has been referred to as "the previous year".

The consolidated financial statements have been prepared in accordance with Ind AS.

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 2023-24	% to revenue	Financial Year 2022-23	% to revenue	Growth
Revenue	₹ Million	98,215.87		83,505.92		17.62%
Other Income		1,280.20		706.17		
Total Income		99,496.07		84,212.09		
Revenue	$ Million	1,186.05		1,035.98		14.48%
Earnings before interest, depreciation, amortisation and taxes	₹ Million	18,037.06	18.36%	15,897.42	19.04%	10.31%
Profit Before Tax	₹ Million	14,476.06	14.74%	12,408.52	14.86%	16.66%
Profit After Tax	₹ Million	10,934.91	11.13%	9,210.93	11.03%	18.72%
Earnings Per Share (EPS)						
Basic	₹	72.44		61.87		17.08%
Basic (pre-split)	₹	144.88		123.73		
Diluted	₹	71.07		60.26		17.94%
Diluted (pre-split)	₹	142.14		120.52		

Share Capital

The authorised share capital of the Company as of March 31, 2024 was ₹ 2,000.00 Million divided into 400 Million equity shares of ₹ 5 each. The paid-up share capital as of March 31, 2024 was ₹ 770.25 Million divided into 154.05 Million equity shares of ₹ 5 each. (Previous year ₹ 764.25 Million divided into 76.425 Million equity shares of ₹ 10 each). The Board of Directors of the Company at its meeting held on January 20, 2024, recommended the sub-division / split of 1 (One) fully paid-up equity share having a face value of ₹ 10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the Company approved the sub-division / Split of 1 (One) fully paid-up equity share of ₹10 each into 2 (Two) fully paid up equity shares of ₹5 each through a postal ballot with a requisite majority and the voting results were declared on March 11, 2024.

During the year, the Company has allotted to the ESOP Trust by way of fresh issue (Pre-split) 500,000 shares at a price of ₹ 2,789 in April 2023 and 100,000 shares at a price of ₹ 2,133 in February 2024.

Other Equity

The Other Equity as at March 31, 2024 stood at ₹ 48,806.82 Million as against ₹ 38,886.53 Million as at March 31, 2023, showing a growth of 25.51%. The details of Other Equity are as below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve	**25,842.99**	20,824.45
Share Options Outstanding Reserve	**2,227.71**	2,222.02
Gain on bargain purchases	**63.61**	62.67
Capital redemption reserve	**35.75**	35.75
Retained Earnings	**19,346.09**	16,607.36
Securities premium reserve	**1,601.80**	0.00
Treasury shares	**(2,085.84)**	(2,435.67)
PSPL ESOP Management Trust Reserve	**140.64**	70.31
Effective portion of cash flow hedges	**23.85**	(5.76)
Exchange differences on translating the financial statements of foreign operations	**1,610.22**	1,505.40
Total	48,806.82	38.886.53

General Reserve

During the Financial Year 2023-24, the Company transferred ₹ 3,965.23 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 ₹ 1,087.56 Million from Share Options Outstanding Reserve on exercise/expiry of stock options by the employees. The balance in General Reserve stood at ₹ 25,842.99 Million as at March 31, 2024 as against ₹ 20,824.45 Million as at March 31, 2023.

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, 2024 was ₹ 2,227.71 Million for 0.94 Million options exercisable as on that date (The corresponding amount in stock options outstanding account as on March 31, 2023 was ₹ 2,222.02 Million for 1.66 Million options exercisable as on that date). 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 ₹ 63.61 Million as at March 31, 2024 as compared to ₹ 62.67 Million as at March 31, 2023. 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 utilised 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, 2024 and March 31, 2023. 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, 2024 is ₹ 19,346.09 Million, after appropriation towards dividend of ₹ 4,153.95 Million and transfer to General Reserve of ₹ 3,965.23 Million.

The details of changes in Retained Earnings are as follows:

(In ₹ Million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	16,607.36	13,553.90
Net profit for the year	10,934.91	9,210.93
Items recognised in / from other comprehensive income for the year	(77.00)	(12.38)
Dividend	(4,153.95)	(2,980.58)
Transfer to general reserve	(3,965.23)	(3,164.51)
Closing balance	19,346.09	16,607.36

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of section 52 of the Companies Act, 2013. The securities premium reserve has a balance of ₹ 1,601.80 Million as at March 31, 2024. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Treasury shares

Treasury shares represent the numbers of shares held by PSPL ESOP Management Trust. The treasury shares has a balance of ₹ 2,085.84 Million as at March 31, 2024 as compared to ₹ 2,435.67 Million as at March 31, 2023. 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 ESOP Management trust from the Company. The PSPL ESOP Management Trust reserve has balance of ₹ 140.64 Million as at March 31, 2024 as compared to ₹ 70.31 Million as at March 31, 2023. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

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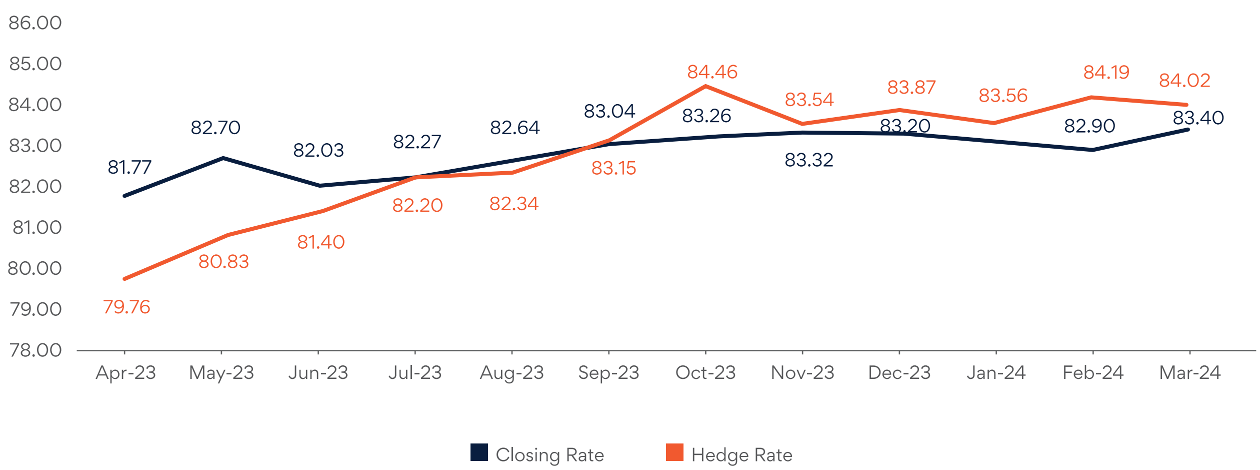
Effective Portion of Cash Flow Hedges

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



2023-24, indicating the volatility that the currency faced throughout the year:

₹/$ Currency Movement

The Company minimises 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 the 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, 2024 stood at a credit balance of ₹ 23.85 Million as against a debit balance of ₹ (5.76) Million as at March 31, 2023. 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 ₹ 1,610.22 Million as at March 31, 2024 as against ₹ 1,505.40 Million as at March 31, 2023. 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, 2024 stood at ₹ 22,549.98 Million as against ₹ 23,574.67 Million as at March 31, 2023. The details are as below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Property, Plant and Equipment	4,420.03	4,859.95
Capital work-in-progress	335.26	161.38
Right of use assets	2,307.18	2,198.21
Goodwill	10,912.56	7,183.71
Other Intangible assets	4,574.95	9,171.42
Total	22,549.98	23,574.67

The reduction in Other Intangible assets is mainly due to reclassification on purchase price allocation of business combination - ₹ 3,322.19 accounted as Goodwill in the current year.

Property, Plant and Equipment

The gross block of Property, Plant and Equipment amounted to ₹ 12,354.06 Million as at March 31, 2024 as against ₹ 11,936.12 Million as at March 31, 2023. The increase is primarily because of acquisition of computers during the year.

Capital Work-in-progress

Capital work-in-progress (Capital WIP) stood at ₹ 335.26 Million as at March 31, 2024 as against ₹ 161.38 Million as at March 31, 2023. The increase is partly attributable to the investment in software used for internal systems needed to support the increased scale of operations and partly to new office facilities.

Right of Use Assets

The gross block of Right of Use assets stood at ₹ 3,772.07 Million as at March 31, 2024 as against ₹ 3,126.27 Million as at March 31, 2023. Net additions of ₹ 645.80 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 entities. The Goodwill as at March 31, 2024 was ₹ 10,912.56 Million as against ₹ 7,183.71 Million as at March 31, 2023. The increase is due to reclassification on purchase price allocation of Business Combination completed in the current year.

Other Intangible Assets

The gross block of intangible fixed assets amounted to ₹ 15,688.86 Million as at March 31, 2024 as against ₹ 18,644.66 Million as at March 31, 2023. This amount as at March 31, 2024 is after the reclassification on purchase price allocation of

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, 2024 were ₹ 6,794.63 Million as against ₹ 6,145.05 Million as at March 31, 2023. The details of non-current financial assets are as follows:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivable	**730.18**	709.45
Investments	**5,539.14**	4,516.00
Other non-current financial assets	**525.31**	919.60
Total	**6,794.63**	**6,145.05**

Non-current Financial Assets: Trade receivable

In some IP deals, we have deferred credit arrangement with certain large enterprise customers. These customer outstanding being realisable after 12 months, are shown as Non-current trade receivables. It was ₹ 730.18 Million as at March 31, 2024 as against ₹ 709.45 Million in the previous year.

Non-current Financial Assets: Investments

The total non-current investments as on March 31, 2024, stood at ₹ 5,539.14 Million as against ₹ 4,516.00 Million in the previous year. The net increase in non-current investments is mainly due to increase in investment in mutual funds net of impairment of investment in Trunomi Inc. – the value of impairment being ₹ 20.85 Million.

Please refer note no. 6 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 received proceeds from maturity of the deposits of HDFC Limited of ₹ 400 Million.

Please refer note no. 8 of the consolidated financials for details.

Deferred Tax Assets and Deferred Tax Liabilities

The net deferred tax assets on March 31, 2024 amounted to ₹ 1,340.88 Million as against ₹ 1,129.29 Million as on March 31, 2023

Please refer note no. 9 of the consolidated financials for component-wise details of deferred tax balances.

Other Non-current Assets (other than financial assets)

Other non-current assets other than financial assets includes Income tax assets (net) and other non-current assets. The amount of Income tax assets (net) was ₹ 387.05 Million as at March 31, 2024 as against ₹ 451.71 Million as at March 31, 2023 and Other non-current assets was ₹ 1,413.03 Million as at March 31, 2024 as against ₹ 959.29 Million as at March 31, 2023. The details for the Other non-current assets are given below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	**826.67**	629.15
Simple Agreement for Future Equity (SAFE)*	**165.75**	-

Prepayments	420.61	330.14
Total	1,413.03	959.29

*Investment in SAFE relates to a design firm in the area of semiconductors

Current Financial Assets

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Investments	2,726.54	1,879.66
Trade receivables (net)	16,761.13	15,253.22
Cash and cash equivalents	6,625.15	4,670.12
Bank balances other than cash and cash equivalents	3,603.71	4,362.68
Other current financial assets	6,621.83	4,882.17
Total	36,338.36	31,047.85

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 reputed mutual funds with a focus on capital preservation, liquidity and optimisation of returns.

Investment in mutual funds classified under current investments stood at ₹ 2,726.54 Million as at March 31, 2024 as compared to ₹ 1,879.66 Million as at March 31, 2023.

Trade Receivables

Trade receivables (net of provision for doubtful debts) amounted to ₹ 16,761.13 Million as at March 31, 2024 as against ₹ 15,253.22 Million as at March 31, 2023.

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 ₹ 398.64 Million as at March 31, 2024 as against ₹ 188.96 Million as at March 31, 2023.

Please refer Note 12 of the consolidated financials for details.

DSO as at March 31, 2024 was 63 days as against 68 days as at March 31, 2023.

Cash and Cash Equivalents

Cash and cash equivalents include bank balances and cash on hand. Cash and cash equivalents increased to ₹ 6,625.15 Million as at March 31, 2024 from ₹ 4,670.12 Million as at March 31, 2023.

Bank balances other than cash and cash equivalents

Deposits with banks having maturity of less 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 ₹ 3,600.79 Million as at March 31, 2024 as compared to ₹ 4,359.63 Million as at March 31, 2023. The balances on unpaid dividend accounts was ₹ 2.92 Million as at March 31, 2024 as against ₹ 3.05 Million as at March 31, 2023.

Please refer Note 14 of the consolidated financials for details.

Other Current Financial Assets

Other current financial assets were ₹ 6,621.83 Million as at March 31, 2024 as compared to ₹ 4,882.17 Million as at March 31, 2023. Following are the components of other current financial assets:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	57.95	26.56
Forward contracts receivable	42.54	-

Other receivable	-	184.38
Unbilled revenue	6,521.34	4,671.23
Total	6,621.83	4,882.17

The amount of forward contracts receivable represented favourable position (i.e. Mark To Market gain) as at the Balance Sheet date in respect of the forward contracts entered by the Company. 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 current assets were ₹ 4,893.49 Million as at March 31, 2024 as compared to ₹ 3,418.26 Million as at March 31, 2023. Other current assets include advances recoverable in cash or kind within a period of twelve months from the Balance Sheet date and VAT and GST receivable.

Current ratio was 1.89 as at March 31, 2024 as against 1.71 as at March 31, 2023.

Non-current Liabilities

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial liabilities		
Borrowings (non-current portion)	99.15	2,057.59
Lease liabilities	1,608.09	1,592.20
Provisions	546.96	373.03
Other financial liabilities (Liability towards contingent consideration)	-	2,888.92
Other non-current liabilities	44.44	34.83
Total	2,298.64	6,946.57

Non-current Financial Liabilities- Borrowings

Under the scheme of New Millennium India Technology Leadership Initiative (NMITLI), 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 ₹ 1.85 Million as on March 31, 2024 as against ₹ 3.69 Million as on March 31, 2023.

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. Loan amount outstanding amounted to Nil as on March 31, 2024 as against ₹ 33.61 Million as on March 31, 2023.

The Company has obtained three 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 outstanding as on March 31, 2024:

Repayment terms	₹ Million	Interest rate
Loan 1: Repayable over a period of 3 years in equal monthly instalments commencing from November 2021	405.42	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022	973.00	SOFR + 155 bps
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022	681.10	SOFR + 155 bps
Total	2,059.52	

The overall break-up of total borrowings is summarized below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Term Loans		
Indian Rupee loan	1.85	3.69
Interest accrued but not due	0.02	0.06
Foreign Currency loan from others		
Loan from Govt. of Switzerland	-	33.61
Loan from HSBC	2,059.52	4,247.73
Interest accrued on loan from HSBC	11.80	21.85
Total	**2,073.19**	**4,306.95**

Out of the total outstanding balance of ₹ 2,073.19 Million, the balance of ₹ 1,974.04 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, 2024 was 0.04:1 as against 0.11:1 as at March 31, 2023.

Non-current Liabilities- Lease liabilities

The balance of ₹ 1,608.09 Million represents the non-current portion of Lease Liability as at March 31, 2024 as against previous year balance of ₹ 1,592.20 Million.

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 ₹ 546.96 Million as at March 31, 2024 as compared to ₹ 373.03 Million as at March 31, 2023 mainly due to an increase in the number of employees.

Non-current Liabilities- Other financial liabilities

The balance of ₹ 44.44 Million represents the non-current portion of Unearned revenue as at March 31, 2024 as against previous year balance of ₹ 34.83 Million.

Current Liabilities

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Financial liabilities		
- Trade payables	8,138.62	5,689.08
- Lease liabilities	830.01	676.39
- Borrowings	1,974.04	2,249.36
- Other financial liabilities	3,718.27	3,922.85
Other current liabilities	3,302.82	2,647.71
Provisions	3,330.66	4,649.24
Income tax liabilities (net)	547.29	294.14
Total	**21,841.71**	**20,128.77**

Trade Payables

Trade payables increased to ₹ 8,138.62 Million as at March 31, 2024 from ₹ 5,689.08 Million as at March 31, 2023 essentially on account of the growth in operations of the Company.

Lease Liability

The balance of ₹ 830.01 Million represents the current portion of Lease Liability as at March 31, 2024 as against previous year balance of ₹ 676.39 Million.

Other Current Financial Liabilities

Other current financial liabilities include capital creditors, accrued employee liabilities, unpaid dividend and other contractual liabilities. Other current financial liabilities have decreased to ₹ 3,718.27 Million as at March 31, 2024 from ₹ 3,922.85 Million as at March 31, 2023 due to reduction in capital creditors.

During the year, the Company has done the fair valuation of contingent consideration payable towards the acqusitions of business to the erstwhile shareholders of Data Glove Inc., Software Corporation International and SCI Fusion 360, LLC and Shree Partners. Based on the fair valuation, the liability has been adjusted by ₹ 743.03 Million and the effect of the same has been taken to Other expenses in Profit & Loss account.

The details of major components of other current financial liabilities are shown below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital creditors	**79.97**	583.07
Accrued employee liabilities	**1,092.42**	840.04
Unpaid dividend	**2.92**	3.05
Other liabilities	**78.41**	12.11
Foreign exchange forward contracts	**-**	67.67
Liability towards contingent consideration	**2,464.55**	2,416.91
Total	**3,718.27**	**3,922.85**

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 is not recognised. The other current liabilities have increased to ₹ 3,302.82 Million as at March 31, 2024 from ₹ 2,647.71 Million as at March 31, 2023.

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 ₹ 3,330.66 Million as at March 31, 2024 as against ₹ 4,649.24 Million as at March 31, 2023. The details of the components of short term provisions are given below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee Benefits		
Gratuity	**0.13**	0.09
Leave encashment	**1,651.87**	1,167.97
Long service awards	**34.02**	34.18
Other Employee benefits	**1,644.64**	3,447.00
Total	**3,330.66**	**4,649.24**

Income Tax Liabilities (Net)

Current tax liabilities were ₹ 547.29 Million as at March 31, 2024 as against ₹ 294.14 Million as at March 31, 2023.

Revenue from Operations (Net)

The Company provides product engineering services, platform-based solutions and IP-based software products for global customers.

The revenue for the year in USD terms was up by 14.48% at USD 1,186.05 Million as against USD 1,035.98 Million in the previous year. In Rupee terms the revenue was ₹ 98,215.87 Million against ₹ 83,505.92 Million representing a growth of

17.62% over the previous year. The average rate of rupee depreciated by 2.72% during the year against US Dollar.

The operating segments of the Group are:

\ Banking, Financial Services and Insurance (BFSI)

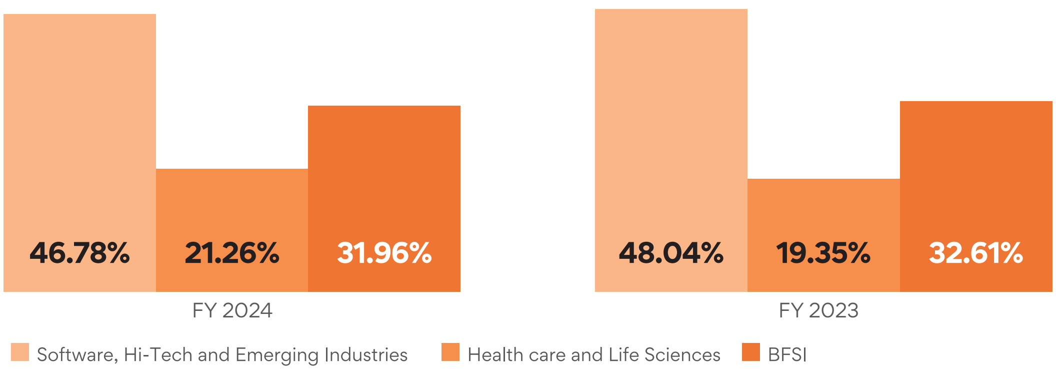
\ Healthcare & Life Sciences

\ 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

Particulars	FY24	FY23
- Software, Hi-Tech and Emerging Industries	46.78%	48.04%
- Healthcare & Life Sciences	21.26%	19.35%
- BFSI	31.96%	32.61%



(In ₹ Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Growth
Segmental revenue			
- BFSI	31,385.58	27,231.45	15.25%
- Healthcare & Life Sciences	20,880.32	16,161.07	29.20%
- Software, Hi-Tech and Emerging Industries	45,949.97	40,113.40	14.55%
Total	**98,215.87**	**83,505.92**	**17.62%**
Segmental Operating Income			
- BFSI	11,523.86	10,004.47	15.19%
- Healthcare & Life Sciences	8,671.22	8,013.54	8.21%
- Software, Hi-Tech and Emerging Industries	11,804.66	12,282.50	(3.89%)
Total	**31,999.74**	**30,300.51**	**5.61%**
Segmental Operating margin %			
- BFSI	36.72%	36.74%	
- Healthcare & Life Sciences	41.53%	49.59%	
- Software, Hi-Tech and Emerging Industries	25.69%	30.62%	

The segment operating margins for Healthcare and Software and Hi-Tech segments decreased, as the growth was led by onsite business, which has structurally lower margin.

In terms of geographical mix of revenue, North America continued to dominate by contributing 79.6% of the total revenue.

Contribution from Europe was 9.0%, from India it was 9.9% while Rest of the World contributed 1.5% 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	2023-24	2022-23
Top 1	**9.40%**	9.22%
Top 5	**27.70%**	27.00%
Top 10	**39.00%**	36.74%

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 increased to ₹ 1,280.20 Million for the year ended March 31, 2024 from ₹ 706.17 Million for the year ended March 31, 2023. The increase in Other Income is attributable to higher investment income on surplus funds, Foreign Exchange Gain of ₹ 84.97 Million as against an Exchange Loss of ₹ 133.24 Million in the previous year and increase in Miscellaneous Income to ₹ 343.67 Million as against ₹ 130.26 Million in the previous year.

The details of other income are given below:

(In ₹ Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Change
Investment income (including interest, dividend, fair value gain/loss and profit on sale of investments)	**851.56**	709.15	20.08%
Foreign exchange gain	84.97	(133.24)	(163.77%)
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	343.67	130.26	163.83%
Total	**1,280.20**	**706.17**	**81.29%**

Personnel Expenses

Personnel Expenses for the year amounted to ₹ 71,102.40 Million against ₹ 60,121.66 Million for the previous year, showing an increase of 18.26%. As a percentage of revenue, these expenses were 72.39% during the year as compared to 72.00% in the previous year.

Please refer Note 28 of the consolidated financials for details.

Other Expenses

Operating and other expenses for the year amounted to ₹ 10,356.61 Million against ₹ 8,193.01 Million in the previous year. As a percentage of revenue, the expenses increased to 10.54% from 9.81%.

The main reasons for variations in Operating and other expenses are as below:

- Travelling and conveyance costs went up by ₹ 273.47 Million due to increased travel post pandemic and increase in tariffs
- Purchase of software licenses went up by ₹ 2,196.46 Million mainly due to increased headcount and an increase in the cost of sale for few partner IP transactions as part of managed services contracts.
- Legal and professional fees have increased by ₹ 137.69 Million on account of due diligence and other legal fees incurred for acquired businesses.

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 ₹ 18,037.06 Million representing an increase of 13.46% over Profit before interest, tax, depreciation and amortisation of ₹ 15,897.42 Million during the previous year. The margin of Profit before interest, tax, depreciation and amortisation decreased to 18.36% during the year as compared to 19.04% in the previous year. The decrease in margin is mainly due to increased cost of operations, investments made in sales and marketing and in building capabilities to adapt to changes in the market.

Depreciation and Amortisation

The depreciation and amortisation for the year amounted to ₹ 3,093.73 Million as against ₹ 2,718.95 Million in the previous year. Increase is mainly on account of amortisation of intangibles acquired under business combinations and new addition during the year in Property, Plant and Equipment.

Depreciation and amortisation as a percentage of revenue was 3.15% for the year against 3.26% for the previous year.

The details on depreciation and amortisation is as given below:

(In ₹ Million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Property, Plant and Equipment	**1,187.51**	1,008.93
On Other Intangible assets	**651.50**	484.08
On Right of Use assets	**1,254.72**	1,225.94
Total	3,093.73	2,718.95

Exceptional item

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 were eligible for the export incentives and the dispute is purely an interpretational issue given the highly technical nature. With the intention of avoiding litigation and settling the dispute, the Company had applied before the Settlement Commission for settlement of the case and had offered to forego ₹ 296.55 Million. The Company had recognised a provision of ₹ 296.55 Million for the quarter ended 31 December 2022, which was presented as an “exceptional item” in the statement of profit and loss for that period. During the year, the Settlement Commission has approved the Company’s application and has settled the liability of ₹ 296.55 Million including interest. As the amount has already been provided for in full by the Company, no further adjustment is necessary in these financial statements.

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 ₹ 3,752.84 Million (including tax charge in respect of earlier years of ₹ 73.19 Million) against ₹ 3,111.77 Million [including tax charge in respect of earlier years of ₹ (3.54) Million] in the previous year. The deferred tax credit for the year was ₹ 211.69 Million against deferred tax debit of ₹ 85.82 Million in the previous year.

The total tax expense for the year amounted to ₹ 3,541.15 Million against ₹ 3,197.59 Million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 24.46% as compared to 25.77% 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 ₹ 10,934.91 Million against ₹ 9,210.93 Million for the previous year, an increase of 18.72%. The Net Profit margin for the year was 11.13% as compared to 11.03% in the previous year.

Dividend

The interim dividend per share for the year was ₹ 32 per share of ₹ 10 each. The proposed final dividend is ₹ 10 per share of ₹ 5 each (post sub-division). For a like-to-like comparison, pre-split, comparable numbers are ₹ 52 for this year as compared to ₹ 50 for the previous year and on post-split basis, comparable amount of dividend is ₹ 26 per share for this year as compared to ₹ 25 per share in the previous year.

The total appropriation towards interim dividend for the year was ₹ 2,461.60 Million as against ₹ 2,139.90 Million for the previous year.

On approval of final dividend of ₹ 10 per share of ₹ 5 each which was recommended by the Board in its meeting held in April 2024, the amount of ₹ 1,540.50 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

Type of Dividend		Financial Year 2023-24 Interim	Financial Year 2023-24 Final	Financial Year 2022-23 Interim	Financial Year 2022-23 Final
Month of Declaration/recommendation		Jan-24	Apr-24	Jan-23	Apr-23
Amount of Dividend Per Equity Share					
of ₹ 5 each	(In ₹)	16	10*	14	11
% of Dividend		160%	100%	140%	110%
Total Dividend*	(In ₹ Million)	2,461.60	1,540.50	2,139.90	1,692.35
Total Dividend Outflow for the Year (In ₹ Million)			4,002.10		3,832.25

The dividend payout ratio (including proposed final dividend) for the year was 36.60% as compared to 41.61% for the previous year which included special dividend on the occasion of the Company crossing $1B in revenues. Without considering special dividend the dividend payout ratio was 33.25%.

All numbers are after considering impact of share split.

*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 ₹ 72.44 per share (₹ 144.88 pre-split) and ₹ 71.07 per share (₹ 142.14 pre-split) respectively, compared to ₹ 61.87 per share (₹ 123.73 pre-split) and ₹ 60.26 per share (₹ 120.52 pre-split) respectively in the previous year, recording an increase of 17.08% and 17.94% respectively. The impact of share split is considered for calculation of EPS.

Ratio Analysis and its Elements

Sr. No	Ratio	March 31, 2024	March 31, 2023	% change	Reason for variance (If more than 25%)
1\	Current ratio	1.89	1.71	10.53%	
2\	Debt-Equity ratio	4.18%	10.86%	(6.68)%	-
3\	Debt Service Coverage ratio	8.49	6.51	30.41%	The increase in interest rates and incremental borrowings during the year ended March 31, 2024, primarily resulted in higher finance expense.
4\	Return on Equity ratio	24.94%	25.66%	(0.72)%	-
5\	Trade Receivables turnover ratio	5.51	5.13	7.29%	-
6\	Trade payables turnover ratio	2.73	3.23	(15.62)%	-
7\	Net capital turnover ratio	5.07	5.82	(13.03)%	-
8\	Net profit ratio	11.13%	11.03%	0.10%	-
9\	Return on Capital employed	28.58%	30.43%	(1.85)%	-
10\	Return on investment	6.86%	5.28%	1.60%	-

** Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortisation - Other income - Lease payments

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Report on Risk Management

Persistent's Approach to Risk Management

Persistent has a well-defined Risk Management framework that includes a risk management policy, risk management processes, governance, and awareness programmes. Our Enterprise Risk Management (ERM) function aims to strengthen and embed proactive risk management culture across the organisation.

The ERM function works closely with the various organisational units and their leadership to facilitate the risk management process.

ERM Objectives

\ Promote an effective risk management system that supports the Company's growth strategy, business objectives and ensure resilience to the business dynamics.

\ Improve institutional decision-making by giving senior management and Board of Directors timely and accurate information that helps them better comprehend the risks and possibilities at the enterprise level, and then propose mitigation plans to achieve the desired objectives.

\ Enhance the company's capacity to achieve its legal, regulatory, and policy compliance obligations.

\ Strengthen the business's capacity to recognise its most important resources and put strategies in place to protect and strengthen them.

