
Walker Chandiook & Co LLP

3rd floor, Unit No. 310 to 312,
West Wing, Nyati Unitree
Nagar Road, Yerwada,
Pune - 411 006
Maharashtra, India

T +91 20 6744 8888

F +91 20 6744 8899

Independent Auditor's Report on the Audit of the Condensed Interim Standalone Financial Statements for the quarter and nine months ended 31 December 2024

To the Members of Persistent Systems Limited

Opinion

1. We have audited the accompanying condensed interim standalone financial statements of **Persistent Systems Limited** ('the Company'), which comprise the condensed interim balance sheet as at 31 December 2024, the condensed interim statement of profit and loss (including Other Comprehensive Income) for the quarter and nine months ended 31 December 2024, the condensed interim statement of cash flow and the condensed interim statement of changes in equity for the nine months ended 31 December 2024, and a summary of the material accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed interim standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in accordance with Indian Accounting Standard 34 , Interim Financial Reporting ('Ind AS 34') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, of the state of affairs of the Company as at 31 December 2024, and its profit (including other comprehensive income) for the quarter and nine months then ended, its cash flows and the changes in equity for the nine months ended 31 December 2024.

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 condensed interim 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 condensed interim standalone 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.

Responsibilities of Management and Those Charged with Governance for the condensed interim standalone financial statements

4. The accompanying condensed interim standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these condensed interim standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, and changes in equity of the Company in accordance with the accounting

principles generally accepted in India, in accordance with Ind AS 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended). 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 condensed interim standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the condensed interim standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the condensed interim standalone financial statements

7. Our objectives are to obtain reasonable assurance about whether the condensed interim standalone 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 condensed interim standalone financial statements.
8. 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, but not for the purpose of expressing an opinion on whether the Company has in place 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 management's 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 condensed interim standalone 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 condensed interim standalone financial statements, including the disclosures, and whether the condensed interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Walker Chandiok & Co LLP

9. 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.
10. 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

SHASHI

PURUSHOTTAM

TADWALKAR

Shashi Tadwalkar

Partner

Membership No.: 101797

Digitally signed by SHASHI
PURUSHOTTAM TADWALKAR
Date: 2025.01.22 16:11:29
+05'30'

UDIN: 25101797BMMAJH3515

Place: Pune

Date: 22 January 2025

Persistent Systems Limited
CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2024

	Notes	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	3,987.28	4,006.41	3,872.54
Capital work-in-progress		153.26	391.98	210.12
Right of use assets	4.2	2,153.38	1,530.84	1,424.26
Goodwill	4.3	236.00	236.00	236.00
Other intangible assets	4.4	587.18	456.16	509.77
Intangible assets under development		355.14	-	116.53
		7,472.24	6,621.39	6,369.22
Financial assets				
- Investments	5	14,692.58	12,280.62	14,081.58
- Trade receivables	11	607.11	62.67	280.94
- Loans	6	4,010.00	3,060.00	2,780.00
- Other financial assets	7	679.31	474.66	617.45
Deferred tax assets (net)	8	432.96	529.38	493.80
Other non-current assets	9	1,373.74	756.03	951.27
		29,267.94	23,764.75	25,534.26
Current assets				
Financial assets				
- Investments	10	4,136.88	6,144.76	2,623.06
- Trade receivables	11	20,786.33	14,454.84	16,829.46
- Cash and cash equivalents	12	3,697.96	1,673.46	3,258.83
- Bank balances other than cash and cash equivalents	13	3,127.49	3,086.78	3,240.49
- Other financial assets	14	23,690.95	5,920.76	4,360.89
Current tax assets (net)		8.52	-	-
Other current assets	15	5,678.01	3,788.56	4,225.41
		61,126.14	35,049.16	34,538.14
TOTAL		90,394.08	58,813.91	60,072.40
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	16(a)	779.25	769.25	770.25
Other equity	16(b)	57,739.87	47,408.55	47,016.26
		58,519.12	48,177.80	47,786.51
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Lease liabilities	18	1,322.79	1,062.43	943.10
- Other financial liabilities	19	14.57	-	-
Other non-current liabilities	23	47.19	3.74	25.51
Provisions	20	1.21	518.72	531.21
		1,385.76	1,584.89	1,499.82
Current liabilities				
Financial liabilities				
- Borrowings	17	-	1.86	1.87
- Lease liabilities	18	885.10	543.40	560.87
- Trade payables	21			
-total outstanding dues of micro enterprises and small enterprises and small enterprises		21.00	27.08	49.63
-total outstanding dues of creditors other than micro enterprises and small enterprises		19,823.10	1,462.78	2,638.18
- Other financial liabilities	22	960.00	386.70	292.11
Other current liabilities	23	6,338.36	4,131.09	4,914.10
Provisions	24	2,461.64	1,970.58	2,037.42
Current tax liabilities (net)		-	527.73	291.89
		30,489.20	9,051.22	10,786.07
TOTAL		90,394.08	58,813.91	60,072.40
Summary of material accounting policies	3			