\ Establish a process to identify and assess risks that may impact the business continuity of the Company and define response and recovery plans for such risks.

\ Proactively identify potential opportunities and risks to prepare for future breakthroughs and obstacles.

\ Strengthen the organisation's capacity to comprehend and control risk exposures and establish a culture of responsible risk-taking.

\ Integrate opportunity and risk assessment analysis into the company's periodic planning procedures (for example, strategic planning, annual budget cycle, etc.).

ERM Framework

The Enterprise Risk Management (ERM) framework adopted by Persistent is mapped as per the ISO Standard 31000:2018 Risk Management — Guidelines, COSO: ERM — Integrating Strategy and Performance (2017), and the requirements of various applicable regulations in India. Our ERM framework is a holistic approach to managing the full range of risks the Company faces, especially risks that are critical to its strategic success. The framework provides guidance for identifying, assessing, measuring, monitoring, and responding to risks across the enterprise in a way that is aligned with its strategic objectives and risk appetite. ERM function reports the risks to the executive leadership and Risk Management Committee (RMC) of the Board for their regular oversight.

The responsibility for risk management is shared across the organisation for an effective and consistent process. There are dedicated forums involving leadership and ERM function to address operational and contractual risks.

Below is the risk management process followed at Persistent:

ERM Process Flow

\ Identifying plausible uncertainties or risks that may impact the successful achievement of functional, organisational, and business objectives or threaten the business continuity of the Company. The risks are categorised into financial, operational, reputational, regulatory, extended enterprise, strategic, sustainability, and technology for further assessment.

\ Analyzing and assessing the potential impact, likelihood and velocity of existing and newly identified risks and determining the readiness to manage them.

\ Evaluating the results of the risk analysis with the established risk criteria and prioritizing them based on criticality to help decide on the appropriate risk management strategy.

\ Formulating risk response strategies to evade / prevent / eliminate the root causes of the risks and the occurrence of risk event, especially in case of key risks.

\ Integrating mitigation plans devised by the risk owners in the day-to-day activities and monitoring them closely.

\ Monitoring and reviewing risks on a periodic basis for continuous risk assessment.

\ Re-evaluating the risk environment and the risk events and updating the mitigation plans if necessary.

\ Reporting relevant risk information to Risk Management Committee of the Board in a timely manner to provide the necessary basis for risk-informed decision-making.

Risk Categorisation

Risk categorisation at Persistent follows the "FORRESSSTT" model which has been derived from the "PESTEL*" model. Details are provided below:

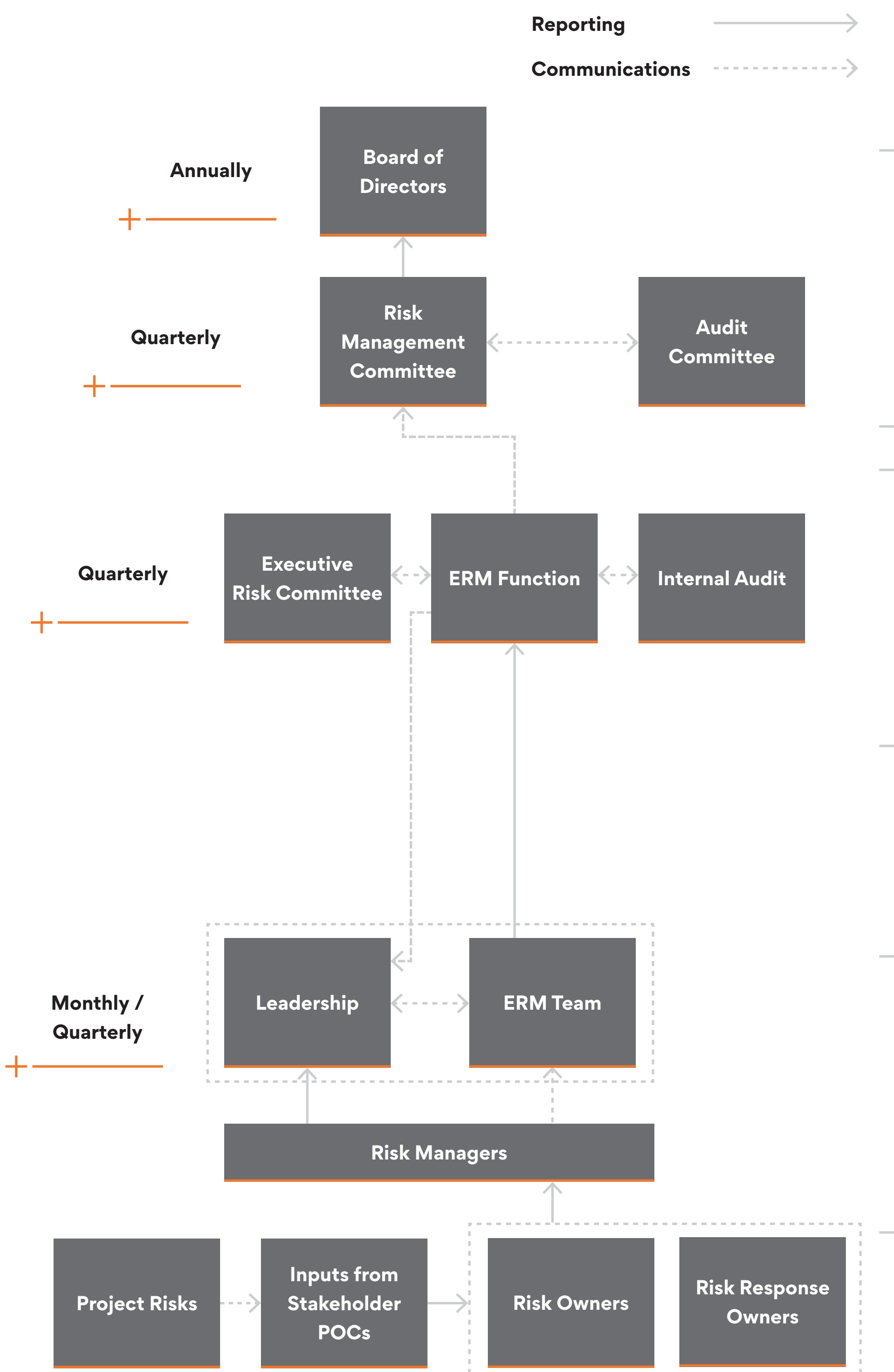
Risk Domains	Definition
Financial	Risk of potential financial loss resulting from breach of key risk indicators, ineffective or inefficient processes and controls.
Operational	Risk of potential breakdowns/deficiencies in process effectiveness or efficiency resulting from controls and / or process design weakness which may cause material exposure.
Reputational	Risk of a potential tarnished reputation, loss of marketplace or investor confidence caused by a breach in risk management requirements, Operational breakdown, legal/regulatory breach, unsuccessful product launch or other reputational-impacting event.
Regulatory	Potential fines, litigation costs or enforcement actions from regulators resulting from changes in the legal and regulatory environment, perceived or actual conflicts of interest, and potential actions or breaches of compliance and / or risk management requirements.
Extended Enterprise	Risk of potential disruption caused by a failure to identify, measure, and mitigate risks at key third-party organisations.
Sectoral	Industry risks pertaining to the sector of business.
Strategic	Potential risk(s) that could disrupt the assumptions at the core of an organisation's business strategy, including risks to strategic positioning, strategic execution and strategic choices and consequences — impeding the organisation's ability to achieve its strategic objectives.
Sustainability – ESG	Risks associated to manage corporate responsibility and sustainable development issues that deliver top and bottom-line growth for the long term and create maximum impact for beneficiaries.
Talent	Risk arising from increase in staff turnover and well below the industry / market trend, Resignations of staff members, Employee attrition rate more than target rate.
Technology & Cyber	Risk arising from system defects, such as failures, faults, or incompleteness in computer operations, or illegal or unauthorised use of computer systems.

*PESTEL stands for Political, Economic, Social, Technological, Environmental, Legal

Risk Governance Structure

The Company has established three pillars of risk management responsibilities in its Governance structure as Risk Oversight, Risk Infrastructure and Management, and Risk Ownership, that cascades the scope of activities to senior management and all employees, across the subsidiaries of the Company.

The risk management governance structure at Persistent is as follows:



Risk Governance and Oversight:

The Risk Governance and Oversight layer comprises the Board and Risk Management Committee, who will play a pivotal role in framing and approving the ERM Policy and guidelines for the organisation.

Risk Infrastructure and Management:

The Risk Infrastructure and Management layer comprises the Executive Risk Committee, ERM Function (CRO and ERM team) who shall support risk governance and oversight function and play a pivotal role in implementation of ERM framework in the company.

Risk Ownership:

The Risk Ownership layer comprises of Risk Owners and various Risk committees who shall be responsible for performing risk management activities in the company.

Highlights of FY24

As the Company continues its growth journey beyond $1B in revenues, there is continued focus to embed risk management in Persistent culture. Effective change management has led to adoption and enhancement of our Enterprise Risk Management program to proactively identify and report risks. We evaluate emerging risks, risks emanating from changing economic, geopolitical and ESG 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 category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
1	Cyber-Attack and Hacking Risk	Technology & Cyber / Extended Enterprise	External attacks, malware, compromised credentials, Business email compromise via. phishing and other cyber security risks may result in data loss and loss of reputation	\ Robust Information Security Management System (ISMS) centred around comprehensive Information Security policies based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity, and availability of information assets \ Multi-layered governance process with executive and Board oversight \ Third-party certifications such as ISO 27001, ISO 27017, ISO 27018, ISO 27701, and SOC 2 Type II attestations to demonstrate our commitment to cybersecurity \ Continued investment and deployment of state-of-the-art technologies such as Zero Trust, Advanced endpoint protection solution, Dark / Deep web monitoring, etc. to secure corporate infra, data & applications \ Access controls including Multi Factor Authentication for secure access to enterprise applications/network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments \ Mandatory training and adequate awareness measures across employee life cycle ensure a strong human firewall \ Implementation of enhanced Data Leakage prevention platform to protect critical data \ Encryption of data, data back-up and recovery mechanisms for ensuring business continuity aligned to ISO 22301:2019 \ Established threat intelligence, security monitoring and incident response processes to detect and respond to cybersecurity threats and incidents coordinated through a 24x7 Security Operations Centre \ Internal and external audits and red teaming to validate effectiveness of controls
2	Data Privacy Risk	Regulatory / Reputational	\ Persistent operates globally and hence needs to be compliant with the data privacy laws across countries where we operate	\ Robust Privacy Information Management System (PIMS) to safeguard personal data and ensure compliance with applicable legal, regulatory, and contractual obligations pertaining to data privacy and protection \ Global privacy policy covering all geographies, all areas of operations, and stakeholders \ Data Loss Protection (DLP), Data Classification and Data Encryption technologies are deployed to protect personal information

Sr. No.	Key risks	Risk category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
2	Data Privacy Risk	Regulatory / Reputational	\ Unauthorised use or disclosure of employee or company or customer data may lead to either breach of customer contract or fines / penalties from regulators and / or damage to the company's reputation	\ Access controls including Multi Factor Authentication, Privileged administrator account management tools are deployed. All access provisioning is on a need-to-know basis and access reviews are performed on a regular basis \ Dedicated Data Protection Officer and Privacy team \ Continuous strengthening of global privacy program through monitoring of regulatory mandates, revalidation of existing frameworks, policies and processes and ensuring applicability to customer contracts \ Technical and organisation measures such as PII Inventories, Privacy Impact Assessment, Incident Management Procedures and Systems, Breach Notification Management, Data Subject Rights Request Management, etc. \ Development of products & applications, including change in processing of personal data go through appropriate privacy assessments and approval \ Vendors and third parties subjected to due diligence, contracted with appropriate privacy obligations \ Mandatory training on data protection, Privacy by Design, and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, and online events \ Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem \ Certified under ISO 27701:2019 — Privacy Information Management System, ISO 27018:2014 — Securing Personal Data in Cloud and SOC 2 Type 2 Attestation
3	Foreign Exchange Risk	Financial	The Company operates in the global environment and has maximum business from US geography hence Currency fluctuations is a major risk	\ 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 regarding hedging quantum \ Close monitoring of exchange rate movement is done
4	Geo-Political and Macro-Economic Risk	Strategic / Sectoral	Changing Geo-political landscape in multiple regions (war scenarios in Middle-East and Ukraine / Russia), Macroeconomic uncertainty around interest rate cuts may impact customer discretionary spends, leading to potential impact on growth opportunities	\ Conduct "Country Risk Assessments" based on PESTEL Framework \ Engaged with geo-political consultants to get insights on the changing geopolitical landscape \ Monitoring and reporting of geo-political risks to the RMC of the Board \ Geo-Diversification for growth planned via Europe and other geographies \ Pro-active cost takeout proposals to customers to improve their business efficiency \ Enhanced focus on customer connects and relationships \ Persistent is ISO 22301 certified and regular BCP testing is performed
5	Credit Risk	Financial	Delay in collection of customer dues as a result of the global economic situation	\ The Company has adopted an effective receivables management system to monitor and control the outstanding receivables \ Credit Risk is managed through policies, procedures, and controls as a part of customer credit risk assessment \ The Company has adopted expected credit loss model, based on profile of the customer and aging pattern, to assess the impairment loss or gain on trade receivables

Sr. No.	Key risks	Risk category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
6	Talent Demand and Employee Attrition Risk	Talent / Operational	\ Market forces – After great resignation phase that industry faced post COVID, talent market has been stable for last year. However, it is hard to predict how long it will last. Any change in the market force may increase voluntary attrition \ Limited talent pool in emerging technology areas — While larger talent demand has stabilised, demand for emerging technologies is still high. Talent pool for the same is limited. This will continue to impact attrition \ Employee preferences — Hybrid working seems to be employee's preference	\ Employee Grooming and Upskilling — Focus on employee development and upskilling, enabling them to build their careers has been a part of the 'Persistent way' of working. Persistent University offers an excellent platform for employee to acquire skills, stay relevant and enhance their skills and competencies. Persistent invests in up-skilling of its associates in new age digital technologies and runs Persistent's Digital Engineering Academy (PDEA). PDEA runs upskilling programs in Cloud, Data, Gen AI etc. \ Employee engagement and all-round wellbeing — All round wellbeing of our employee, has been central to our employee engagement approach, which covers physical, financial, and psychological wellbeing. We conduct regular surveys to seek input from employee on various aspects of their work to understand their engagement and expectations. Input thus received is processed to make necessary improvements in processes and policies \ Persistent brand — our consistent growth over last several quarters, scale of operations, geographical presence, and initiatives such as GWR (Guinness World Records) has been helping us continue to position Persistent as a leading brand in the industry. We continue to invest in branding initiatives \ Inclusive Workplace — Persistent provides a diverse and inclusive workplace which promotes creativity, diversity, inclusivity, and enhanced work culture \ The attrition level has been controlled at 11.5%
7	Global Regulatory Risk (Emerging Risk)	Regulatory / Reputational	\ Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, employment laws, data privacy laws etc.) where the company operates globally, may have an impact \ Persistent operates globally in major markets and industries. There is an inherent risk of non-compliance with the ever-evolving legal landscape resulting into frequent legal updates and changes in regulatory requirements / disclosures (including regulations related to ESG, ethical, and hygiene practices) that are applicable to our business	\ The Company uses a professional 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 \ A framework is in place to assess the correctness of the compliances which have been reported in the Tool \ The 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 local consultants in various geographies to advise and help the Company to the ensure the compliances in respective geographies \ The Company has a dedicated ESG function for the oversight of any ESG related regulatory compliance changes. Company has been certified in- ISO14001:2015 Environmental Management System and ISO45001:2018 Occupational Health and Safety Management System

Sr. No.	Key risks	Risk category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
8	Sustainability Risk — Climate change	Sustainability — ESG / Operational	\ Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tornadoes, 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 \ Delivery centres designed to withstand extreme weather events \ Employee awareness building around conservation of resources to strengthen our business resilience \ The CISO of the company and the team ensures implementation of business continuity at project, customer, region, location, function level. And runs internal audit checks to verify the implementation of the controls \ Persistent is certified- ISO 27001 for information security and 22301 for business continuity
9	Water Scarcity Risk (Emerging Risk)	Sustainability — ESG / Operational	\ Being a precious resource, water conservation is crucial for the sustainability of Earth \ Reducing ground water levels and changing rain cycles is a risk leading to water crisis globally	\ Water Resource analysis performed for all global location and classified accordingly into categories as per 'Aqueduct Water Risk Atlas' \ Vulnerability Identification and location level mitigation plans implemented to monitor water consumption \ Conservation and efficiency measures through operational control and continuous awareness sessions with employees to ensure efficiency in water consumption. All our owned facilities are equipped with Rainwater recharging facility enabling to recharge ground water \ We consider ground water sources of locations as the last resort \ We also conduct frequent awareness sessions on sustainable water management \ We are engaged with CSR activities like Integrated watershed development program, open well for drinking to create awareness and community development
10	Energy Demand Risk (Emerging Risk)	Sustainability — ESG	With advent of new emerging technologies, the level of energy consumption may increase globally leading to rise in carbon emissions	Our Climate action goals: * Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025 * To source 100% energy from Renewable energy sources by 2025 * 30% reduction of Scope 3 emissions by 2028 \ Strategy to ensure carbon neutrality status by adopting innovation and regulatory changes to reduce emission and increase Renewable energy consumption \ Persistent has committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi \ Decarbonisation Roadmap with strategies in line with SBTi guidelines enabling to achieve reduction in emissions \ All owned campuses are enabled with roof top solar generation and 2 windmills connected through open access

Sr. No.	Key risks	Risk category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
10	Energy Demand Risk (Emerging Risk)	Sustainability — ESG		\ Technology Assessment including potential benefits and energy consumption implications \ Continuous improvement to monitor and evaluate the environmental performance of new technology, identify areas for improvement and implement corrective measures as a continuous process \ Green procurement policy enabling buyers to evaluate the suppliers based on emissions from Purchase of goods and services

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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’), its subsidiaries and its controlled trust (the Holding Company and its subsidiaries and controlled trust together referred to as ‘the Group’), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, 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 material accounting policy information 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 2024, 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 14 of the Other Matter section below, 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 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 year. 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.

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 4.2 (a) to 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' ('Ind AS 115'). Revenue recognition in such contracts 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 customized and complex nature of these contracts and significant involvement of information technology (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 procedures relating to accuracy of revenues and onerous obligations in respect of fixed-price contracts included but were not limited to the following: \ Obtained an understanding of the systems, processes and controls implemented by management for calculating and recording revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations; \ Evaluated the design and tested operating effectiveness of related internal financial manual controls and involved auditor's experts to: - Test key 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; - 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 samples 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 samples 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; and \ Evaluated the appropriateness of disclosures made in the Consolidated 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\	**Valuation of Employee Stock Option Plan ('ESOP')** Refer note 4.3 (q) and note 35 of the Consolidated Financial Statements. The Group has framed various ESOP schemes for its employees under which the Company pays remuneration to its employees for services received in the form of equity-settled share based payment transactions. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognised as employee compensation cost by the Company/Group over the vesting period of such options. The fair valuation of options granted to employees for the services rendered is performed by external valuation specialists using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including expected volatility, dividend yield, risk-free interest rate, performance factor, attrition rate and non-acceptance factors. Considering significant management judgment and materiality of amounts involved, valuation of ESOP reserve and expense is considered as a key audit matter for the current year audit.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: \ Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; \ Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, models and assumptions used by the management to determine the fair value of options granted during the year; \ Evaluated competency and objectivity of valuation specialist hired by the management; \ Reviewed the report from management's valuation specialist considered for valuation of options granted during the year; \ Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; \ Involved auditor's valuation expert to assist us in validating the valuation assumptions, methodology and approach considered by the management's expert and ascertained arithmetical accuracy of computation of share-based payment expense; and \ Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to share based payments as required by applicable Indian Accounting Standards.
3\	**Impairment assessment of goodwill** Refer notes 4.3 (v) and 5.4 to the accompanying consolidated financial statements. As at 31 March 2024, the Group's assets include goodwill aggregating to 10,912.56 million relating to business acquisitions made by the Group in earlier years across multiple geographic locations. The Group has performed annual impairment test of Goodwill as required under per Ind AS 36, 'Impairment of Assets' ('Ind AS 36') by determining the fair value of the Cash Generated Units (CGUs) to which the goodwill is allocated, using discounted cash flow method. The determination of the recoverable value of CGUs requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. Considering goodwill balance is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, impairment assessment of goodwill is considered as a key audit matter for the current year audit.	Our audit procedures relating to testing of impairment assessment of goodwill included but were not limited to the following: \ Obtained an understanding of management's process for identification of CGUs and impairments testing of goodwill; \ Evaluated the design and tested operative effectiveness of the key internal financial controls over the Group's process of impairment assessment of goodwill; \ Assessed the reasonability of the assumptions used by the management for cash flow forecasts by comparing to the historical trend of past performance of the CGU;s \ Traced the projections used by the management to approved business plans; \ Assessed the competence and objectivity of the management's valuation expert and obtained their valuation report on determination of recoverable amounts of CGUs and; \ Involved auditor's valuation expert to assess the valuation assumptions used and methodology considered by the management's expert to calculate the recoverable amounts of CGUs and the mathematical accuracy of these calculations; \ Performed sensitivity analysis on the key assumptions to evaluate estimation uncertainty and ascertain the sufficiency of headroom available; and \ Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable Indian Accounting Standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6\ 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

7\ 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 including its associates and joint ventures 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.

8\ 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.

9\ 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

10\ 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.

11\ 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 and its associates and joint ventures 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;

\ 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; and

\ 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.

12\ 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.

13\ 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.

14\ 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

15\ We did not audit the financial statements of twenty nine subsidiaries and one controlled trust, whose financial statements reflects total assets of ₹ 12,394.89 million as at 31 March 2024, total revenues of ₹ 7763.11 million and net cash inflows amounting to ₹ 755.72 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

16\ 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 14, 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 subsidiaries, 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.

17\ 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 14 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

Sr. No.	**Name**	**CIN**	**Holding Company / subsidiary**	**Clause number of the CARO report which is qualified or adverse**
1	Persistent Systems Limited	L72300PN1990PLC056696	Holding Company	Clause (ii) (b) Clause (vii) (b)
2	CAPIOT Software Private limited	U72200PN2014PTC226352	Wholly Owned Subsidiary	Clause (xvii)

18\ 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 except for the matters stated in paragraph 19(f)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers maintained in electronic mode has been maintained on servers physically located in India, on a daily basis;

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; 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;

d. On the basis of the written representations received from the directors of the Holding Company, and its subsidiaries, and taken on record by the Board of Directors of the Holding Company, and its subsidiaries, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

e. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries 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

f. 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 subsidiaries 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 2024;

iii. 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 subsidiaries during the year ended 31 March 2024;

iv.

a. The respective managements of the Holding Company and its subsidiaries, 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 49 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 subsidiaries 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 subsidiaries, ('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 subsidiaries 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 the note 50 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, 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 subsidiaries, 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.

v. The interim dividend declared and paid by the Holding Company and its subsidiaries, during the year ended 31 March 2024 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 2024 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. As stated in Note 57 of the accompanying Consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances/matters mentioned below, the Holding Company, and it subsidiaries, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.

vii.

Nature of exception noted	Details of Exception
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Oracle Fusion ERP) used for maintenance of books of accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Walker Chandiok & Co LLP

Chartered Accountants
Firm's Registration No.: 001076N/N500013

Shashi Tadwalkar
Partner
Membership No.: 101797
UDIN: 24101797BKCPBI6116

Place: Pune
Date: 21 April, 2024

Annexure A

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') and its subsidiaries and its controlled trust (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, 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 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, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') 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 on Audit of Internal Financial Controls Over Financial Reporting ('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 obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) 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, its subsidiary companies, 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 the 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\ 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 companies, the Holding Company, its subsidiary companies, 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 2024, 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 companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 12,394.89 million and net assets of ₹ 3,087.23 million as at 31 March 2024, total revenues of ₹ 7,763.11 million and net cash inflows/outflows amounting to ₹ 755.72 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 have 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 and its subsidiary company as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies 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: 24101797BKCPBI6116

Place: Pune
Date: 21 April, 2024

Consolidated Balance Sheet as at March 31, 2024

	Notes	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	4,420.03	4,859.95
Capital work-in-progress	5.2	335.26	161.38
Right of use assets	5.3	2,307.18	2,198.21
Goodwill	5.4	10,912.56	7,183.71
Other Intangible assets	5.5	4,574.95	9,171.42
		22,549.98	23,574.67
Financial assets			
- Trade receivables	12	730.18	709.45
- Investments	6	5,539.14	4,516.00
- Loans	7	-	-
- Other financial assets	8	525.31	919.60
Deferred tax assets (net)	9	1,359.64	1,133.97
Income tax assets (net)		387.05	451.71
Other non-current assets	10	1,413.03	959.29
		32,504.33	32,264.69
Current assets			
Financial assets			
- Investments	11	2,726.54	1,879.66
- Trade receivables	12	16,761.13	15,253.22
- Cash and cash equivalents	13	6,625.15	4,670.12
- Bank balances other than cash and cash equivalents	14	3,603.71	4,362.68
- Loans	15	-	-
- Other financial assets	16	6,621.83	4,882.17
Other current assets	17	4,893.49	3,418.26
		41,231.85	**34,466.11**
TOTAL		73,736.18	66,730.80
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18(a)	770.25	764.25
Other equity	18(b)	48,806.82	38,886.53
		49,577.07	39,650.78
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	19	99.15	2,057.59
- Lease liabilities	20	1,608.09	1,592.20
- Other financial liabilities	23	-	2,888.92
Other non-current liabilities	24	44.44	34.83
Deferred tax liabilities (net)	9	18.76	4.68
Provisions	21	546.96	373.03
		2,317.40	6,951.25
Current liabilities			
Financial liabilities			
- Borrowings	19	1,974.04	2,249.36
- Lease liabilities	20	830.01	676.39
- Trade payables	22		
- Total outstanding dues of micro and small enterprises		49.63	34.04
- Total outstanding dues of creditors other than micro and small enterprises		8,088.99	5,655.04
- Other financial liabilities	23	3,718.27	3,922.85
Other current liabilities	24	3,302.82	2,647.71
Provisions	25	3,330.66	4,649.24
Income tax liabilities (net)		547.29	294.14
		21,841.71	**20,128.77**
TOTAL		73,736.18	66,730.80
Summary of material 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

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: India
Date: April 21, 2024

Place: USA
Date: April 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Consolidated Statement of Profit & Loss for the year ended March 31, 2024

	Notes	For the year ended March 31, 2024 In ₹ million	For the year ended March 31, 2023 In ₹ million
Income			
Revenue from operations	26	98,215.87	83,505.92
Other income	27	1,280.20	706.17
Total income (A)		**99,496.07**	**84,212.09**
Expenses			
Employee benefits expense	28.1	59,609.70	49,695.65
Cost of professionals	28.2	11,492.70	10,426.01
Finance costs		467.27	473.40
Depreciation and amortization expense	5.6	3,093.73	2,718.95
Other expenses	29	10,356.61	8,193.01
Total expenses (B)		**85,020.01**	**71,507.02**
Profit before exceptional items and tax (A - B)		**14,476.06**	**12,705.07**
Exceptional item			
Provision for export incentives		-	296.55
Profit before tax		**14,476.06**	**12,408.52**
Tax expense			
Current tax		3,679.65	3,115.31
Tax charge in respect of earlier years		73.19	(3.54)
Deferred tax credit		(211.69)	85.82
Total tax expense		**3,541.15**	**3,197.59**
Net Profit for the year (C)		**10,934.91**	**9,210.93**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / asset		(98.29)	(17.69)
- Income tax effect on above		21.29	5.31
		(77.00)	**(12.38)**
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		21.59	(63.55)
- Income tax effect on above		8.02	15.99
- Exchange differences in translating the financial statements of foreign operations		104.82	798.19
		134.43	**750.63**
Total other comprehensive income / (loss) for the year (D) + (E)		**57.43**	**738.25**
Total comprehensive income for the year (C) + (D) + (E)		**10,992.34**	**9,949.18**
Earnings per equity share [Nominal value of share ₹5 (Previous year: ₹5)]	30		
Basic (In ₹)		72.44	61.87
Diluted (In ₹)		71.07	60.26
Summary of material 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: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Consolidated Cash Flow Statement for the year ended March 31, 2024

		For the year ended	
		March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Cash flow from operating activities			
Profit before tax		**14,476.06**	**12,408.52**
Adjustments for:			
Interest income		(562.45)	(512.63)
Finance costs		467.27	473.40
Depreciation and amortisation expense		3,093.73	2,718.95
Unrealised exchange loss (net)		27.27	190.68
Change in foreign currency translation reserve		172.65	491.89
Exchange (gain) / loss on derivative contracts		(70.63)	88.69
Exchange (gain) on translation of foreign currency cash and cash equivalents		(23.84)	(10.54)
Bad debts		63.36	82.33
Allowance for expected credit loss (net)		103.57	3.03
Employee stock compensation expenses		1,091.75	1,357.14
Loss / Impairment of non-current investments		20.58	-
Changes in contingent consideration payable on business combination		(743.03)	-
Remeasurements of the defined benefit liabilities / asset (before tax effects)		(98.29)	(17.69)
Excess provision in respect of earlier year written back		(27.76)	(32.44)
Profit on sale / fair valuation of financial assets designated as FVTPL		(289.11)	(196.52)
Profit on sale of property, plant and equipment (net)		(22.64)	(1.69)
Provision for export incentives		-	296.55
Operating profit before working capital changes		**17,678.49**	**17,339.67**
Movements in working capital:			
Decrease in non-current and current loans		-	1.83
(Increase) / Decrease in other non-current assets		(256.22)	435.75
Increase in other financial assets		(1,751.22)	(1,541.68)
Increase in other current assets		(1,475.23)	(1,233.36)
Increase in trade receivables		(1,810.64)	(5,554.83)
Increase in trade payables, current liabilities and non-current liabilities		4,386.28	2,687.81
(Decrease) / Increase in provisions		(1,144.65)	827.07
Operating profit after working capital changes		**15,626.81**	**12,962.26**
Direct taxes paid (net of refunds)		(3,413.74)	(3,404.64)
Net cash generated from operating activities	(A)	**12,213.07**	**9,557.62**
Cash flows from investing activities			
"Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)"		(2,839.16)	(4,332.99)
Proceeds from sale of property, plant and equipment		48.65	11.98
Acquisition of step-down subsidiaries		-	(4,310.57)
Payment towards contingent consideration		(2,073.64)	-
Purchase of bonds		(0.70)	(237.41)
Proceeds from sale/ maturity of bonds		80.70	31.49
Investments in mutual funds		(50,723.06)	(37,285.09)
Proceeds from sale / maturity of mutual funds		49,042.09	40,054.82
Proceeds from maturity of bank deposits having original maturity over three months		773.06	1,715.51
Proceeds from maturity of / (Investments) in deposits with financial institutions		400.00	(400.00)
Interest received		597.38	539.16
Net cash used in investing activities	(B)	**(4,694.68)**	**(4,213.10)**

Consolidated Cash Flow Statement for the year ended March 31, 2024

		For the year ended	
		March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Cash flows from financing activities			
Repayment of long term borrowings in Indian rupee		(1.84)	(1.86)
Proceeds from issuance of share capital		1,607.80	-
Repayment of foreign currency long term borrowings		(2,231.88)	(38.37)
Payment of principal portion of lease liabilities		(760.18)	(545.22)
Payment of interest portion of lease liabilities		(180.02)	(137.86)
Interest paid		(287.29)	(335.56)
Dividends paid		(4,083.62)	(2,980.58)
Net cash (used in) / generated from financing activities	**(C)**	**(5,937.03)**	**(4,039.45)**
Net increase in cash and cash equivalents (A + B + C)		1,581.36	1,305.07
Cash and cash equivalents at the beginning of the year		4,670.12	2,977.99
Cash and cash equivalents acquired on acquisition		-	642.81
Effect of exchange difference on translation of foreign currency cash and cash equivalents		**23.84**	**10.54**
Impact of ESOP Trust consolidation		349.83	(266.29)
Cash and cash equivalents at the end of the year		**6,625.15**	**4,670.12**
Components of cash and cash equivalents			
Cash on hand (refer note 13)		0.11	0.25
Balances with banks			
On current accounts # (refer note 13)		4,819.66	3,303.76
On saving accounts (refer note 13)		23.48	33.21
On exchange earner's foreign currency accounts (refer note 13)		1,401.87	638.90
On deposit accounts with original maturity less than three months (refer note 13)		380.03	279.68
On Other accounts (refer note 13)		-	414.32
Cash and cash equivalents		**6,625.15**	**4,670.12**

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant 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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Consolidated Statement of Changes in Equity for the year ended March 31, 2024

A. Share capital

(refer note 18(a))

(In ₹ million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
764.25	6.00	770.25

(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

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Consolidated Statement of Changes in Equity for the year ended March 31, 2024

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus								Items of other comprehensive income		
	Securities premium	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, 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
Addition during the year	1,601.80	-	-	-	-	-	-	-	-	-	1,601.80
Profit for the year	-	-	-	-	-	10,934.91	-	-	-	-	10,934.91
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	(98.29)	-	-	29.61	104.82	36.14
Income tax effect on above	-	-	-	-	-	21.29	-	-	-	-	21.29
Dividend	-	-	-	-	-	(4,153.95)	-	-	-	-	(4,153.95)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	70.33	-	-	70.33
Transfer to general reserve	-	3,965.23	-	-	-	(3,965.23)	-	-	-	-	-
Adjustments towards employees stock options	-	1,087.56	(1,087.56)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	-	1,091.75	-	-	-	-	-	-	-	1,091.75
Other changes during the year	-	(34.25)	1.50	0.94	-	-	-	-	-	-	(31.81)
Shares held by ESOP trust	-	-	-	-	-	-	349.83	-	-	-	349.83
Balance at March 31, 2024	**1,601.80**	**25,842.99**	**2,227.71**	**63.61**	**35.75**	**19,346.09**	**(2,085.84)**	**140.64**	**23.85**	**1,610.22**	**48,806.82**

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	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 year	-	-	-	-	9,210.93	-	-	-	-	9,210.93
Items recognised in / from other comprehensive income for the year	-	-	-	-	(17.69)	-	-	(47.56)	798.19	732.94
Income tax effect on above	-	-	-	-	5.31	-	-	-	-	5.31
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**

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: India
Date: April 21, 2024

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 21, 2024

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place: USA
Date: April 21, 2024

Praveen Kadle
Independent Director

DIN: 00016814

Place: India
Date: April 21, 2024

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Place: USA
Date: April 21, 2024

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 21, 2024

Consolidated statement of changes in equity for the year ended March 31, 2024

Nature and purpose of reserves

a. General reserve

The general reserve is a free reserve created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of other comprehensive income ("OCI"). The same can be utilized in accordance with the provisions of the Companies Act, 2013.

b. Share options outstanding reserve

Share options outstanding reserve represents the cumulative expense recognised 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

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.

h. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

i. Retained earnings

Retained earnings represent the amount of accumulated earnings of the Group which includes remeasurements of the defined benefit liabilities / asset.

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, 2024 and authorised for issue on April 21, 2024.

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., is engaged in software development and related services.

Persistent Systems UK Limited (formerly known 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, Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada) and Persistent Systems S.r.l., Romania. Youperience GmbH has been merged with Persistent Systems Germany GmbH w.e.f. August 21, 2023.

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) has been merged with Persistent Systems Germany GmbH w.e.f. August 25, 2023.

Persistent Systems Costa Rica Limitada (formerly known as 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) has been merged with Persistent Systems Germany GmbH w.e.f. August 21, 2023.

Youperience Limited (a United Kingdom based wholly owned subsidiary of Youperience GmbH) has been dissolved w.e.f. June 27, 2023.

Persistent Systems S.R.L. Romania is incorporated on June 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) has been dissolved w.e.f. December 29, 2023.

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) has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

Persistent Systems SRL (a Italy based wholly owned subsidiary of Persistent Systems Inc.) has been dissolved w.e.f. February 26, 2024.

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) has been dissolved w.e.f May 31, 2023.

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.

Persistent Systems Poland sp z.o.o. is a subsidiary of Persistent Systems Inc. and is incorporated on April 5, 2023 is engaged in providing software products, services and technology innovation.

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.

2\ Basis of preparation

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.

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified). 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.. The functional currency of PSL, its Indian subsidiaries and its controlled trust is ₹ and the functional currencies of other subsidiaries are their respective local currencies. Consolidated financial statements are presented in ₹ Million unless otherwise specified.

3\ Basis of consolidation

The consolidated financial statements of the Group for the year ended March 31, 2024 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 financial statements of the Group companies have been consolidated 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 annually 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, 2024	March 31, 2023	
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 (Dissolved w.e.f. August 25, 2023)	-	100%	Germany
Youperience GmbH (Dissolved w.e.f. August 21, 2023)	-	100%	Germany
Youperience Limited (Dissolved w.e.f. June 27, 2023)	-	100%	United Kingdom
CAPIOT Software Private Limited	100%	100%	India
CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023)	-	100%	USA
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd)	100%	100%	Australia
CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023) (refer note 1)	-	100%	Singapore
Persistent Systems S.R.L. (Dissolved w.e.f. February 26, 2024)	-	100%	Italy
Software Corporation International	100%	100%	USA
SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023)	-	100%	USA
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	Costa Rica
MediaAgility India Private Limited (Acquired w.e.f. April 29, 2022)	100%	100%	India
MediaAgility Inc. (Acquired w.e.f. May 4, 2022)	100%	100%	USA
DIGITALAGILITY S DE RL DE CV (Acquired w.e.f. May 4, 2022)	100%	100%	Mexico
MediaAgility UK Limited (Acquired w.e.f. May 4, 2022)	100%	100%	UK
Media Agility Pte Ltd (Acquired w.e.f. May 4, 2022)	100%	100%	Singapore
Persistent Systems S.R.L. Romania (Incorporated on Jun 17, 2022)	100%	100%	Romania
Persistent Systems Poland sp z.o.o. (Incorporated on April 5, 2023)	100%	-	Poland
PSPL ESOP Management Trust	100%	100%	India

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2023-24:

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	79.08%	47,786.51	81.97%	9,856.65	71.20%	(33.74)	82.02%	9,822.91
Subsidiaries:								
Persistent Systems, Inc.	14.53%	8,777.68	13.25%	1,593.77	0.00%	-	13.31%	1,593.77
Persistent Systems Pte. Ltd.	0.06%	37.50	0.03%	3.35	0.00%	-	0.03%	3.35
Persistent Systems France SAS	-0.02%	(9.23)	-0.93%	(111.62)	0.00%	-	-0.93%	(111.62)
Persistent Telecom Solutions Inc.	0.47%	283.66	0.90%	108.41	0.00%	-	0.91%	108.41
Persistent Systems Malaysia Sdn. Bhd.	0.41%	249.82	0.03%	3.31	0.00%	-	0.03%	3.31
Aepona Group Limited	1.36%	819.69	6.41%	771.14	0.00%	-	6.44%	771.14
Persistent Systems UK Limited	0.09%	52.33	0.39%	46.67	0.00%	-	0.39%	46.67
Persistent Systems Lanka (Private) Limited	0.48%	288.02	0.21%	25.64	28.80%	(13.65)	0.10%	11.99
Persistent Systems Israel Ltd.	0.27%	160.33	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Persistent Systems Mexico, S.A. de C.V.	0.18%	111.03	0.38%	46.00	0.00%	-	0.38%	46.00
Persistent Systems Germany GmbH	0.44%	268.45	0.43%	51.77	0.00%	-	0.43%	51.77
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.50%	304.69	2.82%	339.56	0.00%	-	2.84%	339.56
PARX Consulting GmbH	0.00%	-	-0.31%	(36.85)	0.00%	-	-0.31%	(36.85)
Youperience Limited	0.00%	-	0.00%	0.43	0.00%	-	0.00%	0.43
Youperience GmbH	0.00%	-	-0.14%	(17.35)	0.00%	-	-0.14%	(17.35)
CAPIOT Software Private Limited	0.09%	55.85	-0.01%	(1.70)	0.00%	-	-0.01%	(1.70)
CAPIOT Software Inc.	0.00%	-	0.05%	5.82	0.00%	-	0.05%	5.82
Persistent Systems Australia Pty Ltd	-0.16%	(95.63)	-0.28%	(34.06)	0.00%	-	-0.28%	(34.06)
CAPIOT Software Pte Limited (refer note 1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems S.R.L	0.00%	-	0.03%	3.41	0.00%	-	0.03%	3.41
Software Corporation International	0.04%	21.64	-0.19%	(22.29)	0.00%	-	-0.19%	(22.29)
SCI Fusion360 LLC	0.00%	-	-0.12%	(14.57)	0.00%	-	-0.12%	(14.57)
Persistent Systems Costa Rica Limitada	0.21%	124.87	0.46%	54.74	0.00%	-	0.46%	54.74
MediaAgility India Private Limited	0.65%	393.28	1.31%	157.39	0.00%	-	1.31%	157.39
MediaAgility Inc.	1.47%	886.15	-0.54%	(64.68)	0.00%	-	-0.54%	(64.68)
MediaAgility UK LTD	-0.02%	(14.38)	0.01%	0.61	0.00%	-	0.01%	0.61
DIGITALAGILITY S DE RL DE CV	-0.12%	(71.10)	-0.16%	(18.83)	0.00%	-	-0.16%	(18.83)
MediaAgility Pte Ltd	0.03%	16.90	0.03%	3.15	0.00%	-	0.03%	3.15
Persistent Systems S.R.L.- Romania	0.07%	39.40	0.25%	30.52	0.00%	-	0.25%	30.52
Persistent Systems Poland sp z.o.o.	0.02%	13.12	0.11%	12.63	0.00%	-	0.11%	12.63
PSPL ESOP Management Trust	-0.12%	(74.61)	-6.39%	(768.92)	0.00%	-	-6.42%	(768.92)
Subtotal	100.00%	60,425.97	100.00%	12,023.97	100.00%	(47.39)	100.00%	11,976.58
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	104.82	-	104.82
Consolidation adjustments	-	(10,848.90)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(1,010.58)	-	-	-	(1,010.58)
DTA on items recognised on consolidation	-	-	-	7.66	-	-	-	7.66
Dividend from subsidiaries	-	-	-	(995.82)	-	-	-	(995.82)
Others	-	-	-	909.68	-	-	-	909.68
Total		49,577.07		10,934.91	100.00%	57.43		10,992.34

Note 1: CAPIOT Software Pte Limited has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2022-23:

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\ Material accounting policy information

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. Revenue recognition

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 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:

i. the contract involves the use of an identified asset
ii. the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
iii. 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 standalone price of the lease component and the aggregate standalone 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.

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.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Based on the testing, no impairment was identified as at March 31, 2024 and 2023 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.

Subsequent measurement

Non-derivative financial instruments

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 OCI.

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.

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.

Net gains or net losses on items at fair value through profit or loss include interest or dividend income received from these assets.

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 FVTPL.

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 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. **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 ₹. 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.

k. **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.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with The 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 correlation to the underlying transaction either in OCI or directly in equity.

m. 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.

n. 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.

o. 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.

p. 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.

q. 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. 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.

r. 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

s. 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.

t. 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.

u. Business combination

The acquisition method of accounting is used to recognized for all business combinations, when the acquired set of activities and assets meet the definition of business and control is transferred 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.

Business combinations between entities under common control is accounted for using pooling of interest method. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

v. 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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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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, 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
Additions	-	15.13	375.92	115.10	159.74	15.39	81.74	0.22	763.24
Acquisition through merger (refer note 51 and 42)	-	-	28.24	-	5.28	-	8.66	-	42.18
Disposals	-	0.32	311.90	5.35	46.39	-	14.72	1.26	379.94
Acquisition through merger (refer note 51 and 42)	-	-	28.24	-	5.28	-	8.66	-	42.18
Effect of foreign currency translation from functional currency to reporting currency	0.13	0.51	23.96	1.71	0.69	3.00	4.64	-	34.64
As at March 31, 2024	**1,007.27**	**2,896.21**	**4,861.81**	**242.25**	**2,074.95**	**85.57**	**1,171.16**	**14.84**	**12,354.06**
Accumulated Depreciation									
As at April 1, 2023	-	1,393.29	3,493.89	101.64	1,285.82	52.55	741.70	7.28	7,076.17
Acquisition through merger (refer note 51 and 42)	-	-	24.15	-	4.92	-	7.88	-	36.95
Charge for the year	-	124.11	780.31	15.25	174.00	4.01	87.70	2.13	1,187.51
Disposals	-	0.32	289.71	4.76	45.49	-	14.28	1.26	355.82
Acquisition through merger (refer note 51 and 42)	-	-	24.15	-	4.92	-	7.88	-	36.95
Effect of foreign currency translation from functional currency to reporting currency	-	0.25	19.12	0.52	(0.20)	2.70	3.78	-	26.17
As at March 31, 2024	**-**	**1,517.33**	**4,003.61**	**112.65**	**1,414.13**	**59.26**	**818.90**	**8.15**	**7,934.03**
Net block as at March 31, 2024	**1,007.27**	**1,378.88**	**858.19**	**129.60**	**660.82**	**26.31**	**352.26**	**6.69**	**4,420.03**

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, 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	-	-	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	-	-	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**

* Note: Buildings include those constructed on leasehold land:

a. Gross block as on March 31, 2024 ₹ 1,460.40 Million (Previous year : ₹ 1,455.94 Million)

b. Depreciation charge for the year ₹ 59.30 Million (Previous year ₹ 59.08 Million)

c. Accumulated depreciation as on March 31, 2024 ₹ 735.52 Million (Previous year ₹ 676.22 Million)

d. Net block value as on March 31, 2024 ₹ 724.88 Million (Previous year ₹ 779.72 Million)

5.2\ Capital work-in-progress

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Balance at beginning of year	161.38	1,071.20
Additions	937.12	2,017.82
Capitalised during the year	763.24	2,927.64
Balance at end of year	**335.26**	**161.38**

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	256.45	78.81	-	-	**335.26**
As at March 31, 2024	**256.45**	**78.81**	-	-	**335.26**

(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**

5.3\ Right-of-use assets

(In ₹ million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2023	131.97	2,994.30	3,126.27
Additions during the year	-	749.09	749.09
Acquisition through merger (refer note 51 and 52)	-	374.81	374.81
Disposals	-	145.36	145.36
Acquisition through merger (refer note 51 and 52)	-	374.81	374.81
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	42.07	42.07
As at March 31, 2024	**131.97**	**3,640.10**	**3,772.07**
Accumulated Depreciation			
As at April 1, 2023	3.22	924.84	928.06
Charge for the year	1.54	649.96	651.50
Acquisition through merger (refer note 51 and 52)	-	112.12	112.12
Disposals	-	126.06	126.06
Acquisition through merger (refer note 51 and 52)	-	112.12	112.12
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	11.39	11.39
As at March 31, 2024	**4.76**	**1,460.13**	**1,464.89**
Net block as at March 31, 2024	**127.21**	**2,179.97**	**2,307.18**

(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 year	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**

5.4\ Goodwill

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Cost		
Balance at beginning of year	7,183.71	2,790.22
Reclassification on purchase price allocation of business combination (refer note 44)	3,322.19	4,051.66
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	406.66	341.83
Balance at end of year	**10,912.56**	**7,183.71**

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, 2024 and March 31, 2023 is as follows:

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Segment		
a. Banking, Financial Services and Insurance (BFSI)	2,437.97	2,402.01
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	8,474.59	4,781.70
Total	**10,912.56**	**7,183.71**

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, 2024	As at March 31, 2023
Long-term growth rate	4.20%	15% to 25%
Operating margins	10% to 25%	25% to 35%
Discount rate	14% to 17%	5% to 15%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. Operating margin and long term growth rate are in line with company's current operations.

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, 2023	3,312.14	10,093.33	5,239.19	18,644.66
Additions	127.90	-	-	127.90
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 44)	-	1,548.49	(4,870.68)	(3,322.19)
Effect of foreign currency translation from functional currency to reporting currency	36.26	570.77	(368.51)	238.52
As at March 31, 2024	**3,476.27**	**12,212.59**	**-**	**15,688.86**
Accumulated Amortization				
As at April 1, 2023	2,744.90	6,506.21	222.13	9,473.24
Charge for the period	244.14	1,010.58	-	1,254.72
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 44)	-	523.67	(523.67)	-
Effect of foreign currency translation from functional currency to reporting currency	32.22	52.22	301.54	385.98
As at March 31, 2024	**3,021.23**	**8,092.68**	**-**	**11,113.91**
Net block as at March 31, 2024	**455.04**	**4,119.91**	**-**	**4,574.95**

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(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	10.63	-	4,870.68	4,881.31
Reclassification on purchase price allocation of business combination (refer note 44)	-	2,771.88	(6,823.54)	(4,051.66)
Disposals	390.70	-	-	390.70
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 year	110.59	591.68	523.67	1,225.94
Additions on business combinations	9.43	-	-	9.43
Reclassification on purchase price allocation of business combination (refer note 44)	-	374.82	(374.82)	-
Disposals	390.7	-	-	390.70
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**

Acquired contractual rights acquired through DataGlove acquistion, having carrying amount of ₹ 1,489.84 million and remaining amortisation period of 5 years as on March 31, 2024.

Acquired contractual rights acquired through MediaAgility acquistion, having carrying amount of ₹ 1,222.96 million and remaining amortisation period of 5 years as on March 31, 2024.

Acquired contractual rights acquired through Shree Partners acquistion, having carrying amount of ₹ 129.63 million and remaining amortisation period of 4 years as on March 31, 2024.

Acquired contractual rights acquired through SCI and Fusion 360 acquistion, having carrying amount of ₹ 706.27 million and remaining amortisation period of 4 years as on March 31, 2024.

Acquired contractual rights acquired through Sureline acquistion, having carrying amount of ₹ 9.15 million and remaining amortisation period of 2 months as on March 31, 2024.

Acquired contractual rights acquired through Parx, having carrying amount of ₹ 29.27 million and remaining amortisation period of 4 months as on March 31, 2024.

5.6\ Depreciation and amortization

(In ₹ million)

	For the year ended	
	March 31, 2024	March 31, 2023
On Property, Plant and Equipment	1,187.51	1,008.93
On Right of Use assets	651.50	484.08
On Other Intangible assets	1,254.72	1,225.94
Total	**3,093.73**	**2,718.95**

6\ Non-current financial assets: Investments

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,916.91	3,005.16
[Market value ₹ 2,758.24 Million (Previous year ₹ 2,852.78 Million)]		
Add: Interest accrued on bonds	78.70	80.43
Total investments carried at amortised cost (A)	2,995.61	3,085.59
Carried at fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 6a)	2,386.71	1,255.28
	2,386.71	1,255.28
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	16.72	16.73
(Less) : Change in fair value of investment	(16.72)	(16.73)
	-	-
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.	16.68	16.43
0.25 million (Previous year : 0.25 million) Preferred stock of $ 0.001 each, fully paid up		
(Less) : Change in fair value of investment	(16.68)	(16.43)
	-	-
Trunomi Inc.	20.85	20.54
0.28 million (Previous year : 0.28 million) Preferred stock of $ 0.0002 each, fully paid up		
(Less) : Change in fair value of investment	(20.85)	-
	-	20.54
Monument Bank	136.02	134.01
‘0.024 million (Previous year: 0.024 million) Stock of GBP 50 each), fully paid up		
	136.02	160.55

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6\ Non-current financial assets: Investments (continued)

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
DxNow	**10.43**	10.27
0.17 million Preferred Shares of $ 0.0001 each (Previous year : 0.17 million Preferred Shares of $ 0.0001)		
Add / (less) : Change in fair value of investment	**(10.43)**	(10.27)
	-	-
Akumina Inc.	**14.80**	14.58
0.40 million Preference shares of $ 0.443 each (Previous year : 0.40 million Preference shares of $ 0.443 each)		
	14.80	14.58
Total Investments carried at Fair Value (B)	2,543.53	1,430.41
Total investments (A) + (B)	**5,539.14**	4,516.00
Aggregate amount of change in fair value of investments	**43.83**	43.43
Aggregate amount of quoted investments	**2,995.61**	3,085.59
Aggregate amount of unquoted investments	**2,587.36**	1,473.84

* 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, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	**651.08**	733.59
Axis Mutual Fund	**526.58**	491.04
HDFC Mutual Fund	**185.54**	-
DSP mutual fund	**155.66**	-
HSBC Mutual Fund	**155.43**	30.65
Kotak Mutual Fund	**152.75**	-
SBI Mutual Fund	**152.65**	-
ICICI Prudential Mutual Fund	**152.57**	-
Birla Sun Life Mutual Fund	**152.53**	-
Nippon Mutual Fund	**101.92**	-
	2,386.71	1,255.28

7\ Non-current financial assets: Loans

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Carried at amortised cost		
Other loans		
Unsecured, credit impaired	**0.58**	0.58
Less: Impairment of non-current loans	**0.58**	0.58
	-	-

8\ Other non-current financial assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Considered good		
Carried at amortised cost		
Deposits with banks (refer note 14) *	**3.99**	41.60
Add: Interest accrued but not due on bank deposits (refer note 14)"	**0.24**	0.98
Deposits with banks	**4.23**	**42.58**
Deposit with financial institutions	**100.00**	500.00
Add: Interest accrued but not due on deposit with financial institutions	**10.18**	20.22
Deposits with financial institutions	**110.18**	**520.22**
Security deposits	**410.90**	356.80
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)
	525.31	**919.60**

* Out of the balance, fixed deposits of ₹ 3.60 million (Previous year: ₹ 2.05 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

9\ Deferred tax asset (net) *

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	**27.33**	75.28
Cashflow on Hedges	**8.02**	-
ROU asset and lease liability	**0.68**	-
Brought forward and current year losses	**26.26**	-
Capital gains	**44.14**	22.82
Unrealised exchange gain/loss	**8.17**	10.49
Unbilled revenue	**5.92**	-
Others	**1.40**	1.63
	121.92	**110.22**
Deferred tax assets		
Provision for leave encashment	386.00	270.80
Provision for long service awards	189.18	222.45
Allowance for expected credit loss	93.21	36.85
Provision for gratuity	14.72	-
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	147.62	176.31
Brought forward and current year losses	226.71	161.70
Tax credits	80.96	135.40
ROU asset and lease liability	61.55	42.68
Provision for shared based payments to employees	144.01	68.94
Cashflow on Hedges	-	1.94
Provisions for doubtful investment	117.28	119.77
Others	1.56	2.67
	1,462.80	**1,239.51**
Deferred tax assets after set off	**1,340.88**	**1,129.29**

* 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.

Certain subsidiaries of the group have undistributed eamings which, if paid out as dividends, would be subject to tax in the hands of the recipient An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries These subsidiaries are not expected to distribute these profits in the foreseeable future.

10\Other non-current assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Capital advances (Unsecured, considered good)	**826.67**	629.15
Prepayments	**420.61**	330.14
Simple Agreement for Future Equity (SAFE)	**165.75**	-
	1,413.03	**959.29**

Movement in deferred tax assets (net) during the year ended March 31, 2024

	As at April 1, 2023	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comrpehensive income	As at March 31, 2024
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	75.28	(47.95)	-	27.33
Gain on fair valuation of financial assets	22.82	21.32	-	44.14
Cash flow hedges	(1.94)	9.96	-	8.02
Brought forward and current year losses	47.21	(20.95)	-	26.26
Unrealised exchange gain/loss	10.49	(2.32)	-	8.17
Unbilled Revenue	(1.28)	7.20	-	5.92
Others	1.63	(0.23)	-	1.40
	154.21	**(32.97)**	**-**	**121.24**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	176.31	(28.70)	-	147.61
Provision for leave encashment	270.80	115.20	-	386.00
Provision for long service awards	222.45	(33.27)	-	189.18
Provision for Gratuity	-	14.72		14.72
Allowance for expected credit loss	36.85	56.36	-	93.21
Tax credit	135.40	(54.46)	-	80.94
Right of use asset and lease liability	42.68	18.22	-	60.90
Brought forward and current year losses	208.91	17.80	-	226.71
Provision for shared based payments to employees	68.94	75.07	-	144.01
Provisions for doubtful investment	119.77	(2.49)	-	117.28
Others	1.39	0.17	-	1.56
	1,283.50	**178.62**	**-**	**1,462.12**
	1,129.29	**211.59**	**-**	**1,340.88**

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)
Brought forward and current year losses	1.04	46.17	-	47.21
Unrealised exchange gain/loss	3.31	7.18	-	10.49
Unbilled Revenue	(1.29)	0.01	-	(1.28)
Others	0.74	0.89	-	1.63
	158.29	**11.92**	**(16.00)**	**154.21**
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	(271.73)	-	135.40
Right of use asset and lease liability	31.71	10.97	-	42.68
Brought forward and current year losses	97.70	111.21	-	208.91
Provision for shared based payments to employees	48.40	20.54	-	68.94
Provisions for doubtful investment	10.99	108.78	-	119.77
Others	110.69	(109.30)		1.39
	1,281.01	**2.49**	**-**	**1,283.50**
	1,122.72	**(9.43)**	**16.00**	**1,129.29**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Deferred income tax assets after set-off	**1,359.64**	1,133.97
Deferred income tax liabilities after set-off	**(18.76)**	(4.68)
	1,340.88	**1,129.29**

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11\ Current financial assets: Investments

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Carried at fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 11a)	**2,726.54**	1,879.66
	2,726.54	1,879.66
Total carrying amount of investments	**2,726.54**	**1,879.66**
Aggregate amount of unquoted investments	**2,726.54**	1,879.66

11a. Details of fair value of current investment in mutual funds

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Aditya Birla Sun Life Mutual Fund	**502.35**	246.52
UTI Mutual Fund	**364.27**	195.74
Kotak Mutual Fund	**311.66**	200.12
HDFC Mutual Fund	**303.47**	200.17
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	**261.00**	100.10
Tata Mutual Fund	**234.14**	50.02
DSP Mutual Fund	**195.10**	50.00
Axis Mutual Fund	**173.71**	195.72
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	**150.60**	100.02
Mirae Asset Mutual Fund	**50.06**	50.03
SBI Mutual Fund	**50.03**	115.64
HSBC Mutual Fund	**40.05**	50.00
Sundaram Mutual Fund	**40.05**	30.01
ICICI Prudential Mutual Fund	**30.02**	245.54
Invesco Mutual Fund	**20.03**	50.03
	2,726.54	**1,879.66**

12\ Trade receivables

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
- Current		
Unsecured, considered good	**16,761.13**	15,253.22
Unsecured, credit impaired	**398.64**	188.96
	17,159.77	**15,442.18**
Less : Allowance for expected credit loss	**(398.64)**	(188.96)
	16,761.13	**15,253.22**
- Non Current		
Unsecured, considered good	730.18	709.45
Unsecured, credit impaired	-	-
	730.18	**709.45**
Less : Allowance for expected credit loss	-	-
	730.18	**709.45**
	17,491.31	**15,962.67**

Trade receivables ageing schedule

(In ₹ million)

	Current but not due	Outstanding for following periods from due date of payment: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	13,443.71	3,900.00	147.60	-	-	-	17,491.31
Undisputed Trade receivable – credit impaired	-	34.98	244.65	84.54	5.93	28.54	398.64
As at March 31, 2024	**13,443.71**	**3,934.98**	**392.25**	**84.54**	**5.93**	**28.54**	**17,889.95**
Expected loss rate (Refer note 32)	**-**	**0.89%**	**62.37%**	**100.00%**	**100.00%**	**100.00%**	

(In ₹ million)

	Current but not due	Outstanding for following periods from due date of payment: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables – considered good	10,785.68	5,157.84	19.15	-	-	-	15,962.67
Undisputed Trade receivable – credit impaired	-	53.06	82.79	14.02	4.29	34.80	188.96
As at March 31, 2023	**10,785.68**	**5,210.90**	**101.94**	**14.02**	**4.29**	**34.80**	**16,151.63**
Expected loss rate (Refer note 32)	**-**	**1.02%**	**81.21%**	**100.00%**	**100.00%**	**100.00%**	

13\ Cash and cash equivalents

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash in hand	**0.11**	0.25
Balances with banks		
On current accounts #	**4,819.66**	3,303.76
On saving accounts	**23.48**	33.21
On Exchange Earner's Foreign Currency accounts	**1,401.87**	638.90
On deposit accounts with original maturity less than three months	**380.03**	279.68
On other accounts	**-**	414.32
	6,625.15	**4,670.12**

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant agreement.