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

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

**SHASHI
PURUSHOTTAM
TADWALKAR**
Shashi Tadwalkar
Partner

Digitally signed by SHASHI
PURUSHOTTAM TADWALKAR
Date: 2025.01.22 16:12:18
+05'30'

Membership No.: 101797

Place: Pune
Date : January 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande Sandeep Kalra Praveen Kadle
Anand Deshpande (Jan 22, 2025 15:07 GMT+5.5) Sandeep Kalra (Jan 22, 2025 05:13 EST) Praveen Kadle (Jan 22, 2025 14:15 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing
Director

Sandeep Kalra
Executive Director and Chief
Executive Officer

Praveen Kadle
Independent Director

DIN: 00005721

DIN: 02506494

DIN: 00016814

Place: Pune
Date : January 22, 2025

Place: USA
Date : January 22, 2025

Place: Pune
Date : January 22, 2025

Vinit Teredesai Amit Atre
Vinit Teredesai (Jan 22, 2025 14:08 GMT+5.5) Amit Atre (Jan 22, 2025 14:10 GMT+5.5)

Vinit Teredesai
Chief Financial Officer

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date : January 22, 2025

Place: Pune
Date : January 22, 2025

Persistent Systems Limited
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2024

	Notes	For the quarter ended		For nine months ended		For the year ended
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
		In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Income						
Revenue from operations	25	30,016.88	16,694.13	85,404.70	48,833.15	65,142.17
Other income	26	517.48	398.31	1,648.25	1,293.04	1,644.86
Total income (A)		30,534.16	17,090.44	87,052.95	50,126.19	66,787.03
Expenses						
Employee benefits expense	27.1	12,664.74	9,799.13	36,048.15	28,426.17	38,345.78
Cost of professionals	27.2	8,511.64	1,630.70	25,375.64	4,341.98	5,987.60
Finance costs		122.05	43.87	327.33	129.27	169.84
Depreciation and amortisation expense	4.5	521.50	412.78	1,291.18	1,209.67	1,623.64
Other expenses	28	4,074.41	1,722.63	11,877.44	5,417.96	7,494.88
Total expenses (B)		25,894.34	13,609.11	74,919.74	39,525.05	53,621.74
Profit before tax (A - B)		4,639.82	3,481.33	12,133.21	10,601.14	13,165.29
Tax expense						
Current tax		1,312.34	991.34	3,291.15	2,724.42	3,414.63
Deferred tax charge / (credit)		(8.59)	(107.66)	167.05	(140.36)	(105.99)
Total tax expense		1,303.75	883.68	3,458.20	2,584.06	3,308.64
Profit for the period / year (C)		3,336.07	2,597.65	8,675.01	8,017.08	9,856.65
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities		37.57	(4.20)	207.89	(22.53)	(84.64)
- Income tax effect on above		(9.45)	1.05	(52.32)	5.66	21.29
		28.12	(3.15)	155.57	(16.87)	(63.35)
Items that will be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		(367.96)	27.62	(414.00)	32.86	21.59
- Income tax effect on above		86.60	(6.55)	98.19	(6.82)	8.02
		(281.36)	21.07	(315.81)	26.04	29.61
Total other comprehensive income for the period / year (D) + (E)		(253.24)	17.92	(160.24)	9.17	(33.74)
Total comprehensive income for the period / year (C) + (D) + (E)		3,082.83	2,615.57	8,514.77	8,026.25	9,822.91
Earnings per equity share						
[Nominal value of share ₹5 (Corresponding period / Previous year: ₹5)]	29					
Basic (In ₹)		21.41	16.88	55.99	52.12	64.06
Diluted (In ₹)		21.41	16.88	55.99	52.12	64.06
Summary of material accounting policies	3					

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

As per our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI
PURUSHOTTAM
TADWALKAR
Date: 2025.01.22 16:12:44
+05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 22, 2025 12:07 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : January 22, 2025

Sandeep Kalra
Sandeep Kalra (Jan 22, 2025 05:13 EST)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: USA
Date : January 22, 2025

Praveen Kadle
Praveen Kadle (Jan 22, 2025 14:15 GMT+5.5)

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date : January 22, 2025

Vinit Teredesai
Vinit Teredesai (Jan 22, 2025 14:08 GMT+5.5)

Vinit Teredesai
Chief Financial Officer

Place: Pune
Date : January 22, 2025

Amit Atre
Amit Atre (Jan 22, 2025 14:10 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date : January 22, 2025

Persistent Systems Limited
CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED DECEMBER 31, 2024

	For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million
Cash flows from operating activities			
Profit before tax	12,133.21	10,601.14	13,165.29
Adjustments for:			
Interest income	(541.13)	(554.81)	(715.31)
Finance cost	327.33	129.27	169.84
Dividend income	-	(249.99)	(249.99)
Depreciation and amortisation expense	1,291.18	1,209.67	1,623.64
Unrealised exchange loss gain	(375.74)	(169.88)	(211.55)
Exchange gain on derivative contracts	67.66	(80.14)	(70.63)
Exchange gain on translation of foreign currency cash and cash equivalents	(69.90)	(11.50)	(33.40)
Bad debts	-	-	59.66
Change in provision for expected credit loss / (gain) (net)	25.88	46.11	(15.95)
Employee stock compensation expenses	596.13	557.50	584.95
Remeasurements of the defined benefit liabilities (before tax effects)	207.89	(22.53)	(84.64)
Excess provision in respect of earlier years written back	(4.55)	-	(0.14)
Profit on sale / fair valuation of financial assets designated as FVTPL	(333.11)	(180.58)	(293.35)
Profit on sale of investments (net)	(336.02)	(36.45)	(36.45)
Provision towards employee benefits	(506.74)	-	-
Profit on sale of Property, plant and equipment (net)	(66.92)	(7.74)	(22.95)
Profit on account of lease modification	(28.15)	-	-
Operating profit before working capital changes	12,387.02	11,230.07	13,869.02
Movements in working capital :			
Decrease / (Increase) in other non-current assets	(423.85)	5.98	(202.39)
Increase in other non-current financial assets	(7.10)	(46.83)	101.97
(Increase) / Decrease in other current financial assets	(19,065.69)	(1,089.03)	482.92
Increase in current assets	(878.04)	(1,047.47)	(1,932.42)
Increase in trade receivables	(4,975.35)	(3,890.46)	(6,444.32)
Increase in trade payables, current liabilities and non-current liabilities	21,819.54	1,863.39	3,510.81
Increase / (Decrease) in provisions	468.46	(469.13)	(389.66)
Operating profit after working capital changes	9,324.99	6,556.52	8,995.93
Direct taxes paid (net of refunds)	(3,643.90)	(2,211.63)	(3,122.05)
Net cash generated from operating activities (A)	5,681.09	4,344.89	5,873.88
Cash flows from investing activities			
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)	(2,656.59)	(1,129.17)	(1,435.22)
Proceeds from sale of Property, plant and equipment	116.01	6.33	28.17
Payment towards acquisitions - investment in wholly owned subsidiaries	(880.05)	-	-
Payment towards investment in Simple Agreement for Future Equity (SAFE)	(167.00)	-	(165.75)
Payable to selling shareholder	-	-	(10.07)
Proceeds from transfer of business undertaking	969.99	116.25	116.25
Disbursement of Loan to ESOP trust	(3,075.71)	(1,390.00)	(1,602.97)
Recovery of Loan to ESOP trust	1,825.71	1,200.00	1,712.97
Purchase of bonds	-	-	(0.70)
Proceeds from sale of bonds	-	50.00	80.70
Investments in mutual funds	(38,432.70)	(37,191.14)	(50,470.37)
Proceeds from sale / maturity of mutual funds	36,781.89	32,958.26	48,786.33
Proceeds from maturity of bank deposits having original maturity over three months	97.70	1,040.82	938.84
Disposal in deposit with financial institutions	100.00	400.00	400.00
Interest received	558.22	614.19	759.32
Dividend received	-	249.99	249.99
Net cash flows used in investing activities (B)	(4,762.53)	(3,074.47)	(612.51)
Cash flows from financing activities			
Proceeds from issue of share capital including securities premium	1,845.90	1,394.50	1,607.80
Repayment of long term borrowings	(1.85)	(1.84)	(1.84)
Payment of principal portion of lease liabilities	(434.81)	(381.77)	(520.39)
Payment of interest portion of lease liabilities	(167.86)	-	(147.50)
Dividend paid	(1,540.50)	(1,692.35)	(4,153.95)
Interest paid	(159.49)	(129.32)	(22.38)
Net cash flows used in financing activities (C)	(458.61)	(810.78)	(3,238.26)

Persistent Systems Limited**CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE NINE MONTHS ENDED DECEMBER 31, 2024**

	For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	459.95	459.64	2,023.11
Cash and cash equivalents at the beginning of the year	3,258.83	1,236.45	1,236.45
Movement in cash and cash equivalent on account of transfer of business undertaking	(90.72)	(34.13)	(34.13)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	69.90	11.50	33.40
Cash and cash equivalents at the end of the year	3,697.96	1,673.46	3,258.83
Components of cash and cash equivalents			
Cash on hand	0.08	0.13	0.08
Balances with banks			
On current accounts #	1,449.68	568.75	1,761.40
On saving accounts	23.41	28.84	23.48
On deposit account with maturity of less than three months	59.00	44.00	72.00
On exchange earner's foreign currency accounts	2,165.79	1,031.74	1,401.87
Cash and cash equivalents	3,697.96	1,673.46	3,258.83

Of the cash and cash equivalent balance as at December 31, 2024, the Company can utilise ₹ 0.02 Million (Corresponding period : ₹ 169.19 Million / Previous year: ₹ 65.10 Million) only towards certain predefined activities specified in the government grant agreement.