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14\ Bank balances other than cash and cash equivalents

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Deposits with banks*	**3,497.98**	4,271.04
Add: Interest accrued but not due on deposits with banks	**107.04**	131.17
Deposits with banks (carried at amortised cost)	**3,605.02**	**4,402.21**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	**(3.99)**	(41.60)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	**(0.24)**	(0.98)
	3,600.79	**4,359.63**
Balances with banks on unpaid dividend accounts**	**2.92**	3.05
	3,603.71	**4,362.68**

* Out of the balance, fixed deposits of ₹ 2,365.78 Million (Previous year : ₹ 1,216.85 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, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	24.99	24.60
Interest accrued but not due at amortised cost	1.97	1.97
Less: Impairment	(26.96)	(26.57)
	-	-

16\ Other current financial assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	42.54	-
Carried at amortised cost		
Security deposits	**57.95**	26.56
Other receivables	**-**	184.38
Unbilled revenue	**6,521.34**	4,671.23
	6,621.83	**4,882.17**

17\ Other current assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	1,573.38	900.09
Prepayments	854.25	999.27
Deferred finance costs	**61.82**	-
Excess fund balance with Life Insurance Corporation (refer note 31)	**-**	**53.32**
Other advances		
VAT receivable (net)	**20.97**	22.10
GST receivable (net) (refer note 42)	**2,383.07**	1,443.48
	2,404.04	**1,465.58**
	4,893.49	**3,418.26**

18(a) Share capital

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Authorized shares (No. in million) 400 (Previous year: 400) equity shares of ₹ 5 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million) 154.05 (Previous year: 152.85) equity shares of ₹ 5 each	770.25	764.25
Issued, subscribed and fully paid-up share capital	**770.25**	**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 January 20, 2024, recommended the sub-division/ split of 1(One) fully paid-up equity share having a face value of ₹10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the Company approved the sub-division / Split of 1(One) fully paid up equity share of ₹ 10 each into 2 (Two) fully paid up equity shares of ₹ 5 each through a postal ballot with a requisite majority and the voting results were declared on March 11, 2024.

Further, the Board of Directors at its meeting held on March 13, 2024, approved the Record Date for Split/Sub-division of Equity Shares as April 1, 2024.

Consequent to this, the authorized share capital comprises 400,000,000 equity shares having a face value of ₹ 5 each aggregating to ₹ 2,000,000,000, and the paid-up capital comprises 154,050,000 equity shares having a face value of ₹ 5 each aggregating to ₹ 770,250,000. The impact of this has been considered in the financial statement.

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, 2024		As at March 31, 2023	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	152.85	764.25	152.85	764.25
Less: Changes during the period	1.20	6.00	-	-
Number of shares at the end of the year	**154.05**	**770.25**	**152.85**	**764.25**

b. Terms / rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 5 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 ₹ 16 per share on January 20, 2024 on the face value of ₹ 5 each; for the Financial Year 2023-24.

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 preferential amounts exist currently.

Dividend distribution made and proposed:

(In ₹ million)

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2023: ₹ 11 per share (31 March 2022: ₹ 5.5 per share)	1,692.35	840.68
Interim dividend for the year ended on 31 March 2024: ₹ 16 per share (31 March 2023: ₹ 14 per share)	2,461.60	2,139.90
	4,153.95	2,980.58
Proposed dividends on Equity shares: Proposed dividend for the year ended on 31 March 2024: ₹ 10 per share (31 March 2023: ₹ 11 per share)	1,540.50	1,692.35
	1,540.50	1,692.35

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 2024. Dividend per equity share disclosed in above note represents dividends declaraed previously, retrospectively adjusted for the April 2024 share split.

c. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date

In the period of five years immediately preceding March 31, 2024, the Company had purchased and extinguished a total of of 7,150,000 fully paid-up equity shares of face value ₹ 5 each from the stock exchange by way of buyback of shares which was completed in June 27, 2019.

d. Details of shareholders holding more than 5% shares in the Group

Name of the shareholder*	As at March 31, 2024		As at March 31, 2023	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande	45.75	29.70	45.74	29.93

* 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, 2024

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	45,743,680	2,000	45,745,680	29.70%	0.00%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	1,000	-	1,000	0.00%	-
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	1,000	-	1,000	0.00%	-
Mr. Padmakar Govind Khare	-	1,760	1,760	0.00%	100%
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

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	45,721,680	22,000	45,743,680	29.93%	0.01%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	12,000	(11,000)	1,000	0.00%	(0.01)%
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	10,000	(9,000)	1,000	0.00%	(0.01)%
Mr. Padmakar Govind Khare	1,760	(1,760)	-	0.00%	-
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

18(b) Other equity

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Reserves and Surplus		
Securities premium	**1,601.80**	-
General reserve	**25,842.99**	20,824.45
Share options outstanding reserve	**2,227.71**	2,222.02
Gain on bargain purchase	**63.61**	62.67
Capital redemption reserve	**35.75**	35.75
Retained earnings	**19,346.09**	16,607.36
Treasury shares	**(2,085.84)**	(2,435.67)
PSL ESOP Trust reserve	**140.64**	70.31
Items of other comprehensive income		
Effective portion of cash flow hedges	**23.85**	(5.76)
Exchange differences on translating the financial statements of foreign operations	**1,610.22**	1,505.40
	48,806.82	38,886.53

(i) Securities premium

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**-**	-
Premium on fresh issue of equity shares	**1,601.80**	-
	1,601.80	-

(ii) General reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**20,824.45**	17,376.65
Transfer to general reserve	**3,965.23**	3,164.51
Adjustments towards employees stock options	**1,087.56**	283.10
Other changes during the year	**(34.25)**	0.19
	25,842.99	20,824.45

(iii) Share options outstanding reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**2,222.02**	1,144.84
Adjustments towards employees stock options	**(1,087.56)**	(283.10)
Employee stock compensation expenses	**1,091.75**	1,357.14
Other changes during the year	**1.50**	3.14
	2,227.71	2,222.02

(iv) Gain on bargain purchase

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**62.67**	57.80
Other changes during the year	**0.94**	4.87
	63.61	62.67

(v) Capital redemption reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**35.75**	35.75
Other changes during the year	**-**	-
	35.75	35.75

(vi) Retained earnings

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**16,607.36**	13,553.90
Profit for the year	**10,934.91**	9,210.93
Items recognised in / from other comprehensive income for the year	**(98.29)**	(17.69)
Income tax effect on above	**21.29**	5.31
Dividend	**(4,153.95)**	(2,980.58)
Transfer to general reserve	**(3,965.23)**	(3,164.51)
	19,346.09	16,607.36

(vii) Treasury shares

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**(2,435.67)**	-
Shares held by ESOP trust	**349.83**	(2,435.67)
	(2,085.84)	(2,435.67)

(viii) PSL ESOP Trust reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	70.31	-
Dividend Paid to ESOP trust	70.33	70.31
	140.64	70.31

(ix) Effective portion of cash flow hedges

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	(5.76)	41.80
Items recognised in / from other comprehensive income for the year	29.61	(47.56)
	23.85	(5.76)

(x) Exchange differences on translating the financial statements of foreign operations

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	1,505.40	707.21
Items recognised in / from other comprehensive income for the year	104.82	798.19
	1,610.22	1,505.40

19\ Non-current financial liabilities: Borrowings

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	1.85	3.69
Interest accrued but not due on term loans	0.02	0.06
Foreign currency loan from others	2,071.32	4,303.20
	2,073.19	4,306.95
Less: Current maturity of long-term borrowings	(1,962.22)	(2,227.45)
Less: Current maturity of interest accrued but not due on term loan	(11.82)	(21.91)
	(1,974.04)	(2,249.36)
	99.15	2,057.59

Indian rupee loan from Government department ₹ 1.85 million (Previous year: ₹ 3.69 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 is Nil (Previous year ₹ 33.61 million). The interest free loan is given under a Covid-19 scheme for medium and small scale Industries by the Government with a repayment period of five years from March 2020.

Foreign currency loan ₹ 2,059.52 million (Previous year: ₹ 4,247.73 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 monthly instalments commencing from November 2021	405.42	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022	973.00	SOFR + 155 bps
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022	681.10	SOFR + 155 bps
	2,059.52	

The table below shows change in the Company's liabilities arising from financing activities, including both cash and non-cash changes:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Opening balance	4,306.95	4,325.35
Additions	-	2,161.09
Less: Payments made	(2,251.80)	(2,122.72)
Translation differences	18.04	(56.77)
Closing balance	2,073.19	4,306.95

20\ Non-current financial liabilities: Lease liabilities (refer note 36)

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Lease liabilities	2,438.10	2,268.59
Less: Current portion of lease liabilities	(830.01)	(676.39)
	1,608.09	1,592.20

The table below shows change in the Company's liabilities arising from lease, including both cash and non-cash changes:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Opening balance	2,268.59	1,456.87
Additions	753.59	1,230.91
Deletions	-	(260.50)
Add: Interest recognised during the year	180.02	137.86
Less: Payments made	(760.18)	(545.22)
Translation differences	(3.92)	248.67
Closing balance	2,438.10	2,268.59

21\ Non current liabilities: Provisions

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Provision for employee benefits		
- Gratuity	74.24	3.52
- Long service awards	472.72	369.51
	546.96	373.03

22\ Trade payables

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Trade payables		
- Total outstanding dues of small enterprises and micro enterprises	**49.63**	34.04
- Total outstanding dues of creditors other than small enterprises and micro enterprises	**8,088.99**	5,655.04
	8,138.62	5,689.08

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information information available with the Company.

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Amount remaining unpaid:		
Principal	**49.63**	**34.04**
Interest	-	-
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

23\ Other current financial liabilities

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Capital creditors	**79.97**	583.07
Accrued employee liabilities	**1,092.42**	840.04
Unpaid dividend*	**2.92**	3.05
Other liabilities_Financial	**78.41**	12.11
Liability towards contingent consideration (refer note 44)	**2,464.55**	**5,305.83**
Less: Non-current portion of liability towards contingent consideration	-	(2,888.92)
	2,464.55	2,416.91
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	67.67
	3,718.27	3,922.85

* Unpaid dividend is transferred to Investor Education and Protection Fund as and when due.

24\ Other liabilities

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
- Current		
Unearned revenue	**1,979.70**	1,043.75
Advance from customers	**262.89**	175.48
Other payables		
- Statutory liabilities	**904.91**	1,183.11
- Others*	**155.32**	245.37
	3,302.82	**2,647.71**
- Non Current		
Unearned revenue	**44.44**	34.83
	3,347.26	**2,682.54**

*Includes balance of ₹ 65.10 Million (Previous year: ₹ 125.39 Million) to be utilised against certain predefined activities specified in the government grant agreement. There are no unfulfilled conditions or contingencies attached to these grants.

25\ Current liabilities: Provisions

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Provision for employee benefits		
- Gratuity (refer note 31)	**0.13**	0.09
- Leave encashment	**1,651.87**	1,167.97
- Long service awards	**34.02**	34.18
- Other employee benefits	**1,644.64**	3,447.00
	3,330.66	4,649.24

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	49.63	-	-	-	49.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,959.56	79.30	31.84	18.29	8,088.99
As at March 31, 2024	**8,009.19**	**79.30**	**31.84**	**18.29**	**8,138.62**

(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**

26\ Revenue from operations (net)

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Software services	**94,181.78**	79,993.40
Software licenses	**4,034.09**	3,512.52
	98,215.87	83,505.92

Software service revenue is recognized on on time and materiality basis. Software licenses revenue is recognized on point in time basis.
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, 2024 In ₹ million	March 31, 2023 In ₹ million
Revenue by industry segments		
BFSI	**31,385.58**	27,231.45
Healthcare & Life Sciences	**20,880.32**	16,161.07
Technology Companies and Emerging Verticals	**45,949.97**	40,113.40
Total	**98,215.87**	83,505.92
Geographical disclosure		
India	**9,747.39**	9,432.51
North America	**77,087.28**	65,107.83
Rest of the World	**11,381.20**	8,965.58
Total	**98,215.87**	83,505.92
Customers' Industry wise disclosure		
IP Led	**7,009.74**	6,217.73
Offshore	**58,230.11**	48,411.12
Onsite	**32,976.02**	28,877.07
Total	**98,215.87**	83,505.92

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. The normal credit term is 30 to 90 days.

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.

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 ₹ 40.58 million (Previous Year: ₹ 113.45 million).

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Revenue as per contract price	**98,215.87**	83,505.92
Discount	**-**	-
Revenue from contract with customers	**98,215.87**	**83,505.92**

Changes in contract assets are as follows:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Balance at the beginning of the year	**4,671.23**	3,130.31
Invoices raised that were included in the contract assets balance at the beginning of the year	**(4,688.21)**	**(3,259.71)**
Increase due to revenue recognised during the year, excluding amounts billed during the year	**6,521.34**	**4,671.23**
Translation exchange difference	**16.98**	129.40
Balance at the end of the year	**6,521.34**	**4,671.23**

Changes in unearned and deferred revenue are as follows:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Balance at the beginning of the year	**1,078.58**	978.32
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	**(981.16)**	**(900.71)**
Increase due to revenue recognised during the year, excluding amounts billed during the year	**1,791.38**	**990.30**
Translation exchange difference	**135.34**	10.67
Balance at the end of the year	**2,024.14**	**1,078.58**

27\ Other income

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Interest income		
- On deposits carried at amortised cost	**294.98**	296.25
- On Others	**267.47**	216.38
Other non operating income		
Foreign exchange gain (net)	**84.97**	(133.24)
Profit on sale of property, plant and equipment (net)	**22.64**	1.69
Net profit on sale/ fair valuation of financial assets designated as FVTPL	**289.11**	196.52
Excess provision in respect of earlier years written back	**27.76**	32.44
Miscellaneous income	**293.27**	96.13
	1,280.20	**706.17**

28\ Personnel expenses

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
28.1 Employee benefits expense		
Salaries, wages and bonus	**53,155.41**	44,367.70
Contribution to provident and other funds* (refer note 31)	**3,781.21**	3,022.40
Staff welfare expenses	**1,581.33**	948.41
Share based payments to employees (refer note 35)	**1,091.75**	1,357.14
	59,609.70	49,695.65
28.2 Cost of professionals	**11,492.70**	10,426.01
	71,102.40	60,121.66

* Includes gratuity and leave encashment.

29\ Other expenses

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Travelling and conveyance	**1,533.72**	1,260.25
Electricity expenses (net)	**140.95**	120.28
Internet link expenses	**132.44**	82.59
Communication expenses	**80.81**	96.25
Recruitment expenses	**250.38**	414.85
Training and seminars	**169.86**	123.30
Royalty expenses	**59.55**	65.19
Purchase of software licenses	**5,608.16**	3,411.70
Bad debts	**63.36**	82.33
Allowance / (Reversal) for expected credit loss (net)	**103.57**	3.03
Rent (refer note 36)	**145.93**	147.45
Insurance	**91.96**	52.89
Rates and taxes	**141.78**	145.39
Legal and professional fees	**1,063.96**	926.27
Repairs and maintenance		
- Plant and Machinery	**187.75**	140.13
- Buildings	**35.19**	33.63
- Others	**32.42**	28.10
Selling and marketing expenses	**7.98**	57.38
Changes in contingent consideration payable on business combination	**(743.03)**	-
Advertisement, conference and sponsorship fees	**185.09**	159.78
Computer consumables	**21.11**	18.37
Auditors' remuneration (refer note 39)	**14.31**	11.84
Corporate social responsibility expenditure (refer note 43)	**175.45**	117.60
Books, memberships, subscriptions	**33.15**	83.12
Directors' sitting fees	**8.20**	8.00
Directors' commission	**34.11**	27.95
Loss / Impairment of non current investments	**20.58**	-
Miscellaneous expenses	**757.87**	575.34
	10,356.61	8,193.01

30\ Earnings per share

(In ₹ million)

		For the year ended	
		March 31, 2024	March 31, 2023
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	**10,934.91**	9,210.93
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	**150,952,418**	148,887,386
Denominator for Diluted EPS			
Number of equity shares	(C)	**153,871,858**	152,850,000
Basic Earnings per share of face value of ₹ 5 each (In ₹)	**(A/B)**	**72.44**	**61.87**
Diluted Earnings per share of face value of ₹ 5 each (In ₹)	**(A/C)**	**71.07**	**60.26**

	For the year ended	
	March 31, 2024	March 31, 2023
Outstanding weighted average number of equity shares considered for diluted EPS	**153,871,858**	152,850,000
Less: Weighted average number of treasury shares	**2,919,440**	3,962,614
Number of shares considered as weighted average shares and potential shares outstanding	**150,952,418**	**148,887,386**

31\ Defined benefits and contribution obligation

a) 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, 2024	March 31, 2023
Current service cost	**305.69**	194.87
Interest cost on benefit obligation	**94.48**	82.38
Expected return on plan assets	**(99.74)**	(86.68)
Other	**-**	-
Net benefit expense	**300.43**	**190.57**
Net actuarial loss recognized in the year	**90.52**	35.01
Due to Demographic assumptions	**-**	-
Due to Financial assumptions	**50.06**	(64.18)
Due to Experience assumptions	**40.46**	99.19
Net actuarial loss recognized in the year	**90.52**	**35.01**

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, 2024	March 31, 2023
Opening fair value of plan assets	1,331.70	1,226.01
Expected return	99.74	86.68
Contribution by employer	274.93	3.62
Benefits paid	(155.31)	(3.62)
Actuarial gains / (losses)	(7.74)	19.01
Closing fair value of plan assets	1,543.32	1,331.70

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, 2024	March 31, 2023
Opening defined benefit obligation	1,281.99	1,193.78
Interest cost	94.48	82.38
Current service cost	305.69	194.87
Benefits paid	(155.31)	(223.55)
Actuarial losses on obligation	90.52	35.01
Exchange difference	0.32	(0.50)
Closing defined benefit obligation	1,617.69	1,281.99

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Fair value of plan assets	1,543.32	1,331.70
Less: Defined benefit obligations	(1,614.08)	(1,278.38)
Gratuity Liability / Plan asset for Persistent Systems Limited	(70.76)	53.32
Gratuity liability for Persistent Systems Lanka (Private) Limited	(3.61)	(3.61)

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Persistent Systems Limited

	As at	
	March 31, 2024	March 31, 2023
Discount rate	7.22%	7.49%
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: Above 10 : 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: Above 10 : 2%
Increment rate	6.00%	6.00%
Weighted average duration of the defined benefit obligation (Years)	13.26	13.53

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2024	March 31, 2023
Investments with insurer including accrued interest	**100%**	100%

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2024	March 31, 2023
Discount rate	**13.40%**	25.48%
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, 2024, every percentage point increase / decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 1,824.04 million / ₹ 1,445.62 million (previous year: ₹ 1,146.05 million / ₹ 1,442.92 million) respectively.

As at March 31, 2024, every percentage point increase / decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 1,758.09 million / ₹ 1,499.68 million (previous year: ₹ 1,375.82 million / ₹ 1,201.78 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, 2024	March 31, 2023
Plan assets	**1,543.32**	1,331.70
Defined benefit obligation	**(1,614.08)**	(1,278.38)
Plan asset for Persistent Systems Limited	**(70.76)**	53.32
Gratuity liability for Persistent Systems Lanka (Private) Limited	**(3.61)**	(3.61)

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ million)

	As at	
	March 31, 2024	**March 31, 2023**
Within 1 year	**71.54**	58.98
1-2 years	**67.91**	65.40
2-3 years	**74.22**	63.68
3-4 years	**118.43**	68.05
4-5 years	**97.15**	104.63
5-10 years	**520.64**	405.87
Above 10 years	**3,639.82**	2,893.73

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 71.41 million.

Risk Characteristics of the Defined Benefit Plan

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

b) Defined contribution plan - Superannuation Fund

The Group contributed ₹ 89.42 million and ₹ 75.66 million to superannuation fund during the years ended March 31, 2024 and March 31, 2023 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

c) 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 ₹ 1,383.67 million (Previous year ₹ 1,159.43 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, 2024			March 31, 2023			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	156.82	-	-	181.13	-	-	Level 3
Investments in bonds #	-	-	2,995.61	-	-	3,085.59	
Investments in mutual funds	5,113.25	-	-	3,134.94	-	-	Level 2
Loans	-	-	-	-	-	-	
Deposit with banks and financial institutions (net)	-	-	3,715.20	-	-	4,922.43	
Cash and cash equivalents (including unpaid dividend)	-	-	6,628.07	-	-	4,673.17	
Trade receivables (net)	-	-	16,761.13	-	-	15,704.64	
Foreign exchange forward contracts	-	42.54	-	-	-	-	Level 2
Unbilled revenue	-	-	6,521.34	-	-	4,671.23	
Other non current financial assets	-	-	410.90	-	-	383.36	
Other current financial assets	-	-	57.95	-	-	-	
Total Financial Assets	**5,270.07**	**42.54**	**37,090.20**	**3,316.07**	**-**	**33,440.42**	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	2,073.19	-	-	4,285.10	
Trade payables	-	-	8,138.62	-	-	5,689.08	
Lease liabilities	-	-	2,438.10	-	-	2,268.59	
Other financial liabilities (excluding borrowings)	-	-	6,182.82	-	-	12,071.78	
Foreign exchange forward contracts	-	-	-	-	67.67	-	
Total Financial Liabilities	**-**	**-**	**18,832.73**	**-**	**67.67**	**24,314.55**	

*** 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:

(In ₹ million)

	As at March 31, 2024			As at March 31, 2023		
Particulars	Face Value	No. of Units	Cost	Face Value	No. of Units	Cost
Bonds carried at amortised cost	1,000 5,000 1,000,000	1,325,898 53,000 906	1,593.57 361.87 961.47	1,000 5,000 1,000,000	1,405,898 53,000 906	1,681.82 361.87 961.47
Total Cost			2,916.91			3,005.16
Designated as fair value through profit and loss			78.70			80.43
Total investments carried at amortised cost			2,995.61			3,085.59

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, 2024:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	8,346.86	505.68	979.78	360.84	10,193.16
Cash and cash equivalents and bank balances	1,851.71	13.77	94.62	117.06	2,077.16
Trade and other payables	51.88	107.04	93.52	50.15	302.59

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	3,843.86
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

Foreign currency sensitivity analysis

For the year ended March 31, 2024 and March 31, 2023, 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 0.12% and 0.06% 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 year and the current reporting year.

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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	**260.00**	**84.16**	**21,881.33**	230.00	82.83	19,051.50

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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	**64.00**	**83.72**	**5,357.97**	55.00	80.82	4,445.22
Later than 3 months and not later than 6 months	**70.00**	**84.03**	**5,882.04**	63.00	82.60	5,203.67
Later than 6 months and not later than 9 months	**63.00**	**84.55**	**5,326.58**	56.00	83.95	4,701.05
Later than 9 months and not later than 12 months	**63.00**	**84.36**	**5,314.74**	56.00	83.96	4,701.56
Total	**260.00**		**21,881.33**	**230.00**		**19,051.50**

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 ₹ 17,491.31 million and ₹ 15,962.67 million as at March 31, 2024 and March 31, 2023, 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.

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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, 2024	March 31, 2023
Receivables overdue for more than 90 days *	553.19	381.32
Total receivables (gross)	17,889.95	16,151.63
Overdue for more than 90 days as a % of total receivables	3.1%	2.4%

* Out of this amount, ₹ 398.64 million (March 31, 2023: ₹ 188.96 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Within the credit period	13,810.70	11,494.47
1 to 30 days past due	2,111.36	2,625.12
31 to 60 days past due	925.83	1,100.93
61 to 90 days past due	488.87	549.79
91 to 120 days past due	151.40	161.24
121 and above past due	401.79	220.08
Less: Expected credit loss	(398.64)	(188.96)
Net trade receivables	**17,491.31**	**15,962.67**

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Opening balance	188.96	165.78
Movement in expected credit loss allowance	103.57	3.03
Pre-acquistion ECL adjusted against contingent consideration	96.44	-
Translation differences	9.67	20.15
Closing balance	**398.64**	**188.96**

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, 2024, the Group had a working capital of ₹ 19,390.14 million including cash and cash equivalents and current fixed deposits of ₹ 10,119.14 million and current investments of ₹ 2,726.54 million.

As at March 31, 2023, the Group had a working capital of ₹ 14,337.34 million including cash and cash equivalents and current fixed deposits of ₹ 8,899.56 million and current investments of ₹ 1,879.66 million.

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

(In ₹ million)

	March 31, 2024		March 31, 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	**1,974.04**	**99.15**	2,227.51	2,057.59
Trade payables and deferred payment liabilities	**8,138.62**	**-**	5,689.08	-
Lease Liabilities	**842.62**	**1,919.95**	676.77	1,919.39
Other financial liabilities (excluding borrowings)	**1,744.23**	**-**	1,717.19	2,888.92

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, 2024	As at March 31, 2023
Borrowings	**2,073.19**	4,306.95
Other financial liabilities	**3,718.27**	6,811.77
Total Debt:	**5,791.46**	**11,118.72**
Less : Cash and cash equivalents and bank balances other than cash and cash equivalants	**10,228.86**	9,032.80
Net Debt #	**(4,437.40)**	**2,085.92**
Total equity	**49,577.07**	39,650.78
Total Capital	**49,577.07**	39,650.78
Gearing Ratio (in %)	**(8.95%)**	**5.26%**

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, 2024	As at March 31, 2023
Forward contracts to sell USD: Hedging of expected receivables of USD 260 million (Previous year USD 230 million)	**21,881.33**	19,051.50

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ii. Details of un-hedged foreign currency exposures at the end of the year

	As at March 31, 2024			As at March 31, 2023		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	23.48	JPY 42.62	0.55	33.21	JPY 53.83	0.62
	1,851.71	USD 22.20	83.40	744.67	USD 9.06	82.17
	94.62	GBP 0.90	105.27	171.71	GBP 1.69	101.64
	80.31	CAD 1.31	61.38	48.95	CAD 0.81	60.63
	13.77	EUR 0.15	90.01	40.38	EUR 0.45	89.36
	1.46	AUD 0.27	54.17	25.77	AUD 0.46	54.92
	11.81	RON 0.65	18.08	-	-	-
Trade and other payables	51.88	USD 0.62	83.40	11.36	USD 0.14	82.17
	93.52	GBP 0.89	105.27	62.96	GBP 0.62	101.64
	107.04	EUR 1.19	90.01	110.79	EUR 1.24	89.36
	0.99	SGD 0.02	61.75	1.18	SGD 0.02	61.78
	32.49	CAD 0.52	61.38	19.01	CAD 0.31	60.63
	1.13	AUD 0.02	54.17	11.20	AUD 0.20	54.92
	14.09	ILS 0.62	22.64	-	-	-
	0.04	ZAR 0.01	4.37	-	-	-
	1.00	JPY 1.82	0.55	-	-	-
	0.41	CHF 0.004	92.11	-	-	-
Trade receivables	505.68	EUR 5.62	90.01	424.48	EUR 4.75	89.36
	8,346.86	USD 100.08	83.40	3,124.04	USD 38.02	82.17
	979.78	GBP 9.31	105.27	200.17	GBP 1.97	101.64
	183.45	CAD 2.99	61.38	54.29	CAD 0.90	60.63
	139.36	AUD 2.57	54.17	26.73	AUD 0.49	54.92
	12.38	ZAR 2.83	4.37	7.20	ZAR 1.56	4.60
	15.71	SGD 0.25	61.75	6.94	SGD 0.11	61.78
	0.01	CHF 0.01	92.11	-	-	-
	4.06	JPY 7.36	0.55	-	-	-
	5.87	MYR 0.33	17.63	-	-	-

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, 2024 In ₹ million	March 31, 2023 In ₹ million
Profit before tax	**14,476.06**	12,408.52
Enacted tax rate in India	**25.17%**	25.17%
Computed tax expense at enacted tax rate	**3,643.33**	3,122.98
Effect of exempt income	**(282.50)**	(55.68)
Effect of non-deductible expenses	**110.19**	(6.59)
Effect of concessions (R&D allowance)	**57.95**	(1.35)
Effect of concessions (Tax holidays)	**(6.16)**	(12.33)
Effect of previously unrecognised deferred tax assets now recognised	**2.64**	(29.01)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**120.23**	147.46
Effect of different tax rates for different heads of income	**1.87**	(0.07)
Effect of change in tax rates	**-**	(0.79)
Short Tax Provision of earlier years (net)	**76.58**	(3.54)
Reversal of Deferred tax asset created in earlier years	**5.77**	81.53

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Tax benefit on set-off of carry-forward losses	**(11.62)**	(28.88)
Unused tax losses not recognised as deferred tax assets	**141.26**	60.33
Excess tax benefits on stock-based compensation	**(262.02)**	(148.64)
Others	**(56.37)**	72.16
Income tax expense	**3,541.15**	**3,197.59**

Following subsidiaries of the Company have carry-forward tax loss as on March 31, 2024. The details are provided in below table. The Company has recognized deferred tax asset on this loss in case of Persistent Systems Germany GmbH to the extent of Euro 1,187,525 in its financial statements. In case of other subsidiaries, no deferred tax is currently recognized. However, the Company expects that this loss shall be utilised against future taxable income.

				Carry forward losses	
				March 31, 2024	March 31, 2023
Entity Name	**Category**	**Country**	**Currency**	**In Million**	**In ₹ Million**
Persistent Systems UK Ltd.	Pre April 1, 2017	UK	GBP	22.47	2,364.92
	Post April 1, 2017			3.31	348.91
Persistent Systems Australia Pty Ltd.	-	Australia	AUD	1.04	56.60
Persistent Systems Germany GmbH	-	Germany	EURO	9.49	854.21

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)**
Persistent helps financial institutions reduce complexity and simplify operating models to achieve growth and navigate disruption to evolve into next-generation financial institutions. We help our clients deliver world-class customer experiences, enabled by streamlined operations that create new business value.

b. **Healthcare & Life Sciences**
Persistent's healthcare expertise helps industry leaders drive revenue growth by providing end-to-end healthcare solutions and improved patient acquisition-retention. Implement next-generation solutions using cloud-based data integration and analytics.

c. **Software, Hi-Tech and Emerging Industries**
Software innovation and engineering services to design, develop and manage next-generation software products with breakthrough operational efficiency.

(In ₹ million)

Particulars			**BFSI**	**Healthcare & Life Sciences**	**Technology Companies & Emerging Verticals**	**Total**
Revenue	**Year ended**	**March 31, 2024**	**31,385.58**	**20,880.32**	**45,949.97**	**98,215.87**
	Year ended	March 31, 2023	27,231.45	16,161.07	40,113.40	83,505.92
Identifiable expense	**Year ended**	**March 31, 2024**	**19,861.72**	**12,209.10**	**34,145.31**	**66,216.13**
	Year ended	March 31, 2023	17,226.98	8,147.53	27,830.90	53,205.41
Segmental result	**Year ended**	**March 31, 2024**	**11,523.86**	**8,671.22**	**11,804.66**	**31,999.74**
	Year ended	March 31, 2023	10,004.47	8,013.54	12,282.50	30,300.51
Unallocable expenses	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**18,803.88**
	Year ended	March 31, 2023				18,598.16

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Operating income	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**13,195.86**
	Year ended	March 31, 2023	-	-	-	11,702.35
Other income (net of expenses)	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**1,280.20**
	Year ended	March 31, 2023	-	-	-	706.17
Profit before taxes	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**14,476.06**
	Year ended	March 31, 2023	-	-	-	12,408.52
Tax expense	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**3,541.15**
	Year ended	March 31, 2023	-	-	-	3,197.59
Profit after tax	**Year ended**	**March 31, 2024**	**-**	**-**	**-**	**10,934.91**
	Year ended	March 31, 2023	-	-	-	9,210.93

Note: Numbers mentioned in above table have been reconclied with the statement of profit and loss.

(In ₹ million)

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Segmental trade receivables (net)	**As at**	**March 31, 2024**	**4,657.36**	**3,106.66**	**9,727.29**	**17,491.31**
	As at	March 31, 2023	4,074.64	2,579.81	9,308.22	15,962.67
Segmental Unbilled revenue	**As at**	**March 31, 2024**	**1,471.00**	**1,129.58**	**3,920.76**	**6,521.34**
	As at	March 31, 2023	1,170.86	802.11	2,698.26	4,671.23
Unallocated assets	**As at**	**March 31, 2024**	**-**	**-**	**-**	**49,723.53**
	As at	March 31, 2023	-	-	-	46,096.90
Unallocated liabilities	**As at**	**March 31, 2024**	**-**	**-**	**-**	**24,159.11**
	As at	March 31, 2023	-	-	-	27,080.02

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, 2024**	**9,747.39**	**77,087.28**	**11,381.20**	**98,215.87**
	Year ended	March 31, 2023	9,432.51	65,107.83	8,965.58	83,505.92

The following table shows the information regarding geographical non-current assets.

(In ₹ million)

Particulars			India	North America	Rest of the World	Total
Non-current assets	**As at**	**March 31, 2024**	**23,287.67**	**6,575.97**	**728.25**	**30,591.89**
	As at	March 31, 2023	22,636.18	7,462.77	580.06	30,679.01

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 9,248.88 million for the year ended March 31, 2024 (Previous year : ₹ 7,697.87 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 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:

(In ₹ million)

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	9,121,000	11-Dec-99	11-Dec-99	*
Scheme II	1,506,400	23-Apr-04	23-Apr-04	10 Years
Scheme III	5,066,600	23-Apr-04	23-Apr-04	*
Scheme IV	13,916,500	23-Apr-06	23-Apr-06	10 Years
Scheme V	3,781,050	23-Apr-06	23-Apr-06	*
Scheme VI	2,432,500	31-Oct-06	31-Oct-06	10 Years
Scheme VII	3,569,950	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	84,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	2,748,924	29-Jun-09	29-Jun-09	10 Years
Scheme X	6,124,544	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	4,491,000	26-Jul-14	03-Nov-14	4-5 Years
Scheme XII ***	134,600	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	16,666,188	27-Jul-17	01-Aug-19	4-5 Years
Scheme XIV	160,000	27-Jul-17	01-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 2,800,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 100 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 (Category 1)	Grant (Category 2)	Grant (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 (Category 1)	Grant (Category 2)	Grant (Category 3)
12 - 20 Months	25%	40%	33.33%
24 - 32 Months	50%	30%	66.66%
36 - 44 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

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b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2024 and March 31, 2023

(In ₹ million)

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-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme II	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-23	216,518	-	86,514	6,002	124,002	124,002
	Weighted Average Price	31-Mar-23	15.89	-	15.21	15.34	16.39	16.39
	Number of Options	31-Mar-24	124,002	-	51,532	2,000	70,470	70,470
	Weighted Average Price	31-Mar-24	16.39	-	15.47	15.34	17.67	17.67
Scheme IV	Number of Options	31-Mar-23	492,596	-	142,114	139,282	211,200	211,200
	Weighted Average Price	31-Mar-23	27.36	-	23.60	30.56	27.79	27.79
	Number of Options	31-Mar-24	211,200	-	16,600	160,400	34,200	34,200
	Weighted Average Price	31-Mar-24	27.79	-	20.47	30.56	25.33	25.33
Scheme V	Number of Options	31-Mar-23	99,762	-	-	3,208	96,554	96,554
	Weighted Average Price	31-Mar-23	13.30	-	-	13.39	13.30	13.30
	Number of Options	31-Mar-24	96,554	-	-	26,486	70,068	-70,068
	Weighted Average Price	31-Mar-24	13.30	-	-	15.57	12.41	12.41
Scheme VI	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-23	282	-	282	-	-	-
	Weighted Average Price	31-Mar-23	13.14	-	13.15	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme VIII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-23	231,422	-	114,070	14,320	103,032	103,032
	Weighted Average Price	31-Mar-23	27.37	-	27.37	27.37	27.37	27.37
	Number of Options	31-Mar-24	103,032	-	90,232	12,800	-	-
	Weighted Average Price	31-Mar-24	27.37	-	27.37	27.37	-	-
Scheme X	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-14,000	14,000	-	-
	Weighted Average Price	31-Mar-24	-	-	95.68	95.68	-	-
Scheme XI	Number of Options	31-Mar-23	1,023,500	669,200	287,380	395,406	1,009,914	57,114
	Weighted Average Price	31-Mar-23	5.00	5.00	5.00	5.00	5.00	5.00
	Number of Options	31-Mar-24	1,009,914	443,400	82,510	482,034	888,770	48,734
	Weighted Average Price	31-Mar-24	5.00	5.00	5.00	5.00	5.00	5.00
Scheme XII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-

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-23	6,760,248	3,074,562	1,993,886	1,080,594	6,760,330	1,070,496
	Weighted Average Price	31-Mar-23	985.76	1,629.73	1,289.15	543.45	1,259.85	1,154.63
	Number of Options	31-Mar-24	6,760,330	3,764,950	894,394	1,940,838	7,690,048	861,540
	Weighted Average Price	31-Mar-24	1,259.85	3,261.15	1,449.31	967.64	2,286.26	1,497.72
Scheme XIV	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Total	Number of Options	31-Mar-23	8,824,328	3,743,762	2,624,246	1,638,812	8,305,032	1,662,398
	Number of Options	31-Mar-24	8,305,032	4,208,350	1,121,268	2,638,558	8,753,556	944,876

The weighted average share price for the period over which stock options were exercised was ₹ 3,013.10 (previous year ₹ 1,977.60).

c. Details of exercise price for stock option outstanding at the end of the year

(In ₹ million)

Scheme	Range of exercise price	As at March 31, 2024		As at March 31, 2023	
		No. of Options outstanding*	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
Scheme I	1.02 - 4.785	-	Note (i)	-	Note (i)
Scheme II	6.48 - 24.105	-	-	-	-
Scheme III	6.48 - 24.105	70,470	Note (i)	124,002	Note (i)
Scheme IV	11.115 - 30.56	34,200	1.31	208,400	1.73
Scheme V	11.115 - 22.07	70,068	Note (i)	99,354	Note (i)
Scheme VI	11.115 - 15.335	-	-	-	-
Scheme VII	12.085 - 30.56	-	-	282	1.73
Scheme VIII	24.105 - 24.105	-	-	-	-
Scheme IX	27.37 - 27.37	0	-	103,032	1.25
Scheme X	78.79 - 139.85	-	-	-	-
Scheme XI	5	888,770	3.72	1,009,914	4.08
Scheme XII	5	-	-	-	-
Scheme XIII	221.235 - 3300	7,690,048	3.80	6,760,248	3.59
Scheme XIV	270.41 - 270.41	-	-	-	-

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, 2024 amounted to ₹ 1091.75 million (Previous year ₹ 1360.28 million). The liability for employee stock options outstanding as at March 31, 2024 is ₹ 2,227.72 million (Previous year ₹ 2,222,02 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 2023-24:

Particulars	March 31, 2024 RSU Scheme XI	March 31, 2024 ESOP Scheme XIII	March 31, 2023 RSU Scheme XI	March 31, 2023 ESOP Scheme XIII
Weighted average share price (Rs.)	3108.77	3835.9	1914.18	1839.47
Weighted Exercise Price (Rs.)	5	3335.42	5	1629.99
Weighted Average Fair Value (Rs.)	3063.06	1341.98	1874.56	602.25
Expected Volatility	21.99%-30.69%	27.44%-31.15%	26.85%-28.11%	26.85%-28.11%
Life of the options granted **	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs
(Vesting and exercise period)				
Dividend Yield	44.00	44.00	39.00	39.00
Average risk-free interest rate	7.12%	7.16%	6.98%	7.06%

** 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.

Note: The group has done a share split of 1:2, the impact of this has been given to options granted to the employees of the Group ((refer note 18(a)).

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, 2024 (In ₹ million)	As at March 31, 2023 (In ₹ million)
Less than one year	842.62	676.77
One to five years	1,861.62	1,862.25
More than five years	58.33	57.14

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 ₹ 145.93 million for the year ended March 31, 2024 (Previous year ₹ 147.45 million).

The Group has has recognized interest on lease liabilities of ₹ 180.02 million under finance costs (Previous year ₹ 137.86 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.6).

37\ Related Party Disclosures

i. Names of related parties and related party relationship

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, 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
	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)
	Dr. Ajit Ranade , Independent Director (Appointed on June 6, 2023)
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. Yeshwant Sapre, (Father 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	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, 2024	For the year ended March 31, 2023
Donation given	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	175.45	117.50
		175.45	**117.50**

	Name of the related party and nature of relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
Remuneration # (Salaries, bonus and contribution to other funds)	**Key Management Personnel**		
	Dr. Anand Deshpande	37.68	36.40
	Mr. Sunil Sapre* (including value of perquisites for stock options exercised ₹ 143.52 million during the year 2023-24 (Previous year: ₹ 82.77 million)	163.98	102.18
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 11.52 million during the year 2023-24 (Previous year: ₹ 4.66 million)	17.00	9.44
	Mr. Sandeep Kalra (including value of perquisites for stock options exercised ₹ 637.7 million during the year (Previous year: ₹486.05 million)	765.89	616.56
	Independent directors:		
	Ms. Roshini Bakshi	**6.48**	**4.63**
	Mr. Pradeep Bhargava **	**-**	**1.55**
	Dr. Anant Jhingran **	**-**	**2.72**
	Mr. Thomas Kendra **	**-**	**1.40**
	Mr. Praveen Kadle	**6.65**	**5.03**

	Name of the related party and nature of relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
	Mr. Guy Eiferman **	-	1.40
	Dr. Deepak Phatak ^	-	4.40
	Ms. Avani Davda $	6.58	4.73
	Mr. Arvind Goel $	6.15	3.46
	Dr. Ambuj Goyal $	6.08	3.41
	Mr. Dan'l Lewin $	5.65	3.23
	Dr. Ajit Ranade ^	4.73	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande	0.02	5.31
	Total	**1,026.89**	**805.85**
Dividend paid	**Key Management Personnel**		
	Dr Anand Deshpande	1,235.11	891.88
	Mr. Sunil Sapre	3.67	2.82
	Mr Sandeep Kalra	2.69	3.42
	Mr. Amit Atre	0.13	0.08
	Independent directors:		
	Mr. Pradeep Bhargava	0.23	0.47
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.03	0.07
	Mrs. Chitra Buzruk	25.35	18.31
	Dr. Mukund Deshpande	21.60	11.20
	Mrs. Sonali Anand Deshpande	6.05	4.37
	Mrs. Sulabha Suresh Deshpande	0.03	0.08
	Mr. Arul Deshpande	0.54	0.39
	Mr. Hemant Bakshi	0.27	0.20
	Mr. Aditya Phatak	1.53	1.13
	Ms. Alpana Ajit Ranade	0.01	-
	Total	**1,297.24**	**934.42**
Other payments	**Key Management Personnel**		
	Sunil Sapre	0.33	0.30
	Relatives of Key Management Personnel		
	Asha Sapre	0.33	0.30
	Total	**0.66**	**0.60**

Letters of comfort

i. Letters of letters of comfort of USD 24.69 Million: Rs. 2,059.15 Million (March 31, 2023: USD 51.69 Million: Rs. 4,247.37 Million) to bank for loans availed by subsidiary of the Parent Company.

Notes:

* Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

^ Dr. Deepak Phatak retired wef April 2, 2023. Dr Ajit Ranade has been appointed wef June 6, 2023.

$ 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, 2024	March 31, 2023
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	396.29	186.51
Other commitments		
Forward contracts	21,881.33	19,051.50

For commitments relating to lease agreements, please refer note 36.

39\Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2024	March 31, 2023
Audit fee	13.42	11.18
Certifications	0.50	0.20
Reimbursement of expenses	0.39	0.46
	14.31	11.84

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, 2024	March 31, 2023
Revenue	282.75	147.23
	282.75	147.23

41\ Net dividend remitted in foreign exchange

(In ₹ million)

	No. of non-resident shareholders		No. of equity shares held on which dividend was due		For the year ended	
Particulars	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interim dividend	11	12	0.38	0.41	12.21	11.64
Final dividend	9	5	0.39	0.40	8.55	4.39

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42\ Contingent liabilities

(In ₹ million)

Sr. No.		As at March 31, 2024	As at March 31, 2023
a.	**Claims against the company not acknowledged as debt***		
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. 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. Other Pending litigations in respect of Indirect taxes.	7.77	8.20
2	**Income tax demands disputed in appellate proceedings**	1,102.72	1,023.34
b.	**Letter of Comfort on behalf of Subsidiaries**		
	Letters of comfort on behalf of subsidiary USD 24.69 Million (Previous year : USD 51.69 Million)	2,059.15	4,247.37

*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.

43\ Details of Corporate Social Responsibility expenditure

(In ₹ million)

		March 31, 2024	March 31, 2023
a.	Gross amount required to be spent by the Company during the year	175.45	140.99
b.	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	175.45	117.60
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	Donation given to the following entities: a. Persistent Foundation b. Deepastambha Charitable Trust
g.	Details of related party transactions Donation given to Persistent Foundation	175.45	117.50
h.	Deails of provision made for liability incurred by entering into a contractual obligation	-	-

* Set-off availed: The Company spent an excessive amount of INR 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 INR 23.39 Million. The Company continues to have an amount of INR 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

MediaAgility India Priviate Limited and MediaAgility Inc.

During the year ended March 31, 2023, the Company entered into agreements to acquire Companies which have been together referred to as “Media Agility” in the notes elsewhere. On April 29, 2022, the Parent Company acquired 100% voting equity interest in MediaAgility India Private Limited. Further, on May 4, 2022, Persistent Systems Inc. USA, a wholly-owned subsidiary of the Parent Company,acquired 100% voting equity interest in MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore. This business combination is accounted by applying acquisition method. During the year ended March 31, 2023,the same was accounted on provisional basis availing the exemption under Ind AS 103.

MediaAgility is a global cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner. It provides cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services to its clients.

During the period, the purchase price allocation was completed. Accordingly, at the acquisition date, the identifiable assets acquired,the liabilities assumed including contingent consideration are recognised at their acquisition date fair values as follows:

Acquisition-date fair values of total purchase consideration:

Particulars	In ₹ million
Upfront consideration	4,449.89
Contingent consideration	1,168.18
Total purchase consideration	**5,618.07**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ million
Assets	
Current Assets	
Cash & cash equivalents	842.41
Trade receivables	1,130.77
Other current assets	116.96
Other current financial assets	1.88
Current tax assets (net)	208.82
Non-current assets	
Property, plant and equipment	11.62
Customer relations	1,548.49
Goodwill	3,322.19
Subtotal	**7,183.14**
Liabilities	
Current liabilities	
Trade payables	1,058.40
Other current financial liabilities	226.64
Other current liabilities	280.03
Subtotal	**1,565.07**
Net assets taken over	**5,618.07**

The goodwill of ₹ 3,322.19 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is non separable therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill recognised is not expected to be deductible for income tax purposes.

The fair value of the trade receivables amounts to ₹ 1,130.77 Million. The gross amount of trade receivables is ₹ 1,154.69 Million. However, it is expected that the full contractual amounts can be collected except for ₹ 23.92 Million on account of preacquisition adjustments which will be recovered from the dues of selling shareholders.

Transaction costs of ₹ 56.47 Million and ₹ 118.69 Million have been expensed and are included in other expenses for the year ended March 31, 2022 and March 31, 2023 respectively.

Revenue of ₹ 2,495.99 Million for the year ended March 31, 2024 is included in the financial statements. The profit included for the year ended March 31, 2024 is ₹ 330.47 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ million #
Transaction costs of the acquisition (included in cash flows from operating activities)*	**(175.16)**
Net cash acquired with the subsidiary (included in cash flows from investing activities)	**842.41**
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax)	**(3,316.02)**

* Represents the expenditure incurred over the period of time on acquisition.

Negative amount represents cash outflows

Contingent consideration

As part of the purchase agreement with the selling shareholders of Media Agility, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a) ₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 39,998 Thousands of target net revenue in a 12-month period after the acquisition date,

b) ₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 54,393 Thousands of target net revenue in a 12-month period after the acquisition date.

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 1,168.18 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	**90%**
Discount rate	**3%**

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2024, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised. The fair value of the contingent consideration measured as at March 31, 2024 reflects this development, amongst other factors and a re-measurement charge has been recognised through profit or loss. A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

Particulars	In ₹ million
Opening balance as at April 01, 2022	-
Liability arising on business combination	1,168.18
Unrealised fair value changes recognised in profit or loss	33.88
Unrealied foreign exchange reinstatement loss	88.41
Closing balance as at March 31, 2023	1,290.47
Opening balance as at April 01, 2023	**1,290.47**
Unrealised fair value changes recognised in profit or loss	**20.79**
Payment during the year	**(580.33)**
Other adjustments	**(100.44)**
Unrealied foreign exchange reinstatement gain	18.54
Closing balance as at March 31, 2024	**649.03**

45\ Ratio Analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance (If more than 25%)
a. Current ratio	Number	Current Assets	Current Liabilties	**1.89**	1.71	10.53%	
b. Debt-Equity ratio	%	Debt	Shareholder's Equity	**4.18%**	10.86%	-6.68%	
c. Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	**8.49**	6.51	30.41%	Refer note 1
d. Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	**24.94%**	25.66%	-0.72%	
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	**5.51**	5.13	7.29%	
f. Trade payables turnover ratio	Number	Cost of professionals and other expenses + - Non-cash adjustments	Average Trade payables	**2.73**	3.23	-15.62%	
g. Net capital turnover ratio	Number	Revenue from operations	Working capital	**5.07**	5.82	-13.03%	
h. Net profit ratio	%	Net Profit after tax	Turnover	**11.13%**	11.03%	0.10%	
i. Return on Capital employed	%	Profit before interest and tax	Average capital employed	**28.58%**	30.43%	-1.85%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	**6.86%**	5.28%	1.60%	

**Earnings available for debt service = Profit before exceptional items and tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

Note 1: The increase in interest rates and incremental borrowings during the year ended March 31, 2024, primarily resulted in higher finance expense.

46 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.

47 Finance costs include interest on lease liability of ₹ 180.02 million under finance costs (Previous year ₹ 137.86 million) and notional interest on amounts due to selling shareholders ₹ 51.05 million (Previous year ₹ 112.76 million).

48 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.

49 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.

50\ 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.

51\ During the year Persistent Systems Germany GMBH ('PSG') (a wholly owned subsidiary of Persistent Systems Limited) has entered into restructuring arrangement and accordingly wholly owned subsidiaries Youperience GMBH and Parx Consulting GmbH are merged into Persistent Systems Germany GMBH with effect from September 01, 2023. Since both the entities are under common control of PSG, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. This transaction does not have any impact on the consolidation.

52\ During the year Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branch has been transfered to Persistent Systems Australia Pty Ltd with effect from October 01, 2023. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. This transaction does not have any impact on the consolidation.

53\ The Board of Directors of the Company at its meeting held on January 20, 2024, approved the Scheme of Merger of Capiot Software Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited, and accordingly, an application of Merger has been filed with the National Company Law Tribunal, Mumbai (NCLT) on March 22, 2024.

54\ The Share Purchase Agreement ('SPA') for the transfer of the 100% shareholding of Persistent Systems UK Limited (subsidiary) from Aepona Group Limited, Ireland (subsidiary) to Persistent Systems Limited was executed on Tuesday, March 19, 2024.

55\ During the year ended March 31, 2024, the group has done fair valuation of contingent consideration payable towards acquisition of business to the erstwhile shareholders of Data Glove Incorporated, Software Corporation International & SCI Fusion 360, LLC and Shree Partners. Based of the fair valuation, the liability has been adjusted by ₹ 743.03.

56\ The Business Transfer Agreement has been executed for the transfer of the business of the UK Branch of the Company to Persistent Systems UK Limited effective from April 1, 2024. This transaction does not have any impact on the consolidation.

57\ "The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from 1st April 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Group uses a SaaS based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

The database of the accounting software is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) includes suitability of the design and operating effectiveness of controls. However, the availability of audit trail (edit logs) are not covered in the said report.

In our view, the group's ERP being a SaaS based software, the audit trail at the database level is not applicable."

58\ 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 Holding Company had filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company believes that its services were eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. With the intention of avoiding litigation and settling the dispute, the Company had applied before the Settlement Commission for settlement of the case and had offered to forego ₹ 296.55 million. The Parent Company had recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022, which was presented as an "exceptional item" in the statement of profit and loss for that period. During the quarter, the Settlement Commission has approved the Parent Company's application and has settled the liability of ₹ 296.55 million including interest. As the amount has already been provided for in full by the Company, no further adjustment is necessary in these financial statements.

59\ The financial statements are presented in ₹ million and decimal thereof except for per share information or as otherwise stated.

60\ 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.

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: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

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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 S.A.S	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
1\	Reporting currency	USD	SGD	EUR	MYR	EUR	INR	INR	USD	MXN	ILS	CHF
2\	Exchange rate on the last date of the Financial year (₹)	83.4000	61.7549	90.0136	17.6265	90.0136	1.0000	1	83.4000	5.0291	22.6415	92.1140
3\	Financial Year Ending On	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
4\	Share capital	4,729.74	15.50	97.47	102.25	1,413.30	1.87	32	-	3.65	6.78	16.58
5\	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-
6\	Reserves & Surplus	2,800.04	22.00	-106.70	147.57	-1,144.85	53.99	361	197.27	91.24	153.55	288.11
7\	Total assets	33,247.16	55.17	476.43	379.13	1,579.32	56.45	2,068	658.07	294.56	167.59	516.24
8\	Total Liabilities	25,717.38	17.67	485.66	129.30	1,310.87	0.60	1,675	460.80	199.67	7.27	211.55
9\	Investments %%	8,041.74	-	-	-	1,015.48	-	0	-	-	-	-
10\	Turnover	57,894.22	52.30	731.33	303.71	530.76	-	626	470.68	957.84	-	1,019.77
11\	Profit / (Loss) before taxation	1,657.32	4.17	-152.59	6.33	-2.43	-2.27	223	110.56	87.93	-0.13	343.60
12\	Provision for taxation	63.55	0.82	-40.97	3.02	-	-0.57	66	2.15	41.93	-	4.04
13\	Profit / (Loss) after taxation	1,593.77	3.35	-111.62	3.31	-2.43	-1.70	157	108.41	46.00	-0.13	339.56
14\	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-
15\	% of shareholding	100%	100%	100%	100%	100%	100%	100%	100%*	100%*	100%*	100%**
16\	Period of Establishment / Acquisition	Oct-01	Apr-07	Apr-11	Sep-13	Dec-16	Nov-20	Apr-22	Jan-12	Mar-16	Feb-16	Aug-17

Sr. No.	Name of the Subsidiary Company	Aepona Group Limited	Persistent Systems UK Limited	Persistent Systems Lanka (Private) Limited	Persistent Systems Australia Pty Limited	Data Glove IT Solutions Limitada	Software Corporation International	Persistent Systems S.r.l., Romania	Persistent Systems Poland Sp. z o.o.	MediaAgility Inc.	MediaAgility Pte. Ltd.	MediaAgility UK Ltd	Digitalagility S de RL de CV
1\	Reporting currency	GBP	GBP	LKR	AUD	CRC	USD	RON	PLN	USD	SGD	GBP	MXN
2\	Exchange rate on the last date of the Financial year (₹)	105.2675	105.2675	0.2784	54.1683	0.1668	83.4000	18.0848	20.8183	83.4000	61.7500	104.2700	5.0300
3\	Financial Year Ending On	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
4\	Share capital	58.19	1,230.62	0.01	0.00	0.00468	31.97	9.08	0.10	23.27	0.01	0.10	0.04
5\	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-
6\	Reserves & Surplus	761.50	-1,178.29	288.02	-95.63	124.87	-10.33	30.32	13.03	862.88	16.89	-14.48	-71.14
7\	Total assets	829.26	615.40	343.08	401.97	164.03	38.79	105.24	81.16	1,309.20	43.89	90.70	28.59
8\	Total Liabilities	9.57	563.07	55.05	497.61	39.16	17.14	65.84	68.04	423.05	26.99	105.08	58.19
9\	Investments %%	-	-	-	-	-	-	-	-	0.66	-	-	-
10\	Turnover	3.46	417.42	240.67	732.33	540.06	67.76	250.23	257.70	570.70	6.67	28.25	8.56
11\	Profit / (Loss) before taxation	771.14	46.49	25.68	-34.06	78.20	3.12	36.33	14.35	-55.76	3.15	-0.87	-17.85
12\	Provision for taxation	-	-0.18	0.04	-	23.46	25.41	5.81	1.72	8.92	-	-1.48	0.98
13\	Profit / (Loss) after taxation	771.14	46.67	25.64	-34.06	54.74	-22.29	30.52	12.63	-64.68	3.15	0.61	-18.83
14\	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-
15\	% of shareholding	100%*	100%	100%****	100%*	100%**	100%*	100%**	100%	100%*	100%&&	100%&&	100%&&
16\	Period of Establishment / Acquisition	Oct-15	Oct-15	Oct-15	Nov-20	Mar-22	Oct-21	Jun-22	Apr-23	May-22	May-22	May-22	May-22

* 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 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.

**** Wholly owned subsidiaries of Aepona Group Limited which is a wholly onwed subsidiary of Persistent Systems Inc.

%% Investments are reported net of provision for impairment

For and on behalf of the Board of Directors

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

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 2024, 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 material accounting policy information 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 2024, 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.

<table>
<tr><th>Sr. No.</th><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>1\</td><td>Accuracy of revenues and onerous obligations in respect of fixed-price contracts

Refer Note 3.2 (a) to 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' ('Ind AS 115'). Revenue recognition in such contracts 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 customized and complex nature of these contracts and significant involvement of information technology (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.</td><td>Our audit procedures relating to accuracy of revenues and onerous obligations in respect of fixed-price contracts included but were not limited to the following:

\ Obtained an understanding of the systems, processes and controls implemented by management for calculating and recording revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations;

\ Evaluated the design and tested operating effectiveness of related internal financial manual controls and involved auditor's experts to-:

– Test key 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;

– 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; and

\ Evaluated the appropriateness of disclosures made in the standalone financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.</td></tr>
</table>

Sr. No.	Key audit matter	How our audit addressed the key audit matter
2\	**Valuation of Employee Stock Option Plan ('ESOP')** Refer note 3.3 (q) and note 34 to the standalone financial statements. The Company has framed various ESOP schemes for its employees under which the Company pays remuneration to its employees for services received in the form of equity-settled share-based payment transactions. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognised as employee compensation cost by the Company over the vesting period of such options. The fair valuation of options granted to employees for the services rendered is performed by external valuation specialists using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including expected volatility, dividend yield, risk-free interest rate, performance factor, attrition rate and non-acceptance factors. Considering significant management judgment and materiality of amounts involved, valuation of ESOP reserve and expense is considered as a key audit matter for the current year audit.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: \ Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; \ Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, models and assumptions used by the management to determine the fair value of options granted during the year; \ Evaluated competency and objectivity of valuation specialist hired by the management; \ Reviewed the report from management's valuation specialist considered for valuation of options granted during the year; \ Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; \ Involved auditor's valuation expert to assist in validating the valuation assumptions, methodology and approach considered by the management's expert; and ascertained arithmetical accuracy of computation of share-based payment expense; and \ Evaluated the appropriateness of disclosures made in the Standalone financial statements with respect to share based payments as required by applicable Indian Accounting Standards

Information other than the Financial Statements and Auditor's Report thereon

6\ 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

7\ 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.

8\ In preparing the financial statements, the Board of Directors is 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

9\ Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

10\ 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.

11\ 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.

12\ 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.

13\ 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.

14\ 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

15\ 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.

16\ 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.

17\ 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 except for the matters stated in paragraph 17(g)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers of the Company maintained in electronic mode has been maintained on servers physically located in India, on a daily basis.

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 2024 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 2024;

   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 2024;

   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 2024;

   iv a. The management has represented that, to the best of its knowledge and belief, other than as 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(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 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, other than as disclosed in note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), 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 2024 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 2024 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 As stated in Note 53 of the accompanying standalone financial statements and based on our examination which included test checks, except for instance mentioned below, the Company, in respect of financial year commencing on 1 April 2023, has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with, other than the consequential impact of the exception given below:

Sr. No.	Nature of exception noted	Details of Exception
1	Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Oracle Fusion ERP) used for maintenance of books of accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

The As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Shashi Tadwalkar
Partner
Membership No. 101797
UDIN: 24101797BKCPBF9008

Place: Pune
Date: 21 April, 2024

Annexure A referred to in paragraph 16 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 2024.

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, capital work-in-progress, and relevant details of 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, capital work-in-progress, and relevant details of 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, capital work-in-progress, and relevant details of 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.

d. The Company has adopted cost model for its Property, Plant and Equipment including right-of-use assets and intangible assets. Accordingly, reporting under clause 3(i)(d) of the Order is not applicable to the Company.

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 crores by banks based on the security of current assets. The quarterly statements, in respect of the working capital limits have been filed by the Company with such banks and such statements are in agreement with the books of account of the Company for the respective periods which were subject to audit, except for the following:

Name of the Bank / financial institution	Working capital limit sanctioned (In Million)	Nature of current assets offered as security	Quarter	Information disclosed as per return (Amount in USD)	Information as per books of accounts (Amount in USD)	Difference
Citi Bank	150	Book Debts	Q1	97,054,762	201,433,344	104,378,582
Citi Bank	150	Book Debts	Q2	93,101,106	121,597,193	28,496,087
Citi Bank	150	Book Debts	Q3	87,562,490	117,329,472	29,766,982
Citi Bank	150	Book Debts	Q4	174,491,244	228,327,268	53,836,024

iii. The Company has not made any investment or provided any guarantee or security to companies, firms, limited liability partnerships during the year. Further, the Company granted unsecured loans or advances in the nature of loans to other parties during the year, in respect of which:

a. The Company has provided loans or advances in the nature of loans, to Subsidiaries /Others during the year as per details given below:

Particulars	Guarantees (In Millions)	Security (In Millions)	Loans (In Millions)	Advances in nature of loans (In Millions)
Aggregate amount provided/granted during the year (Rs.): - Others (Loan to ESOP Trust)	-	-	1,602.97	-
Balance outstanding as at balance sheet date in respect of above cases (Rs.): - Others (Loan to ESOP Trust)	-	-	2,760	-

b. In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, 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.

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 advances in the nature of loans 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	28.69	-	2009-10	Honourable High Court	-
The Income Tax Act, 1961	Income tax	17.03	-	2010-11	Honourable High Court	-
The Income Tax Act, 1961	Income tax	7.57	-	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	32.83	32.83	2014-15	Honourable High Court	-
The Income Tax Act, 1961	Income tax	7.02	1.50	2015-16	Honourable High Court	-
The Income Tax Act, 1961	Income tax	12.52	-	2008-09	Honourable High Court	-
The Income Tax Act, 1961	Income tax	2.03	-	2010-11	Honourable High Court	-
The Income Tax Act, 1961	Income tax	4.11	-	2012-13	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	9.31	9.31	2014-15	Commissioner (Appeals)	-
The Income Tax Act, 1961	Income tax	23.42	-	2015-16	Commissioner (Appeals)	-
The Income Tax Act, 1961	Income tax	277.22	-	2017-18	Commissioner (Appeals)	-
The Income Tax Act, 1961	Income tax	379.74	-	2018-19	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	164.32	-	2017-18	Income Tax Appellate Tribunal	-
The Income Tax Act, 1961	Income tax	79.38	-	2019-20	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	1.19	1.19	2010-11, 2016-17, and 2017-18	Joint Commissioner (Appeals) - VAT	-
The Finance act, 1994	Service tax	173.78	165.58	FY 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 wilful 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 and 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. In our opinion and according to the information and explanations given to us, money raised by way of further public offer were applied for the purposes for which these were obtained.

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. According to the information and explanations given to us, the Company has received whistle blower complaints during the year, which 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 which is commensurate with the size and nature of its business as required under the provisions of section 138 of the Act.

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 in 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, the Company does not have any unspent amounts towards Corporate Social Responsibility in respect of any ongoing or other than ongoing project as at the end of the financial year. Accordingly, reporting under clause 3(xx) 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's Registration No. 001076N/N500013

Shashi Tadwalkar
Partner
Membership No. 101797
UDIN: 24101797BKCPBF9008

Place: Pune
Date: 21 April, 2024

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 2024, we have audited the internal financial controls with reference to 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 the 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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\ 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 Institute of Chartered Accountants of India ('ICAI') 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 on Audit of Internal Financial Controls Over Financial Reporting ('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 obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to 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 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 2024, based on the 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No. 001076N/N500013

Shashi Tadwalkar
Partner
Membership No. 101797
UDIN: 24101797BKCPBF9008

Place: Pune
Date: 21 April, 2024

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Balance Sheet as at March 31, 2024

	Notes	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
ASSETS			
Non-current assets			
Property, Plant and Equipment	4.1	3,872.54	4,563.45
Capital work-in-progress	4.2	326.65	156.31
Right of Use assets	4.3	1,424.26	1,509.11
Goodwill	4.4	236.00	236.00
Other Intangible assets	4.5	509.77	573.34
		6,369.72	7,038.21
Financial assets			
- Investments	5	14,081.58	12,145.56
- Trade receivables	11	260.94	107.71
- Loans	6	2,760.00	2,870.00
- Other financial assets	7	451.70	837.09
Deferred tax assets (net)	8	493.80	397.77
Other non-current assets	9	1,117.02	718.02
		25,534.26	24,114.36
Current assets			
Financial assets			
- Investments	10	2,623.06	1,879.66
- Trade receivables	11	16,829.46	10,498.27
- Cash and cash equivalents	12	3,258.83	1,236.45
- Bank balances other than cash and cash equivalents	13	3,240.49	4,173.35
- Other financial assets	14	4,360.89	4,340.49
Other current assets	15	4,673.04	2,745.38
		34,985.77	24,873.60
TOTAL		60,520.03	48,987.96
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16(a)	770.25	764.25
Other equity	16(b)	47,016.26	38,652.25
		47,786.51	39,416.50
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	17	-	1.84
- Lease liabilities	18	943.10	1,086.87
Other non-current liabilities	22	25.51	9.93
Provisions	19	531.21	369.51
		1,499.82	1,468.15
Current liabilities			
Financial liabilities			
- Borrowings	17	1.87	1.91
- Lease liabilities	18	560.87	468.72
- Trade payables	20		
-Total outstanding dues of micro enterprises and small enterprises		49.63	38.04
-Total outstanding dues of creditors other than micro enterprises and small enterprises		2,638.18	1,327.52
- Other financial liabilities	21	402.27	668.46
Other current liabilities	22	5,251.57	2,980.12
Provisions	23	2,037.42	2,597.94
Current tax liabilities (net)		291.89	20.60
		11,233.70	8,103.31
TOTAL		60,520.03	48,987.96
Summary of material 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: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Statement of Profit and Loss for the year ended March 31, 2024

	Notes	For the year ended March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Income			
Revenue from operations	24	65,142.17	51,175.53
Other income	25	1,644.86	738.71
Total income (A)		**66,787.03**	**51,914.24**
Expenses			
Employee benefits expense	26.1	38,345.78	31,417.30
Cost of professionals	26.2	5,987.60	2,517.83
Finance costs		169.84	130.97
Depreciation and amortization expense	4.6	1,623.64	1,344.87
Other expenses	27	7,494.88	5,704.00
Total expenses (B)		**53,621.74**	**41,114.97**
Profit before exceptional item and tax (A - B)		**13,165.29**	**10,799.27**
Exceptional item			
Provision for export incentives (refer note 35)		-	296.55
Profit before tax		**13,165.29**	**10,502.72**
Tax expense			
Current tax		3,414.63	2,706.50
Deferred tax charge / (credit)		(105.99)	(115.06)
Total tax expense (refer note 30)		**3,308.64**	**2,591.44**
Profit for the year (C)		**9,856.65**	**7,911.28**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / asset		(84.64)	(21.08)
- Income tax effect on above		21.29	5.31
		(63.35)	**(15.77)**
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		21.59	(63.55)
- Income tax effect on above		8.02	15.99
		29.61	**(47.56)**
Total other comprehensive income for the year (D) + (E)		**(33.74)**	**(63.33)**
Total comprehensive income for the year (C) + (D) + (E)		**9,822.91**	**7,847.95**
Earnings per equity share [Nominal value of share ₹ 5 (Previous year: ₹ 5)]	28		
Basic (In ₹)		64.06	51.76
Diluted (In ₹)		64.06	51.76
Summary of material 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: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Cash Flow Statement for the year ended March 31, 2024

		For the year ended	
		March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Cash flow from operating activities			
Profit before tax		**13,165.29**	**10,502.72**
Adjustments for:			
Interest income		(715.31)	(674.79)
Finance cost		169.84	130.97
Dividend income		(249.99)	-
Depreciation and amortization expense		1,623.64	1,344.87
Unrealised exchange (gain) / loss (net)		(211.55)	(226.38)
Exchange loss on derivative contracts		(70.63)	88.69
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents		(33.40)	(31.66)
Bad debts		59.66	46.11
Change in provision for expected credit loss / (gain) (net)		(15.95)	(4.46)
Employee stock compensation expenses		584.95	1,066.31
Remeasurements of the defined benefit liabilities / assets (before tax effects)		(84.64)	(21.08)
Excess provision in respect of earlier years written back		(0.14)	(0.95)
Profit on sale/ fair valuation of financial assets designated as FVTPL		(293.35)	(145.23)
(Profit) on sale of investments (net)		(36.45)	-
(Profit) / loss on sale of Property, Plant and Equipment (net)		(22.95)	(2.99)
Provision for export incentives (refer note 35)		-	296.55
Operating profit before working capital changes		**13,869.02**	**12,368.68**
Movements in working capital:			
(Increase) / Decrease in other non-current assets		(202.39)	33.29
Increase in other non current financial assets		(63.78)	(151.38)
Decrease / (Increase) in other current financial assets		482.92	(406.28)
Increase in other current assets		(1,932.42)	(1,302.05)
Increase in trade receivables		(6,444.32)	(6,007.16)
Increase in trade payables, current liabilities and non-current liabilities		3,510.81	3,149.56
(Decrease) / Increase in provisions		(389.66)	437.60
Operating profit after working capital changes		**8,830.18**	**8,122.26**
Direct taxes paid (net of refunds)		(3,122.05)	(2,923.97)
Net cash generated from operating activities	(A)	**5,708.13**	**5,198.29**
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(1,435.22)	(3,482.56)
Proceeds from sale of property, plant and equipment		28.17	3.77
Proceeds from transfer of business undertaking		116.25	-
Disbursement of Loan to ESOP trust		(1,602.97)	(0.55)
Recovery of Loan to ESOP trust		1,712.97	652.55
Investment in wholly owned subsidiaries		-	(2,663.61)
Payable to selling shareholder		(10.07)	-
Purchase of bonds		(0.70)	(237.41)
Proceeds from sale of bonds		80.70	31.49
Investments in mutual funds		(50,470.37)	(37,249.34)
Proceeds from sale / maturity of mutual funds		48,786.33	39,766.37
Proceeds from maturity of bank deposits having original maturity over three months		938.84	1,776.36
Disposal / (Investment) in deposit with financial institutions		400.00	(400.00)
Interest received		759.32	702.24
Dividend received		249.99	-
Net cash used in investing activities	(B)	**(446.76)**	**(1,100.69)**

Cash Flow Statement for the year ended March 31, 2024

		For the year ended	
		March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Cash flows from financing activities			
Proceeds from issuance of share capital		1,607.80	-
Repayment of long term borrowings (refer note 17)		(1.84)	(1.86)
Payment of principal portion of lease liabilities		(520.39)	(343.05)
Payment of interest portion of lease liabilities		(147.50)	(119.73)
Dividend paid		(4,153.95)	(2,980.58)
Interest paid		(22.38)	(11.26)
Net cash used in financing activities	(C)	**(3,238.26)**	**(3,456.48)**
Net increase in cash and cash equivalents (A + B + C)		2,023.11	641.12
Cash and cash equivalents at the beginning of the year		1,236.45	563.67
Movement in cash and cash equivalent on account of transfer of business undertaking		(34.13)	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents		33.40	31.66
Cash and cash equivalents at the end of the year		**3,258.83**	**1,236.45**
Components of cash and cash equivalents			
Cash on hand (refer note 12)		0.08	0.14
Balances with banks			
On current accounts # (refer note 12)		1,761.40	485.20
On saving accounts (refer note 12)		23.48	33.21
On Exchange Earner's Foreign Currency accounts (refer note 12)		1,401.87	638.90
On deposit account with maturity of less than three months (Refer note 12)		72.00	79.00
Cash and cash equivalents		**3,258.83**	**1,236.45**

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant 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 material 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: India
Date: April 21, 2024

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 21, 2024

Place: USA
Date: April 21, 2024

Place: India
Date: April 21, 2024

Statement of Changes in Equity for the year ended March 31, 2024

A. Equity share capital

(Refer note 16(a))

(In ₹ million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
764.25	6.00	770.25

(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

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Statement of Changes in Equity for the year ended March 31, 2024

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	Securities premium	Effective portion of cash flow hedges	Total
Balance as at April 1, 2023	20,824.26	2,222.02	35.75	15,575.98	-	(5.76)	38,652.25
Profit for the year	-	-	-	9,856.65	-	-	9,856.65
Items recognised in / from other comprehensive income of the year	-	-	-	(84.64)	-	29.61	(55.03)
Income tax effect on above	-	-	-	21.29	-	-	21.29
Dividend	-	-	-	(4,153.95)	-	-	(4,153.95)
Transfer to general reserve	3,942.66	-	-	(3,942.66)	-	-	-
Adjustments towards employees stock options	1,087.56	(1,087.56)	-	-	-	-	-
Employee stock compensation expenses	-	584.95	-	-	-	-	584.95
Employee stock compensation expenses of subsidiaries	-	508.30	-	-	-	-	508.30
Premium on fresh issue of equity shares	-	-	-	-	1,601.80	-	1,601.80
Balance as at March 31, 2024	**25,854.48**	**2,227.71**	**35.75**	**17,272.67**	**1,601.80**	**23.85**	**47,016.26**

Statement of Changes in Equity for the year ended March 31, 2024

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, 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
Items recognised in / from other comprehensive income for the year	-	-	-	(21.08)	(47.56)	(68.64)
Income tax effect on above	-	-	-	5.31	-	5.31
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 at March 31, 2023	**20,824.26**	**2,222.02**	**35.75**	**15,575.98**	**(5.76)**	**38,652.25**

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: India
Date: April 21, 2024

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 21, 2024

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place: USA
Date: April 21, 2024

Praveen Kadle
Independent Director
DIN: 00016814
Place: India
Date: April 21, 2024

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949
Place: USA
Date: April 21, 2024

Amit Atre
Company Secretary
Membership No. A20507
Place: USA
Date: April 21, 2024

Statement of Changes in Equity for the year ended March 31, 2024

Nature and purpose of reserves

a. General reserve

The general reserve is a free reserve created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of other comprehensive income ("OCI"). The same can be utilized in accordance with the provisions 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. Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

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. Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

g. Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company which includes remeasurements of the defined benefit liabilities / asset.

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, 2024 and authorised for issue on April 21, 2024.

2\ Basis of preparation

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments 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.

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS 34), 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.

3\ Material accounting policy information

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 recognised 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. 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 and tax losses can be utilised. 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 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 recognised 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..

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, 2024 and 2023 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.

Subsequent measurement
Non-derivative financial instruments

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 classified as FVTPL.

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 recognised 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 recognised 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. Foreign currency translation

Foreign currency transactions and balances

The functional currency of the company is ₹ (INR).

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 INR. 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.

k. 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 period / 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.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the 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 realised.

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

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

m. 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.

n. 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.

o. Provisions

A provision is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate 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.

p. 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.

q. 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.

r. **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.

s. **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.

t. **Business Combination**

The acquisition method of accounting is used to recognized for all business combinations, when the acquired set of activities and assets meet the definition of business and control is transferred 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.

Business combinations between entities under common control is accounted for using pooling of interest method. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

u. **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.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

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4.1\ 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, 2023	991.53	2,810.72	3,813.34	64.99	1,946.07	20.79	889.44	15.88	10,552.76
Additions	-	15.12	162.56	6.22	156.48	-	1.59	0.19	342.16
Disposals	-	0.32	244.10	4.04	45.44	-	14.06	1.26	309.22
Disposal on account of merger (Refer Note 49)	-	-	3.96	-	-	-	-	-	3.96
As at March 31, 2024	**991.53**	**2,825.52**	**3,727.84**	**67.17**	**2,057.11**	**20.79**	**876.97**	**14.81**	**10,581.74**
Accumulated depreciation									
As at April 1, 2023	-	1,360.64	2,724.48	53.95	1,273.79	20.79	548.38	7.28	5,989.31
Charge for the year	-	121.30	649.40	4.43	172.24	-	76.72	2.12	1,026.21
Disposals	-	0.32	239.31	4.02	45.24	-	13.92	1.26	304.07
Disposal on account of merger (Refer Note 49)	-	-	2.25	-	-	-	-	-	2.25
As at March 31, 2024	**-**	**1,481.62**	**3,132.32**	**54.36**	**1,400.79**	**20.79**	**611.18**	**8.14**	**6,709.20**
Net block									
As at March 31, 2024	**991.53**	**1,343.90**	**595.52**	**12.81**	**656.32**	**-**	**265.79**	**6.67**	**3,872.54**

4.1\ 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	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**

* Note: Building includes those constructed on leasehold land:

a. Gross block as on March 31, 2024 ₹ 1,460.40 million (Previous year ₹ 1,455.94 million)

b. Depreciation charge for the year ₹ 59.30 million (Previous year ₹ 59.08 million)

c. Accumulated depreciation as on March 31, 2024 ₹ 735.52 million (Previous year ₹ 676.22 million)

d. Net block value as on March 31, 2024 ₹ 724.88 million (Previous year ₹ 779.72 million)

4.2\ Capital work in progress

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	156.31	1,071.02
Additions	512.50	1,820.90
Capitalised during the year	342.16	2,735.61
Balance at end of year	**326.65**	**156.31**

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	247.84	78.81	-	-	326.65
As at March 31, 2024	**247.84**	**78.81**	**-**	**-**	**326.65**

	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**

4.3\ Right of use assets

(In ₹ million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2023	1,828.92	131.97	1,960.89
Additions	321.27	-	321.27
As at March 31, 2024	**2,150.19**	**131.97**	**2,282.16**
Accumulated depreciation			
As at April 1, 2023	448.56	3.22	451.78
Charge for the year	404.58	1.54	406.12
As at March 31, 2024	**853.14**	**4.76**	**857.90**
Net block as at March 31, 2024	**1,297.05**	**127.21**	**1,424.26**

(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**

4.4\ Goodwill

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Balance at beginning of year	236.00	-
Addition on purchase price allocation of business combination (refer note 38)	-	236.00
Balance at end of year	**236.00**	**236.00**

For 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, 2024 and March 31, 2023 is as follows:

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Segment		
a. Banking, Financial Services and Insurance (BFSI)	-	-
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	236.00	236.00
Operating segments without significant goodwill	-	-
Total	**236.00**	**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, 2024	As at March 31, 2023
Long-term growth rate	4.20%	10%
Operating margins	10% to 22%	10% to 18%
Discount rate	17%	7%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2024, the estimated recoverable amount of the CGU exceeded its carrying amount. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. Operating margin and long term growth rate are in line with company'sc current opertions.

Based on testing, no impairment loss was identified during current year and previous year.

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4.5\ Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Provisional Intangible Assets	Total
Gross block				
As at April 1, 2023	784.41	652.64	-	1,437.05
Additions	127.74	-	-	127.74
Disposals	0.03	-	-	0.03
As at March 31, 2024	**912.12**	**652.64**	**-**	**1,564.76**
Accumulated Amortization				
As at April 1, 2023	538.59	325.12	-	863.71
Charge for the year	135.59	55.72	-	191.31
Disposals	0.03	-	-	0.03
As at March 31, 2024	**674.15**	**380.84**	**-**	**1,054.99**
Net block as at March 31, 2024	**237.97**	**271.80**	**-**	**509.77**
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**

Acquired contractual rights acquired through DataGlove acquistion, having carrying amount of ₹ 237.13 Million and remaining amortisation period of 5 years as on March 31, 2024.

Acquired contractual rights acquired through Shree Partner acquistion, having carrying amount of ₹ 34.67 Million and remaining amortisation period of 4 years as on March 31, 2024.

4.6\ Depreciation and amortization expense

(In ₹ million)

	For the year ended	
	March 31, 2024	**March 31, 2023**
On Property, plant and equipment	1,026.21	904.99
On Right of use assets	406.12	280.48
On Other Intangible assets	191.31	159.40
	1,623.64	**1,344.87**

5\ Non-current financial assets: Investments

	As at March 31, 2024 In ₹ million	As at March 31, 2023 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: 702 million) shares of USD 0.10 each, fully paid up	4,729.74	4,729.74
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: 16.73 million) shares of EUR 1 each, fully paid up	1,719.40	1,719.40
CAPIOT Software Private Limited 0.19 million (Previous year: 0.19) shares of Rs. 10 each, fully paid up	483.71	483.71
Media Agility India Private Limited 3.21 million (Previous year: 3.21) shares of Rs. 10 each, fully paid up.	971.45	971.45
Persistent Systems UK Limited 12.39 Million (Previous year : Nil) shares of EUR 1 each, fully paid up.	782.01	-
Total investments carried at cost (A)	8,901.53	8,119.52
Investments carried at amortised cost		
Quoted Investments		
In bonds (Refer Note 31)	2,916.91	3,005.16
[Market value ₹ 2,758.25 million (Previous year ₹2,852.78 million)]		
Add: Interest accrued on bonds	78.70	80.43
Total investments carried at amortised cost (B)	2,995.61	3,085.59
Carried at fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (Refer Note 5 (a))	2,178.44	934.45
	2,178.44	934.45
-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)	2184.44	940.45
Total investments (A) + (B) + (C)	14,081.58	12145.56
Aggregate provision for diminution in value of investments	-	-
Aggregate amount of quoted investments	2,995.61	3,085.59
Aggregate amount of unquoted investments	11,085.97	9,059.97

* 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 non current investment in mutual funds

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Axis Mutual Fund	526.58	491.04
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	442.81	412.76
HDFC Mutual Fund	185.54	30.65
DSP Mutual Fund	155.66	-
HSBC Mutual Fund	155.43	-
Kotak Mutual Fund	152.75	-
SBI Mutual Fund	152.65	-
ICICI Prudential Mutual Fund	152.57	-
Aditya Birla Sun Life Mutual Fund	152.53	-
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	101.92	-
	2,178.44	934.45

6\ Non-current financial assets: Loans

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Carried at amortised cost		
Other loans and advances		
Unsecured, considered good		
Loan to ESOP trust	2,760.00	2,870.00
	2,760.00	2,870.00
Unsecured, credit impaired		
Inter-corporate deposit	0.58	0.58
Less: Impairment	(0.58)	(0.58)
	-	-
	2,760.00	2,870.00

7\ Other non-current financial assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Considered good		
Carried at amortised cost		
Deposits with Bank (refer note 13)*	3.99	41.60
Add: Interest accrued but not due on deposits with Bank (refer note 13)	0.24	0.98
	4.23	42.58
Deposit with financial institutions	100.00	500.00
Add: Interest accrued but not due on deposit with financial institutions	10.18	20.22
	110.18	520.22
Security deposits	337.29	274.29
Considered good (A)	451.70	837.09
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)	451.70	837.09

* Out of the balance, fixed deposits of ₹ 3.60 million (Previous year : ₹ 2.05 million) have been earmarked against credit facilities and bank guarantees availed by the Company.

8\ Deferred tax asset (net)

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	**16.73**	68.53
Capital gains (net)	**44.15**	22.82
Cash flow hedges	**8.02**	-
	68.90	**91.35**
Deferred tax assets		
Provision for leave encashment	**223.08**	147.86
Provision for long service awards	**127.54**	101.60
Allowance for expected credit loss	**18.95**	19.83
Tax credit	**-**	57.95
Provision for Gratuity	**14.72**	-
Right of use asset and lease liability	**61.13**	42.66
Cash flow hedges	**-**	1.94
Provisions for doubtful investment	**117.28**	117.28
	562.70	**489.12**
Deferred tax assets (net)	**493.80**	**397.77**

Movement in deferred tax assets (net) during the year ended March 31, 2024

(In ₹ million)

	As at April 1, 2023	Charge / (Credit) in statement of Profit or loss	Credit / (Charge) in other comprehensive income	As at March 31, 2024
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	68.53	(51.80)	-	16.73
Capital gains (net)	22.82	21.33	-	44.15
Cash flow hedges	(1.94)	-	9.96	8.02
	89.41	**(30.47)**	**9.96**	**68.90**
Deferred tax assets				
Provision for leave encashment	147.86	(75.22)	-	223.08
Provision for long service awards	101.60	(25.94)	-	127.54
Allowance for expected credit loss	19.83	0.88	-	18.95
Provision for Gratuity	-	(14.72)	-	14.72
Tax credit	57.95	57.95	-	-
Right of use asset and lease liability	42.66	(18.47)	-	61.13
Provisions for doubtful investment	117.28	-	-	117.28
	487.18	**(75.52)**	**-**	**562.70**
	397.77	**(105.99)**	**9.96**	**493.80**

Movement in deferred tax assets (net) during the year ended March 31, 2023

(In ₹ million)

	As at April 1, 2022	Charge / (Credit) in statement of Profit or loss	Credit / (Charge) in other comprehensive 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
Tax credit	56.61	(1.34)	-	57.95
Right of use asset and lease liability	30.21	(12.45)	-	42.66
Provisions for doubtful investment	117.28	-	-	117.28
	418.94	**(68.24)**	**-**	**487.18**
	266.72	**(115.05)**	**(16.00)**	**397.77**

9\ Other non current assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Capital advances (Unsecured, considered good)	**823.00**	626.39
Prepayments	**128.27**	91.63
Simple Agreement for Future Equity (SAFE)	**165.75**	-
	1,117.02	718.02

10\ Current financial assets: Investments

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Carried at fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer note 'a' below)	**2,623.06**	1,879.66
Total carrying amount of investments	2,623.06	1,879.66
Aggregate amount of quoted investments	**-**	-
Aggregate amount of unquoted investments	**2,623.06**	**1,879.66**

10a. Details of fair value of current investment in mutual funds

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Aditya Birla Sun Life Mutual Fund	**502.35**	246.52
UTI Mutual Fund	**364.28**	195.74
Kotak Mutual Fund	**311.66**	200.12
HDFC Mutual Fund	**303.47**	200.17
Tata Mutual Fund	**234.14**	50.02
DSP Mutual Fund	**195.10**	50.00
Axis Mutual Fund	**173.71**	195.72
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	**157.51**	100.10
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	**150.60**	100.02
Mirae Asset Mutual Fund	**50.06**	50.03
SBI Mutual Fund	**50.03**	115.64
Sundaram mutual fund	**40.05**	30.01
HSBC Mutual Fund	**40.05**	50.00
ICICI Prudential Mutual Fund	**30.02**	245.54
Invesco Mutual Fund	**20.03**	50.03
	2,623.06	1,879.66

11\ Trade receivables

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
- Current		
Unsecured, considered good*	**16,829.46**	10,498.27
Unsecured, credit impaired	**63.58**	78.79
	16,893.04	10,577.06
Less : Allowance for expected credit loss	**(63.58)**	(78.79)
	16,829.46	10,498.27
- Non Current		
Unsecured, considered good	**260.94**	107.71
	260.94	107.71
	17,090.40	10,605.98

*Includes dues from related parties (refer note 33)

Trade receivables Ageing Schedule

(In ₹ million)

	Current but not due	Outstanding for following periods from due date of payment: Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables – considered good	7,919.41	9,075.74	45.53	26.38	2.76	20.58	17,090.40
Undisputed Trade receivable – credit impaired	-	20.50	16.48	24.91	1.52	0.17	63.58
As At March 31, 2024	7,919.41	9,096.24	62.01	51.29	4.28	20.75	17,153.98
Expected loss rate (Refer note 31)	-	0.23%	26.58%	48.57%	35.55%	0.82%	

(In ₹ million)

	Current but not due	Outstanding for following periods from due date of payment: 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
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%	

12\ Cash and cash equivalents

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	**0.08**	0.14
Balances with banks		
On current accounts#	**1,761.40**	485.20
On saving accounts	**23.48**	33.21
On Exchange Earner's Foreign Currency accounts	**1,401.87**	638.90
On Deposit accounts with original maturity less than three months	**72.00**	79.00
	3,258.83	1,236.45

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant agreement.

13\ Bank balances other than cash and cash equivalents

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Deposits with banks*	**3,143.46**	4,082.30
Add: Interest accrued but not due on deposits with banks	**98.34**	130.58
Deposits with banks (carried at amortised cost)	3,241.80	4,212.88
Less: Deposit with maturity more than twelve months from the Balance Sheet date disclosed under non-current financial assets (refer note 7)	**(3.99)**	(41.60)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	**(0.24)**	(0.98)
	3,237.57	4,170.30
Balances with banks on unpaid dividend accounts**	**2.92**	3.05
	3,240.49	4,173.35

*Out of the balance, fixed deposits of ₹ 2,365.78 million (Previous year : ₹ 1216.85 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.

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14\ Other current financial assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	42.54	-
Carried at amortised cost		
Advances to related parties (Unsecured, considered good) (refer note 33)		
Persistent Systems, Inc.	101.25	123.10
Persistent Systems France SAS	0.80	0.69
Persistent Telecom Solutions Inc.	0.64	0.17
Persistent Systems Malaysia Sdn. Bhd.	0.13	0.07
Persistent Systems Lanka (Private) Limited	0.30	0.24
Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	17.28	6.40
PARX Consulting GmbH	-	0.09
Persistent Systems Australia Pty Limited	0.30	-
CAPIOT Software Private Limited	0.02	-
Youperience Limited	-	0.04
Persistent Systems Mexico, S.A. de C.V	1.64	1.38
Youperience GmbH	0.04	0.04
Persistent Systems Pte. Ltd.	0.41	0.41
Aepona Group Limited	-	0.08
Persistent Systems Germany GmbH	0.71	0.54
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.20	0.09
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	1.25	-
MediaAgility India Private Limited	0.01	49.33
MediaAgility UK Ltd	2.56	0.76
Persistent Systems S.R.L. Romania	-	1.91
	127.54	185.34
Unbilled revenue	4,190.71	4,138.95
Security deposits	0.10	0.10
Other receivables (Unsecured, considered good)	-	16.10
	4,360.89	4,340.49

15\ Other current assets

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	1,155.71	801.31
Prepayments	649.98	780.75
Excess fund balance with Life Insurance Corporation (Refer Note 29)	-	53.31
Deferred finance cost	61.82	-
Other advances (unsecured, considered good)		
VAT receivable (net)	20.97	22.10
Service tax and GST receivable (net) (refer note 35 (a))	2,784.56	1,087.91
	2,805.53	1,110.01
	4,673.04	2,745.38

16 (a)\ Share capital

(In ₹ million)

	As at March 31, 2024	As at March 31, 2023
Authorized shares (No. in million) 400 (Previous year: 400) equity shares of ₹5 each	2,000.00	2,000.00
	2,000.00	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million) 154.05 (Previous year: 152.85) equity shares of ₹5 each	770.25	764.25
Issued, subscribed and fully paid-up share capital	**770.25**	**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 January 20, 2024, recommended the sub-division / split of 1 (One) fully paid-up equity share having a face value of ₹10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the Company approved the sub-division / Split of 1 (One) fully paid up equity share of ₹ 10 each into 2 (Two) fully paid up equity shares of ₹ 5 each through a postal ballot with a requisite majority and the voting results were declared on March 11, 2024.

Further, the Board of Directors at its meeting held on March 13, 2024, approved the Record Date for Split / Sub-division of Equity Shares as at April 1, 2024.

Consequent to this, the authorized share capital comprises 400 Million equity shares having a face value of ₹ 5 each aggregating to ₹ 2,000 Million, and the paid-up capital comprises 154.05 Million equity shares having a face value of ₹ 5 each aggregating to ₹ 770.25 Million. The impact of this has been considered in the financial statement.

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, 2024		As at March 31, 2023	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	**152.85**	**764.25**	152.85	764.25
Add / Less: Changes during the year	**1.20**	**6.00**	-	-
Number of shares at the end of the year	**154.05**	**770.25**	**152.85**	**764.25**

b. Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹5 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 20, 2024, declared an interim dividend of ₹ 16 per equity share of face value of ₹ 5 each for the Financial Year 2023-24.

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, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2023: ₹ 11 per share (31 March 2022: ₹ 5.5 per share)	1,692.35	840.68
Interim dividend for the year ended on 31 March 2024: ₹ 16 per share (31 March 2023: ₹ 14 per share)	2,461.60	2,139.90
	4,153.95	2,980.58
Proposed dividends on Equity shares: Proposed dividend for the year ended on 31 March 2024: ₹ 10 per share (31 March 2023: ₹ 11 per share)	1,540.50	1,692.35
	1,540.50	1,692.35

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.

Dividend per equity share disclosed in above note represents dividends declared previously, retrospectively adjusted for the April 2024 share split.

c. Aggregate number shares bought back during the period of five years immediately preceding the reporting date

In the period of five years immediately preceding March 31, 2024, the Company had purchased and extinguished a total of 7,150,000 fully paid-up equity shares of face value ₹ 5 each from the stock exchange by way of buyback of shares which was completed in June 27, 2019.

d. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at March 31, 2024		As at March 31, 2023	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande	**45.75**	**29.70**	45.74	29.93

* 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, 2024

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	45,743,680	2,000	45,745,680	29.70%	0.00%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	1,000	-	1,000	0.00%	-
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	1,000	-	1,000	0.00%	-
Mr. Padmakar Govind Khare	-	1,760	1,760	0.00%	100%
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

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	45,721,680	22,000	45,743,680	29.93%	0.01%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	12,000	(11,000)	1,000	0.00%	(0.01)%
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	10,000	(9,000)	1,000	0.00%	(0.01)%
Mr. Padmakar Govind Khare	1,760	(1,760)	-	0.00%	-
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

16 (b)\ Other equity

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Reserves and Surplus		
General reserve	**25,854.48**	20,824.26
Share options outstanding reserve	**2,227.71**	2,222.02
Capital redemption reserve	**35.75**	35.75
Retained earnings	**17,272.67**	15,575.98
Securities premium	**1,601.80**	-
Items of other comprehensive income		
Effective portion of cash flow hedges	**23.85**	(5.76)
	47,016.26	38,652.25

(i) General reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**20,824.26**	17,376.65
Transfer to general reserve	**3,942.66**	3,164.51
Adjustments towards employees stock options	**1,087.56**	283.10
	25,854.48	20,824.26

(ii) Share options outstanding reserve

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	**2,222.02**	1,144.84
Adjustments towards employees stock options	**(1,087.56)**	(283.10)
Employee stock compensation expenses	**584.95**	1,066.31
Employee stock compensation expenses of subsidiaries	**508.30**	293.97
	2,227.71	2,222.02

(iii) Retained earnings

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	15,575.98	13,825.56
Profit for the year	9,856.65	7,911.28
Items recognised in / from other comprehensive income for the year	(84.64)	(21.08)
Income tax effect on above	21.29	5.31
Dividend	(4,153.95)	(2,980.58)
Transfer to general reserve	(3,942.66)	(3,164.51)
	17,272.66	15,575.98

(iv) Securities premium

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	-	-
Premium on fresh issue of equity shares	1,601.80	-
	1,601.80	-

(v) Effective portion of cash flow hedges

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Opening Balance	(5.76)	41.80
Items recognised in / from other comprehensive income for the year	29.61	(47.56)
	23.85	(5.76)

17\ Non-current financial liabilities : Borrowings

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Unsecured Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	1.85	3.69
Interest accrued but not due on term loans	0.02	0.06
	1.87	3.75
Less: Current maturity of long-term borrowings	(1.85)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	(0.02)	(0.06)
	(1.87)	(1.91)
	-	1.84

The term loans from Government departments have the following terms and conditions:

Loan amounting to ₹ 1.85 million (Previous year ₹ 3.69 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, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Lease liabilities	1,503.97	1,555.59
Less: Current portion of lease liabilities	(560.87)	(468.72)
	943.10	1,086.87

The table below shows change in the Company's liabilities arising from lease, including both cash and non-cash changes:

	For the year ended	
	March 31, 2024 In ₹ million	**March 31, 2023 In ₹ million**
Opening balance	**1,555.59**	758.26
Additions	**321.27**	1,029.55
Deletions	**-**	(8.90)
Add: Interest recognised during the year	**147.50**	119.73
Less: Payments made	**(520.39)**	(343.05)
Closing balance	1,503.97	1,555.59

19\ Non current liabilities: Provisions

	As at March 31, 2024 In ₹ million	**As at March 31, 2023 In ₹ million**
Provision for employee benefits		
- Gratuity	58.49	-
- Long service awards	472.72	**369.51**
	531.21	369.51

20\ Trade payables

	As at March 31, 2024 In ₹ million	**As at March 31, 2023 In ₹ million**
Trade payables for goods and services*		
- Total outstanding dues of micro enterprises and small enterprises	**49.63**	38.04
- Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,638.18**	1,327.52
	2,687.81	1,365.56

*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.

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information information available with the Company.

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	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Amount remaining unpaid:		
Principal	**49.63**	38.04
Interest	-	-
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

Trade payables Ageing Schedule

	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	49.63	-	-	-	49.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,625.50	7.38	2.41	2.89	2,638.18
As at March 31, 2024	**2,675.13**	**7.38**	**2.41**	**2.89**	**2,687.81**

	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	38.04	-	-	-	38.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,280.35	4.24	5.95	36.98	1,327.52
As at March 31, 2023	**1,318.39**	**4.24**	**5.95**	**36.98**	**1,365.56**

21\ Other current financial liabilities

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Capital creditors	**61.57**	338.67
Accrued employee liabilities	**328.59**	206.85
Unpaid dividend *	**2.92**	3.05
Other liabilities	**9.19**	8.40
Liability towards contingent consideration (refer note 38)	-	43.21
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. (refer note 33)	-	0.61
	-	0.61
	402.27	668.46

* Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

22\ Other liabilities

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Unearned revenue	**530.99**	302.30
Advance from customers	**56.09**	54.48
Other payables		
- Statutory liabilities	**1,171.73**	668.55
Payable to related companies (refer note 33)	**3,381.47**	1,774.07
- Current		
Others*	**111.29**	180.72
	5,251.57	2,980.12
- Non Current		
Others	**25.51**	9.93
	5,277.08	2,990.05

*Includes balance of ₹ 65.10 Million (Previous year: ₹ 125.39 Million) to be utilised against certain predefined activities specified in the government grant agreement. There are no unfulfilled conditions or contingencies attached to these grants.

23\ Current liabilities: Provisions

	As at March 31, 2024 In ₹ million	As at March 31, 2023 In ₹ million
Provision for employee benefits		
- Leave encashment	**886.38**	587.47
- Long service awards	**34.02**	34.18
- Other employee benefits	**1,117.02**	1,976.29
	2,037.42	2,597.94

24\ Revenue from operations (refer note 33)

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Software services	**64,101.34**	50,623.78
Software licenses	**1,040.83**	551.75
	65,142.17	51,175.53

Software service revenue is recognized on on time and materiality basis. Software licenses revenue is recognized on point in time basis.

The table overleaf present diaggregated 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, 2024 In ₹ million	March 31, 2023 In ₹ million
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	**9,648.14**	9,051.57
Healthcare & Life Sciences	**7,679.84**	6,751.17
Technology Companies and Emerging Verticals	**47,814.20**	35,372.79
Total	**65,142.18**	51,175.53
Geographical disclosure		
India	**9,060.81**	8,442.14
North America	**48,702.96**	37,045.21
Rest of the World	**7,378.40**	5,688.18
Total	**65,142.18**	51,175.53
Onsite / Offshore / IP Led		
IP Led	**1,619.37**	1,206.03
Offshore	**59,197.31**	48,183.52
Onsite	**4,325.50**	1,785.98
Total	**65,142.18**	51,175.53

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise 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 recognised 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. The normal credit term is 30 to 90 days.

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Revenue as per contract price	65,142.17	51,175.53
Discount	-	-
Revenue from contract with customers	65,142.17	51,175.53

Changes in contract assets are as follows:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Balance at the beginning of the year	4,138.95	3,533.05
Invoices raised that were included in the contract assets balance at the beginning of the year	(4,138.95)	(3,533.05)
Increase due to revenue recognised during the year, excluding amounts billed during the year	4,190.71	4,138.95
Balance at the end of the year	4,190.71	4,138.95

Changes in unearned and deferred revenue are as follows:

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Balance at the beginning of the year	302.30	258.31
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(281.62)	(240.27)
Increase due to revenue recognised during the year, excluding amounts billed during the year	510.31	284.26
Balance at the end of the year	530.99	302.30

25\ Other income

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Interest income		
- On deposits carried at amortised cost	261.45	281.55
- On Loan given to ESOP Trust	245.55	193.39
- On Others**	208.31	199.85
Dividend income from investments*	249.99	-
Other non-operating income		
Foreign exchange gain (net)	209.51	(146.32)
Profit on sale of Property, plant and equipment (net)	22.95	2.99
Profit on sale of investments (net)	36.45	-
Net profit on sale/ fair valuation of financial assets designated as FVTPL	293.35	145.23
Excess provision in respect of earlier years written back	0.14	0.95
Miscellaneous income	117.16	61.07
	1,644.86	738.71

*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, 2024 In ₹ million	March 31, 2023 In ₹ million
26.1 Employee benefits expense		
Salaries, wages and bonus	**34,663.68**	28,190.17
Contribution to provident and other funds* (refer note 29)	**1,809.06**	1,443.48
Staff welfare expense	**1,288.09**	717.34
Share based payments to employees (refer note 34)	**584.95**	1,066.31
	38,345.78	31,417.30
28.2 Cost of professionals		
- Related parties (refer note 33)	**4,615.53**	1,564.89
- Others	**1,372.07**	952.94
	5,987.60	2,517.83
	44,333.38	33,935.13

* Includes gratuity and leave encashment

27\ Other expenses*

	For the year ended	
	March 31, 2024 In ₹ million	March 31, 2023 In ₹ million
Travelling and conveyance	**655.81**	602.33
Electricity expenses (net)	**124.56**	104.09
Internet link expenses	**86.79**	58.21
Communication expenses	**47.44**	66.76
Recruitment expenses	**138.81**	257.17
Training and seminars	**155.21**	108.60
Purchase of software licenses and support expenses	**3,136.92**	2,030.95
Bad debts	**59.66**	46.11
Reversal of allowance for expected credit loss (net)	**(15.95)**	(4.46)
Rent (refer note 32)	**98.74**	103.10
Insurance	**71.45**	34.39
Rates and taxes	**51.60**	56.55
Legal and professional fees	**377.28**	310.64
Repairs and maintenance		
- Plant and Machinery	**154.92**	110.07
- Buildings	**33.77**	32.41
- Others	**27.23**	21.84
Selling and marketing expenses	**1,730.07**	1,376.05
Advertisement, conference and sponsorship fees	**19.72**	12.63
Computer consumables	**15.28**	6.43
Auditors' remuneration (refer note 41)	**12.33**	9.80
Corporate social responsibility expenditure (refer note 37)	**175.45**	117.60
Books, memberships, subscriptions	**5.71**	3.40
Directors' sitting fees	**8.20**	8.00
Directors' commission	**34.11**	27.95
Miscellaneous expenses	**289.77**	203.38
	7,494.88	5,704.00

* Includes expenses incurred with related parties (refer note 33)

28\Earnings per share

		For the year ended	
		March 31, 2024	March 31, 2023
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	**9,856.65**	7,911.28
Denominator for basic and diluted EPS			
Weighted average number of equity shares	(B)	**153,871,858**	152,850,000
Basic and diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	64.06	51.76

	For the year ended	
	March 31, 2024	March 31, 2023
Number of shares considered as basic weighted average shares outstanding	152,850,000	152,850,000
Add: Effect of dilutive issues of stock options	1,021,858	-
Number of shares considered as weighted average shares and potential shares outstanding	153,871,858	152,850,000

29\ Defined benefits and contribution obligation:

a) Defined Benefits Plan - Gratuity

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 and OCI)

(In ₹ million)

	For the year ended	
	March 31, 2024	March 31, 2023
Current service cost	305.21	193.38
Interest cost on benefit obligation	93.54	81.02
Expected return on plan assets	(99.74)	(86.68)
Net benefit expense	299.01	187.72
Net actuarial loss recognized in the year	76.90	40.10
Due to Demographic assumptions	-	-
Due to Financial assumptions	50.06	(64.18)
Due to Experience assumptions	26.84	104.28

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, 2024	March 31, 2023
Opening fair value of plan assets	1,331.69	1,226.00
Expected return on plan assets	99.74	86.68
Adjustment to expected return	(7.74)	19.01
Contribution by employer	271.85	-
Benefits paid	(152.22)	-
Closing fair value of plan assets	1,543.32	1,331.69

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, 2024	March 31, 2023
Opening defined benefit obligation	1,278.38	1,183.81
Interest cost	93.54	81.02
Current service cost	305.21	193.38
Benefits paid	(152.22)	(219.93)
Actuarial losses on obligation	76.90	40.10
Closing defined benefit obligation	1,601.81	1,278.38

Benefit asset / (liability)

(In ₹ million)

	As at	
	March 31, 2024	**March 31, 2023**
Fair value of plan assets	**1,543.32**	1,331.69
(Less) : Defined benefit obligations	**(1,601.81)**	(1,278.38)
Plan asset	**(58.49)**	**53.31**

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2024	**March 31, 2023**
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, 2024	**March 31, 2023**
Discount rate	**7.22%**	7.49%
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%
Weighted average duration of the defined benefit obligation (Years)	**13.26**	**13.53**

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 ₹ 1,427.69 million / ₹ 1,809.91 million (previous year: ₹ 1,143.07 million / ₹ 1,439.42 million) respectively.

Every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 1,740.00 million / ₹ 1,485.70 million (previous year: ₹ 1,372.27 million / ₹ 1,198.85 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, 2024	March 31, 2023
Plan assets	1,543.32	1,331.69
Defined benefit obligation	(1,601.81)	(1,278.38)
Surplus	(58.49)	53.31
Experience adjustments on plan liabilities - loss/ (gain)	76.90	40.10

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Within 1 year	71.41	58.89
1-2 years	67.76	65.29
2-3 years	74.01	63.55
3-4 years	118.18	67.86
4-5 years	94.28	104.42
5-10 years	520.64	405.87
Above 10 years	3,631.05	2,884.76

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 71.41 million.

Risk Characteristics of the Defined Benefit Plan

Investment risk
For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market risk (Interest rate)
Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity risk
The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

b) Defined contribution plan - Superannuation Fund
The Company contributed ₹ 89.42 million and ₹ 75.66 million to superannuation fund during the years ended March 31, 2024 and March 31, 2023 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

c) 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 ₹ 1,383.67 million (Previous year ₹ 1,159.43 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, 2024 In ₹ million	March 31, 2023 In ₹ million
Profit before tax	13,165.29	10,502.72
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	3,313.44	2,643.32
Effect of exempt income	(125.84)	(55.39)
Effect of non-deductible expenses	47.59	34.14
Effect of concessions (R&D allowance)	57.95	(1.34)
Tax charge in respect of earlier years	-	-
Effect of different tax rates for different heads of income	1.87	(0.07)
Others	13.63	(29.22)
Income tax expense	**3,308.64**	**2,591.44**

31. (a) Financial assets and liabilities

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

(In ₹ million)

Financial assets / financial liabilities	March 31, 2024				March 31, 2023				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial Assets:									
Investments in subsidiaries and associates	-	-	-	8,901.53	-	-	-	8,119.52	
Investments in equity instruments	6.00	-	-	-	6.00	-	-	-	Level 3
Investments in bonds #	-	-	2,995.61	-	-	-	3,085.59	-	
Investments in mutual funds	4,801.50	-	-	-	2,814.11	-	-	-	Level 2
Loans	-	-	2,760.00	-	-	-	2,870.00	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	3,351.98	-	-	-	4,733.10	-	
Cash and cash equivalents (including unpaid dividend)	-	-	3,261.75	-	-	-	1,239.50	-	
Trade receivables (net)	-	-	16,829.46	-	-	-	10,498.27	-	
Forward contracts receivable	-	42.54	-	-	-	-	-	-	Level 2
Unbilled revenue	-	-	4,190.71	-	-	-	4,138.95	-	
Other non current financial assets	-	-	337.29	-	-	-	274.29	-	
Other current financial assets	-	-	127.64	-	-	-	201.54	-	
Total Financial Assets	**4,807.50**	**42.54**	**33,854.44**	**8,901.53**	**2,820.11**	**-**	**27,041.24**	**8,119.52**	
Financial Liabilities:									
Borrowings (including accrued interest)	-	-	1.87	-	-	-	3.75	-	
Trade payables	-	-	2,687.81	-	-	-	1,365.56	-	
Lease liabilities	-	-	1,503.97	-	-	-	1,555.59	-	
Other financial liabilities (excluding borrowings)	-	-	402.27	-	-	-	644.00	-	
Total Financial Liabilities	**-**	**-**	**4,595.92**	**-**	**-**	**-**	**3,568.90**	**-**	

*** 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)

	As at March 31, 2024			As at March 31, 2023		
Particulars	**Face Value**	**No. of Units**	**Cost**	**Face Value**	**No. of Units**	**Cost**
Bonds carried at amortised cost	1,000	1,325,898	1,593.57	1,000	1,435,898	1,681.82
	5,000	53,000	361.87	5,000	53,000	361.87
	1,000,000	906	961.47	1,000,000	906	961.47
Total Cost			2,916.91			3,005.16
Add: Interest accrued on bonds			78.70			80.43
Total investments carried at amortised cost			**2,995.61**			**3,085.59**

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, 2024:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	11,771.08	634.33	1,071.51	207.69	13,684.60
Cash and cash equivalents and bank balances	1,617.22	13.77	94.62	114.84	1,840.45
Investments	5,854.68	2,756.22	-	126.94	8,737.84
Other financial assets (including loans and interest accrued)	102.58	1.80	31.58	5.30	141.26
Trade and other payables	653.86	119.72	88.42	343.27	1,205.27
Other liabilities	2,027.45	668.80	-	-	2,696.26

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

Foreign currency sensitivity analysis

For the year ended March 31, 2024 and March 31, 2023 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 0.31 % and 0.32% 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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate ₹	₹ (million)	Foreign currency (million)	Average rate ₹	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	**260.00**	**84.16**	**21,881.33**	230.00	82.83	19,051.50

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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate ₹	₹ (million)	Foreign currency (million)	Average rate ₹	₹ (million)
Not later than 3 months	**64.00**	**83.72**	**5,357.97**	55.00	80.82	4,445.22
Later than 3 months and not later than 6 months	**70.00**	**84.03**	**5,882.04**	63.00	82.60	5,203.67
Later than 6 months and not later than 9 months	**63.00**	**84.55**	**5,326.58**	56.00	83.95	4,701.05
Later than 9 months and not later than 12 months	**63.00**	**84.36**	**5,314.74**	56.00	83.96	4,701.56
Total	260.00		21,881.33	230.00		19,051.50

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 ₹ 17,090.40 million and ₹ 10,605.98

million as at March 31, 2024 and March 31, 2023, 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 the 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, 2024	March 31, 2023
Receivables overdue for more than 90 days (₹ million)*	1,043.48	428.35
Total receivables (gross) (₹ million)	17,153.98	10,684.77
Overdue for more than 90 days as a % of total receivables	6.1%	4.0%

* Out of this amount, ₹ 63.58 million (March 31, 2023: ₹ 78.79 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Within the credit period	7,919.41	7,253.69
1 to 30 days past due	1,231.89	2,582.63
31 to 60 days past due	2,430.40	326.71
61 to 90 days past due	4,528.80	93.39
91 to 120 days past due	169.97	107.02
121 and above past due	873.51	321.33
Less: Expected credit loss	(63.58)	(78.79)
Net trade receivables	**17,090.40**	**10,605.98**

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Opening balance	78.79	84.21
Movement in expected credit loss allowance	(15.95)	(4.46)
Translation differences	0.74	(0.96)
Closing balance	**63.58**	**78.79**

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, 2024, the Company had a working capital of ₹ 23,752.07 million including cash and cash equivalents and current fixed deposits of ₹ 6,398.30 million and current investments of ₹ 2,623.06 million.

As at March 31, 2023, the Company had a working capital of ₹ 16,770.29 million including cash and cash equivalents and current fixed deposits of ₹ 5,277.15 million and current investments of ₹ 1,879.66 million.

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

(In ₹ million)

	As at March 31, 2024		As at March 31, 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1.87	-	1.91	1.84
Trade payables and deferred payment liabilities	2,687.81	-	1,365.56	-
Lease Liabilities	560.87	1,177.39	468.72	1,388.13
Other financial liabilities (excluding borrowings)	402.27	-	668.46	-

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, 2024	As at March 31, 2023
Borrowings	1.87	3.75
Other financial liabilities	402.27	668.46
Total Debt:	404.14	672.21
Less : Cash and cash equivalents and bank balances other than cash and cash equivalants	6,499.32	5,409.80
Net Debt #	(6,095.18)	(4,737.59)
Total equity	47,786.51	39,416.50
Total Capital	47,786.51	39,416.50
Gearing Ratio (in %)	-12.76%	-12.02%

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, 2024	As at March 31, 2023
Forward contracts to sell USD: Hedging of expected receivables of USD 260 Million (Previous year USD 230 Million)	21,881.33	19,051.50

ii. Details of unhedged foreign currency exposures at the end of the year

	As at March 31, 2024			As at March 31, 2023		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	23.48	JPY 42.62	0.55	33.21	JPY 53.83	0.62
	1617.22	USD 19.39	83.40	648.67	USD 7.89	82.17
	94.62	GBP 0.9	105.27	171.71	GBP 1.69	101.64
	80.31	CAD 1.31	61.38	48.95	CAD 0.81	60.63
	13.77	EUR 0.15	90.01	16.96	EUR 0.19	89.36
	1.46	AUD 0.03	54.17	25.77	AUD 0.47	54.92
	9.59	ZAR 2.19	4.37	-	-	-

	As at March 31, 2024			As at March 31, 2023		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Investments	5,854.68	USD 70.20	83.40	5,768.33	USD 70.20	82.17
	30.88	SGD 0.50	61.75	30.89	SGD 0.50	61.78
	2,756.22	EUR 30.62	90.01	1,629.03	EUR 18.23	89.36
	96.06	MYR 5.45	17.63	101.64	MYR 5.45	18.65
Trade and other payables	10.50	SGD 0.17	61.75	5.31	SGD 0.09	61.78
	653.86	USD 7.84	83.40	34.23	USD 0.42	82.17
	88.42	GBP 0.84	105.27	68.45	GBP 0.67	101.64
	30.69	CAD 0.5	61.38	19.01	CAD 0.31	60.63
	119.72	EUR 1.33	90.01	122.76	EUR 1.37	89.36
	143.00	AUD 2.64	54.17	11.19	AUD 0.2	54.92
	1.84	CHF 0.02	92.11	1.16	CHF 0.01	89.64
	59.44	MXN 11.82	5.03	2.83	MXN 0.62	4.54
	45.48	MYR 2.58	17.63	45.96	MYR 2.46	18.65
	12.38	LKR 44.47	0.28	14.39	LKR 57.18	0.25
	1.67	CRC 10.01	0.17	-	-	-
	13.53	PLN 0.65	20.82	-	-	-
	23.69	RON 1.31	18.08	-	-	-
	1.00	JPY 1.81	0.55	-	-	-
	0.04	ZAR 0.01	4.37	-	-	-
Advances given and deposits placed	102.58	USD 1.23	83.40	124.90	USD 1.52	82.17
	31.58	GBP 0.3	105.27	9.15	GBP 0.09	101.64
	1.80	EUR 0.02	90.01	1.79	EUR 0.02	89.36
	0.18	MYR 0.01	17.63	0.07	MYR 0.004	18.65
	0.03	CAD 0.0005	61.38	0.04	CAD 0.001	60.63
	0.18	CHF 0.002	92.11	0.09	CHF 0.001	89.64
	1.08	AUD 0.02	54.17	0.55	AUD 0.01	54.92
	0.30	LKR 1.08	0.28	0.24	LKR 0.95	0.25
	0.62	SGD 0.01	61.75	0.62	SGD 0.01	61.78
	-	-	-	1.99	RON 0.11	18.13
	1.25	CRC 7.49	0.17	-	-	-
	1.66	MXN 0.33	5.03	-	-	-
Advances received	2,027.45	USD 24.31	83.40	1372.85	USD 16.71	82.17
	-	-	-	1.94	CAD 0.03	60.63
	668.80	EUR 7.43	90.01	1.62	EUR 0.02	89.36
	-	-	-	6.20	GBP 0.06	101.64
	-	-	-	0.61	ILS 0.03	22.80
Trade receivables	11,771.08	USD 141.14	83.40	5,498.82	USD 66.92	82.17
	634.33	EUR 7.05	90.01	470.93	EUR 5.27	89.36
	1,071.51	GBP 10.18	105.27	842.63	GBP 8.29	101.64
	165.99	AUD 3.06	54.17	129.62	AUD 2.36	54.92
	15.71	SGD 0.25	61.75	6.80	SGD 0.11	61.78
	12.38	ZAR 2.83	4.37	23.85	ZAR 5.18	4.60
	2.81	CAD 0.05	61.38	3.64	CAD 0.06	60.63
	0.88	CHF 0.01	92.11	-	-	-
	4.06	JPY 7.36	0.55	-	-	-
	5.87	MYR 0.33	17.63	-	-	-

32\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2024 (In ₹ million)	As at March 31, 2023 (In ₹ million)
- Less than one year	560.87	468.72
- One to five years	1,177.39	1,388.13

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 ₹ 98.74 million for the year ended March 31, 2024 (Previous year ₹ 103.10 million).

The company has adopted Ind AS 116, Leases; and has recognized notional interest on lease liability of ₹ 147.50 million under finance costs for year ended March 31, 2024 (Previous year ₹ 119.73 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 (PSG) (Wholly owned subsidiary)
	CAPIOT Software Private Limited, India (Wholly owned subsidiary)
	MediaAgility India Private Limited, India (Wholly owned subsidiary)
	Persistent Systems UK Limited. (Formerly known as Aepona Limited) (Wholly owned subsidiary w.e.f March 19, 2024)
	Persistent Telecom Solutions Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	CAPIOT Software Inc., USA (Dissolved w.e.f December 29, 2023) (Wholly owned subsidiary of Persistent Systems, Inc.)
	Persistent Systems S.R.L, Italy (Dissolved w.e.f February 26, 2024) (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 (Dissolved w.e.f May 31, 2023) (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility Inc., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility UK Limited, UK (Wholly owned subsidiary of MediaAgility Inc.)
	Digitalagility S de RL de CV, Mexico (Wholly owned subsidiary of MediaAgility Inc.)
	MediaAgility Pte Ltd, Singapore (Wholly owned subsidiary of MediaAgility Inc.)
	Persistent Systems Poland Sp. z.o.o., Poland (Acquired w.e.f April 5, 2023) (Wholly owned subsidiary of Persistent Systems Inc.)
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd) (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 (Merged into PSG w.e.f August 21, 2023) (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Persistent Systems Costa Rica Limitada (formerly known as 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)
	CAPIOT Software Pte Limited, Singapore (Dissolved w.e.f April 6, 2023) (Wholly owned subsidiary of CAPIOT Software Inc.)
	Persistent Systems Lanka (Private) Limited, Sri Lanka (Wholly owned subsidiary of Aepona Group Limited)
	PARX Consulting GmbH, Germany (Merged into PSG w.e.f August 21, 2023) (Wholly owned subsidiary of Persistent Systems Switzerland AG)
	Youperience Limited, UK (Dissolved w.e.f June 27, 2023) (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 (Retired wef April 2, 2023)
	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)
	Dr. Ajit Ranade, Independent Director (Appointed on June 6, 2023)
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. Yeshwant Sapre (Father of the Executive Director and Chief Financial Officer)
	Mr. Aditya Phatak (Son of Independent Director)
	Mr. Hemant Bakshi (Husband of Independent Director)
	Mrs. Alpana Ajit Ranade (Wife 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, 2024	For the year ended March 31, 2023
Sale of software services	**Subsidiaries**		
	Persistent Systems, Inc.	22,733.96	18,232.01
	Persistent Systems Malaysia Sdn. Bhd.	65.14	91.67
	Persistent Systems Pte Ltd	24.15	-
	Persistent Systems France SAS	14.66	47.54
	Persistent Telecom Solutions Inc.	92.60	168.23
	Persistent Systems Germany GmbH	210.79	54.46
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	162.89	4.27
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	-	0.96
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	213.34	5.70
	MediaAgility India Private Limited	219.92	54.59
	MediaAgility Inc.	235.61	94.70
	MediaAgility UK Limited	22.11	8.31
	MediaAgility Pte Ltd	-	0.17
	Persistent Systems S.R.L. Romania	-	1.28
	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**

	Name of the related party and nature of relationship	For the year ended March 31, 2024	March 31, 2023
Investment in wholly owned subsidiary	**Subsidiaries**		
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	782.01	-
	Persistent Systems, Inc.	-	1,681.48
	Persistent Systems Germany GmbH	-	453.49
	Media Agility India Pvt Ltd (Acquired wef April 29, 2022)	-	971.45
	Total	**782.01**	**3,106.42**
Interest income	**Subsidiaries**		
	Persistent Systems Germany GmbH	-	4.95
	Total	**-**	**4.95**
Dividend Income	**Subsidiaries**		
	MediaAgility India Private Limited	249.99	-
	Total	**249.99**	**-**
Cost of professionals	**Subsidiaries**		
	Persistent Systems, Inc.	3,980.82	1,201.77
	Persistent Systems France SAS	30.54	33.82
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	127.88	-
	Persistent Systems Malaysia Sdn. Bhd.	123.46	144.31
	Persistent Telecom Solutions Inc.	73.91	27.29
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	-	14.84
	Persistent Systems Lanka (Private) Limited	81.00	69.13
	Persistent Systems Mexico, S.A. de C.V.	68.93	16.02
	Persistent Systems Germany GmbH	25.84	16.44
	PARX Consulting GmbH	1.61	0.22
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	7.25	6.69
	Persistent Systems Pte Ltd	16.54	13.31
	Youperience GmbH	2.19	2.28
	Youperience Limited	-	0.20
	Persistent Systems S.R.L. Romania	78.31	18.57
	Persistent Systems Poland Sp. z.o.o.	256.27	-
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	5.05	-
	Total	**4,879.60**	**1,564.89**
Profit on sale of investments (net)	**Subsidiary**		
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	36.45	-
	Total	**36.45**	**-**
Selling and marketing expenses	**Subsidiaries**		
	Persistent Systems, Inc.	1,723.75	1,376.05
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	6.31	-
	Total	**1,730.06**	**1,376.05**
Commission received on corporate guarantee	**Subsidiary**		
	Persistent Systems, Inc.	6.33	10.08
	Total	**6.33**	**10.08**
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	37.68	36.40
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 143.52 million during the year 2023-24 (Previous year: ₹ 82.77 million)	163.98	102.18
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 11.52 million during the year 2023-24 (Previous year: ₹ 4.66 million)	17.00	9.44
	Mr Sandeep Kalra*	3.16	3.16
	Independent directors:		
	Ms. Roshini Bakshi	6.48	4.63
	Mr. Pradeep Bhargava ***	-	1.55
	Dr. Anant Jhingran ***	-	2.72
	Mr. Thomas Kendra ***	-	1.40
	Mr. Praveen Kadle	6.65	5.03
	Mr. Guy Eiferman ***	-	1.40
	Dr. Deepak Phatak ^	-	4.40

	Name of the related party and nature of relationship	For the year ended March 31, 2024	For the year ended March 31, 2023
	Ms. Avani Davda $	6.58	4.73
	Mr. Arvind Goel $	6.15	3.46
	Dr. Ambuj Goyal $	6.08	3.41
	Mr. Dan'l Lewin $	5.65	3.23
	Dr. Ajit Ranade ^	4.73	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande **	0.02	0.15
	Total	**264.17**	**187.29**
Dividend paid	**Key Management Personnel**		
	Dr. Anand Deshpande	1,235.11	891.88
	Mr. Sunil Sapre	3.67	2.82
	Mr Sandeep Kalra	2.69	3.42
	Mr. Amit Atre	0.13	0.08
	Independent directors:		
	Mr. Pradeep Bhargava	0.23	0.47
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.03	0.07
	Mrs. Chitra Buzruk	25.35	18.31
	Dr. Mukund Deshpande	21.60	11.20
	Mrs. Sonali Anand Deshpande	6.05	4.37
	Mrs. Sulabha Suresh Deshpande	0.03	0.08
	Mr. Arul Deshpande **	0.54	0.39
	Mr. Hemant Bakshi	0.27	0.20
	Mr. Aditya Phatak	1.53	1.13
	Ms. Alpana Ajit Ranade	0.01	-
	Total	**1,297.24**	**934.42**
Other payments	**Key Management Personnel**		
	Sunil Sapre	0.33	0.30
	Relatives of Key Management Personnel		
	Asha Sapre	0.33	0.30
	Total	**0.66**	**0.60**
Loan Given	**Controlled Trust**		
	PSPL ESOP Management Trust	1,602.97	0.55
	Total	**1,602.97**	**0.55**
Recovery of Loan given	**Controlled Trust**		
	PSPL ESOP Management Trust	1,712.97	652.55
	Total	**1,712.97**	**652.55**
Interest received	**Controlled Trust**		
	PSPL ESOP Management Trust	245.55	193.39
	Total	**245.55**	**193.39**
Employee stock compensation - Reimbursement	**Subsidiaries**		
	Persistent Systems Inc.	508.30	293.97
	Total	**508.30**	**293.97**
Donation given	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	175.45	117.50
		175.45	**117.50**

Notes:

* Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

^ Dr. Deepak Phatak retired wef April 2, 2023. Dr Ajit Ranade has been appointed wef June 6, 2023.

$ 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.

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. All other outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have guarantees and letters of comfort provided for subsidiaries. For the year ended 31 March 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2023: Nil).

iii. Outstanding balances

(In ₹ million)

	Name of the related party and nature of relationship	As at March 31, 2024	As at March 31, 2023
Advances given	**Subsidiaries**		
	Persistent Systems, Inc.	101.25	123.10
	Persistent Systems France SAS	0.80	0.69
	Persistent Telecom Solutions Inc.	0.64	0.17
	Persistent Systems Lanka (Private) Limited	0.30	0.24
	Persistent Systems Malaysia Sdn. Bhd	0.13	0.07
	Persistent Systems México, S.A. de C.V.	1.64	1.38
	Persistent Systems Germany GmbH	0.71	0.54
	PARX Consulting GmbH	-	0.09
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.20	0.09
	Youperience GmbH	0.04	0.04
	Youperience Limited	-	0.04
	Persistent Systems Pte. Ltd.	0.41	0.41
	Aepona Group Limited	-	0.08
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	17.28	6.40
	MediaAgility India Private Limited	0.01	49.33
	MediaAgility UK Ltd	2.56	0.76
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	0.30	-
	CAPIOT Software Private Limited	0.02	-
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	1.25	-
	Persistent Systems S.R.L. Romania	-	1.91
	Total	**127.54**	**185.34**
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)	781.97	4.77
	Persistent Systems France SAS	-	13.09
	PARX Consulting GmbH	-	0.69
	Persistent Systems, Inc.	2,027.43	1,301.43
		2,809.40	**1,320.59**
Trade payables	**Subsidiaries**		
	Persistent Systems France SAS	8.79	6.12
	Persistent Systems S.R.L. Romania	23.66	-
	Persistent Systems, Inc.	510.99	-
	Persistent Systems Malaysia Sdn. Bhd.	44.26	45.95
	Persistent Telecom Solutions Inc.	70.24	22.85
	Persistent Systems Pte Ltd	9.65	4.13
	Persistent Systems Germany GmbH	5.16	3.58
	CAPIOT Software Private Limited	0.02	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	142.31	-
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	2.77	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	-	5.53
	Youperience GmbH	-	2.31
	Persistent Systems Poland Sp. z.o.o.	13.61	-
	Persistent Systems Lanka (Private) Limited	9.74	14.40
	Persistent Systems Mexico, S.A. de C.V.	58.80	2.84
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	1.51	1.17
	Software Corporation LLC.	0.02	0.03
	Total	**901.53**	**108.91**

(In ₹ million)

	Name of the related party and nature of relationship	As at March 31, 2024	As at March 31, 2023
Trade receivables	**Subsidiaries**		
	Persistent Systems France SAS	3.00	-
	Persistent Systems, Inc.	6,465.26	2,534.97
	Persistent Telecom Solutions Inc.	87.08	84.07
	Persistent Systems Pte Ltd	4.75	
	Persistent Systems Malaysia Sdn. Bhd.	43.83	43.14
	Persistent Systems Germany GmbH	153.82	66.80
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	39.00	-
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	-	0.13
	Persistent Systems Mexico, S.A. de C.V.	-	0.08
	Persistent Systems Lanka (Private) Limited	0.02	0.07
	Persistent Systems S.R.L. Romania	-	0.61
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	64.45	
	MediaAgility Inc.	-	44.19
	MediaAgility UK Limited	31.71	-
	MediaAgility Pte Ltd	0.23	-
	MediaAgility India Private Limited	23.18	32.01
	Total	**6,916.33**	**2,806.07**
Unbilled Receivable	**Subsidiaries**		
	Persistent Systems, Inc.	1,396.24	2,196.37
	Persistent Telecom Solutions Inc.	-	1.28
	Persistent Systems Malaysia Sdn. Bhd.	0.97	14.27
	Persistent Systems Pte Ltd	6.13	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	78.32	2.06
	Persistent Systems Germany GmbH	46.85	14.40
	Persistent Systems France SAS	3.94	12.30
	MediaAgility Inc.	36.31	4.43
	MediaAgility India Private Limited	42.68	4.52
	MediaAgility UK Limited	1.21	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	91.60	-
	Total	**1,704.25**	**2,249.63**
Loans given	**Controlled Trust**		
	PSPL ESOP Management Trust	2,760.00	2,870.00
	Total	**2,760.00**	**2,870.00**
Investments	**Subsidiaries**		
	Persistent Systems, Inc.	4,729.74	4,729.74
	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	1,719.40
	CAPIOT Software Private Ltd.	483.71	483.71
	MediaAgility India Private Limited	971.45	971.45
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	782.01	-
	Total	**8,901.53**	**8,119.52**

Letters of comfort of USD 24.69 Million: Rs. 2,059.15 Million (March 31, 2023: 4,247.37) 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	9,121,000	11-Dec-99	11-Dec-99	*
Scheme II	1,506,400	23-Apr-04	23-Apr-04	10 Years
Scheme III	5,066,600	23-Apr-04	23-Apr-04	*
Scheme IV	13,916,500	23-Apr-06	23-Apr-06	10 Years
Scheme V	3,781,050	23-Apr-06	23-Apr-06	*
Scheme VI	2,432,500	31-Oct-06	31-Oct-06	10 Years
Scheme VII	3,569,950	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	84,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	2,748,924	29-Jun-09	29-Jun-09	10 Years
Scheme X	6,124,544	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	4,491,000	26-Jul-14	03-Nov-14	4-5 Years
Scheme XII ***	134,600	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	16,666,188	27-Jul-17	01-Aug-19	4-5 Years
Scheme XIV	160,000	27-Jul-17	01-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 2,800,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 100 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 (Category 1)	Grant (Category 2)	Grant (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 (Category 1)	Grant (Category 2)	Grant (Category 3)
12 - 20 Months	25%	40%	33.33%
24 - 32 Months	50%	30%	66.66%
36 - 44 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, 2024 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-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme II	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-23	216,518	-	86,514	6,002	124,002	124,002
	Weighted Average Price	31-Mar-23	15.89	-	15.21	15.34	16.39	16.39
	Number of Options	31-Mar-24	124,002	-	51,532	2,000	70,470	70,470
	Weighted Average Price	31-Mar-24	16.39	-	15.47	15.34	17.67	17.67
Scheme IV	Number of Options	31-Mar-23	492,596	-	142,114	139,282	211,200	211,200
	Weighted Average Price	31-Mar-23	27.36	-	23.60	30.56	27.79	27.79
	Number of Options	31-Mar-24	211,200	-	16,600	160,400	34,200	34,200
	Weighted Average Price	31-Mar-24	27.79	-	20.47	30.56	25.33	25.33
Scheme V	Number of Options	31-Mar-23	99,762	-	-	3,208	96,554	96,554
	Weighted Average Price	31-Mar-23	13.30	-	-	13.39	13.30	13.30
	Number of Options	31-Mar-24	96,554	-	-	26,486	70,068	-70,068
	Weighted Average Price	31-Mar-24	13.30	-	-	15.57	12.41	12.41
Scheme VI	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-23	282	-	282	-	-	-
	Weighted Average Price	31-Mar-23	13.14	-	13.15	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-

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 VIII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-23	231,422	-	114,070	14,320	103,032	103,032
	Weighted Average Price	31-Mar-23	27.37	-	27.37	27.37	27.37	27.37
	Number of Options	31-Mar-24	103,032	-	90,232	12,800	-	-
	Weighted Average Price	31-Mar-24	27.37	-	27.37	27.37	-	-
Scheme X	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-14,000	14,000	-	-
	Weighted Average Price	31-Mar-24	-	-	95.68	95.68	-	-
Scheme XI	Number of Options	31-Mar-23	1,023,500	669,200	287,380	395,406	1,009,914	57,114
	Weighted Average Price	31-Mar-23	5.00	5.00	5.00	5.00	5.00	5.00
	Number of Options	31-Mar-24	1,009,914	443,400	82,510	482,034	888,770	48,734
	Weighted Average Price	31-Mar-24	5.00	5.00	5.00	5.00	5.00	5.00
Scheme XII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme XIII	Number of Options	31-Mar-23	6,760,248	3,074,562	1,993,886	1,080,594	6,760,330	1,070,496
	Weighted Average Price	31-Mar-23	985.76	1,629.73	1,289.15	543.45	1,259.85	1,154.63
	Number of Options	31-Mar-24	6,760,330	3,764,950	894,394	1,940,838	7,690,048	861,540
	Weighted Average Price	31-Mar-24	1,259.85	3,261.15	1,449.31	967.64	2,286.26	1,497.72
Scheme XIV	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Total	Number of Options	31-Mar-23	8,824,328	3,743,762	2,624,246	1,638,812	8,305,032	1,662,398
	Number of Options	31-Mar-24	8,305,032	4,208,350	1,121,268	2,638,558	8,753,556	944,876

The weighted average share price for the period over which stock options were exercised was ₹ 3,013.10 (previous year ₹ 1,977.60).

c. Details of exercise price for stock option outstanding at the end of the year

		As at March 31, 2024		As at March 31, 2023	
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	1.02 - 4.785	-	Note (i)	-	Note (i)
Scheme II	6.48 - 24.105	-	-	-	-
Scheme III	6.48 - 24.105	70,470	Note (i)	124,002	Note (i)
Scheme IV	11.115 - 30.56	34,200	1.31	208,400	1.73
Scheme V	11.115 - 22.07	70,068	Note (i)	99,354	Note (i)
Scheme VI	11.115 - 15.335	-	-	-	-
Scheme VII	12.085 - 30.56	-	-	282	1.73
Scheme VIII	24.105 - 24.105	-	-	-	-
Scheme IX	27.37 - 27.37	0	-	103,032	1.25
Scheme X	78.79 - 139.85	-	-	-	-
Scheme XI	5	888,770	3.72	1,009,914	4.08
Scheme XII	5	-	-	-	-
Scheme XIII	221.235 - 3300	7,690,048	3.80	6,760,248	3.59
Scheme XIV	270.41 - 270.41	-	-	-	-

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, 2024 amounted to ₹ 1091.75 million (Previous year ₹ 1360.28 million). The liability for employee stock options outstanding as at March 31, 2024 is ₹ 2,227.72 million (Previous year ₹ 2,222,02 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 2023-24:

	March 31, 2024		March 31, 2023	
Particulars	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price ₹	3108.77	3835.9	1914.18	1839.47
Weighted Exercise Price ₹	5	3335.42	5	1629.99
Weighted Average Fair Value ₹	3063.06	1341.98	1874.56	602.25
Expected Volatility	21.99%-30.69%	27.44%-31.15%	26.85%-28.11%	26.85%-28.11%
Life of the options granted ** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs
Dividend Yield	44.00	44.00	39.00	39.00
Average risk-free interest rate	7.12%	7.16%	6.98%	7.06%

** 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.

Note: The company has done a share split of 1:2, the impact of this has been given to options granted to the employees of the company ((refer note 16(a)).

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, 2024	As at March 31, 2023
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

	ii. Other Pending litigations in respect of Indirect taxes.	**7.77**	8.20
2	**Income tax demands disputed in appellate proceedings.**	**1,102.72**	1,023.34

b. Letter of Comfort on behalf of Subsidiaries

(In ₹ million)

Sr. No.		As at March 31, 2024	As at March 31, 2023
1	Letters of comfort on behalf of subsidiary (USD 24.69 Million (Previous year : USD 51.69 Million))	**2,059.15**	4,247.37

**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.

36\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2024	March 31, 2023
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	**359.76**	158.71
Other commitments		
Forward contracts	**21,881.33**	19,051.50

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, 2024	March 31, 2023
a.	Gross amount required to be spent by the Company during the year	**175.45**	140.99
b.	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	**-**	-
	(ii) On purposes other than (i) above	**175.45**	117.60
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**	Donation given to the following entities: a. Persistent Foundation b. Deepastambha Charitable Trust
g.	Details of related party transactions Donation given to Persistent Foundation	**175.45**	117.50
h.	Deails of provision made for liability incurred by entering into a contractual obligation	**-**	-

* Set-off availed: The Company spent an excessive amount of INR 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 INR 23.39 Million.
The Company continues to have an amount of INR 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

Pursuant to a share purchase agreement, the Company acquired 100% equity interest in MediaAgility India Private Limited on April 29, 2022 for a consideration of ₹ 971.45 Million. During the year ended March 31, 2023 the acquisition of the said business was accounted by applying the acquisition method on provisional basis in the consolidated financial statements of the Company.

During the period, the purchase price allocation was completed and the purchase price is allocated to identifiable assets acquired and liabilities assumed (including contingent consideration) based on the fair values at the date of acquisition in the consolidated financial statements of the Company.

39\ Ratios

Ratio	Denomination	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance (If more than 25%)
a. Current Ratio	Number	Current Assets	Current Liabilties	**3.11**	3.07	1.30%	
b. Debt-Equity Ratio	%	Debt	Shareholder's Equity	**0.004%**	0.010%	-0.01%	
c. Debt Service Coverage Ratio	Number	Earnings available for debt service	Current debt liability	**7,119.74**	6,040.00	17.88%	
d. Return on Equity Ratio	%	Net Profit after tax	Average Shareholder's Equity	**22.61%**	21.79%	0.81%	
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	**4.77**	6.86	-30.48%	Note 1
f. Trade payables turnover ratio	Number	Cost of Professionals + other expenses +- Other non cash adjustments	Average Trade payables	**6.61**	7.32	-9.72%	
g. Net capital turnover ratio	Number	Revenue from operations	Working Capital	**2.74**	3.05	-10.12%	
h. Net profit ratio	%	Net Profit after tax	Revenue	**15.13%**	15.46%	-0.33%	
i. Return on Capital employed	%	Profit before Interest and taxes	Average capital employed	**30.58%**	30.10%	0.48%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	**7.25%**	4.88%	2.37%	

**Earnings available for debt service = Profit before exceptional item and tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

Note 1: Increase in business volume with unfavourable movement in the receivables and payables has resulted in variance 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, 2024	March 31, 2023
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	**2,760.00**	2,870.00

b. Details of gurantees given on behalf of subsidiaries

	As at March 31, 2024		As at March 31, 2023	
Name of Subsidiary	$ Million	₹ Million	$ Million	₹ Million
Persistent Systems Inc.	**10.17**	848.18	**10.17**	835.67

41\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2024	March 31, 2023
- Audit fee	11.44	9.15
- Certifications	0.50	0.20
- Reimbursement of expenses	0.39	0.45
	12.33	9.80

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, 2024	March 31, 2023
Capital	-	-
Revenue	269.48	140.63
	269.48	140.63

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).

44\ Net dividend remitted in foreign exchange

(In ₹ million)

	No. of non-resident shareholders		No. of equity shares held on which dividend was due		For the year ended	
Particulars	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interim dividend	11	12	0.38	0.41	12.21	11.64
Final dividend	9	5	0.39	0.40	8.55	4.39

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.

47EThe 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.

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 During the period Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branch has been transfered to Persistent Systems Australia Pty Ltd with effect from October 01, 2023. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method.

50 The Board of Directors of the Company at its meeting held on January 20, 2024, approved the Scheme of Merger of Capiot Software Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited, and accordingly, an application of Merger has been filed with the National Company Law Tribunal, Mumbai (NCLT) on March 22, 2024.

51 The Share Purchase Agreement ('SPA') for the transfer of the 100% shareholding of Persistent Systems UK Limited (subsidiary) from Aepona Group Limited, Ireland (subsidiary) to Persistent Systems Limited was executed on Tuesday, March 19, 2024.

52 The Business Transfer Agreement has been executed for the transfer of the business of the UK Branch of the Company to Persistent Systems UK Limited effective from April 1, 2024.

53 The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from 1st April 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled.

The Company uses a SaaS based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application level.

The database of the accounting software is operated by a third-party software service provider. The 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) includes suitability of the design and operating effectiveness of controls. However, the availability of audit trail (edit logs) are not covered in the said report.

In our view, the company's ERP being a SaaS based software, the audit trail at the database level is not applicable.

54 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 Holding Company had filed an application with Directorate General of Foreign Trade (DGFT). The Company believes that its services were eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. With the intention of avoiding litigation and settling the dispute, the Company had applied before the Settlement Commission for settlement of the case and had offered to forego ₹ 296.55 million. The Company had recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022, which was presented as an "exceptional item" in the statement of profit and loss for that period. During the quarter, the Settlement Commission has approved the Company's application and has settled the liability of ₹ 296.55 million including interest. As the amount has already been provided for in full by the Company, no further adjustment is necessary in these financial statements.

55 The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.

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56 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: India
Date: April 21, 2024

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 21, 2024

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: USA
Date: April 21, 2024

Praveen Kadle
Independent Director

DIN: 00016814

Place: India
Date: April 21, 2024

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: USA
Date: April 21, 2024

Amit Atre
Company Secretary

Membership No. A20507

Place: USA
Date: April 21, 2024

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Persistent

See Beyond, Rise Above

Persistent Systems Limited
CIN: L72300PN1990PLC056696

Registered Office
'Bhageerath', 402 Senapati Bapat Road
Pune 411 016, India
Tel: +91 20 6703 0000
Fax: +91 20 6703 0008
info@persistent.com
www.persistent.com

persistent-systems

persistentsys

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