The above Statement of Cash Flows 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 condensed interim financial statements.

As per our report of even date

For Walker Chandio & Co LLP
Chartered Accountants

Firm Registration No.: 001076N/N500013

SHASHI
PURUSHOTTAM
TADWALKAR
Date: 2025.01.22 16:13:07
+05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune

Date : January 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 22, 2025 14:07 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune

Date : January 22, 2025

Vinit Teredesai
Vinit Teredesai (Jan 22, 2025 14:08 GMT+5.5)

Vinit Teredesai
Chief Financial Officer

Place: Pune

Date : January 22, 2025

Sandeep Kalra
Sandeep Kalra (Jan 22, 2025 05:13 EST)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: USA

Date : January 22, 2025

Praveen Kadle
Praveen Kadle (Jan 22, 2025 14:15 GMT+5.5)

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune

Date : January 22, 2025

Amit Atre
Amit Atre (Jan 22, 2025 14:10 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune

Date : January 22, 2025

Persistent Systems Limited**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2024****A. Equity share capital**

(Refer note 16(A))

(In ₹ Million)

Balance as at April 1, 2024	Changes in equity share capital during the period	Balance as at December 31, 2024
770.25	9.00	779.25

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
764.25	5.00	769.25

(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

(This space is intentionally left blank)

Persistent Systems Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2024

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Securities premium	Effective portion of cash flow hedges	
Balance as at April 1, 2024	25,854.48	2,227.71	35.75	17,272.67	1,601.80	23.85	47,016.26
Profit for the period	-	-	-	8,675.01	-	-	8,675.01
Items recognised in / from other comprehensive income for the period	-	-	-	207.89	-	(414.00)	(206.11)
Income tax effect on above	-	-	-	(52.32)	-	98.19	45.87
Dividend	-	-	-	(1,540.50)	-	-	(1,540.50)
Employee stock compensation expenses	-	596.13	-	-	-	-	596.13
Employee stock compensation expenses of subsidiaries	-	1,316.31	-	-	-	-	1,316.31
Premium on fresh issue of equity shares	-	-	-	-	1,836.90	-	1,836.90
Balance as at December 31, 2024	25,854.48	4,140.15	35.75	24,562.75	3,438.70	(291.96)	57,739.87

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Securities premium	Effective portion of cash flow hedges	
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 period	-	-	-	8,017.08	-	-	8,017.08
Items recognised in / from other comprehensive income for the period	-	-	-	(22.53)	-	32.86	10.33
Income tax effect on above	-	-	-	5.66	-	(6.82)	(1.16)
Dividend	-	-	-	(1,692.35)	-	-	(1,692.35)
Employee stock compensation expenses	-	557.50	-	-	-	-	557.50
Employee stock compensation expenses of subsidiaries	-	475.40	-	-	-	-	475.40
Premium on fresh issue of equity shares	-	-	-	-	1,389.50	-	1,389.50
Balance as at December 31, 2023	20,824.26	3,254.92	35.75	21,883.84	1,389.50	20.28	47,408.55

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Securities premium	Effective portion of cash flow hedges	
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 for 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

Summary of material accounting policies - Refer note 3

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

As per our report of even date

For Walker Chandlok & Co LLP
Chartered Accountants

Firm Registration No.: 001076N/N500013

SHASHI
PURUSHOTTAM
TADWALKAR

Digitally signed by SHASHI
PURUSHOTTAM TADWALKAR
Date: 2025.01.22 16:13:27
+05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 22, 2025 14:07 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : January 22, 2025

Vinit Teredesai
Vinit Teredesai (Jan 22, 2025 14:08 GMT+5.5)

Vinit Teredesai
Chief Financial Officer

Place: Pune
Date : January 22, 2025

Sandeep Kalra
Sandeep Kalra (Jan 22, 2025 05:13 EST)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: USA
Date : January 22, 2025

Amit Atre
Amit Atre (Jan 22, 2025 14:10 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date : January 22, 2025

Praveen Kadle
Praveen Kadle (Jan 22, 2025 14:15 GMT+5.5)

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date : January 22, 2025

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 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.

(This space is intentionally left blank)

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 1956 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 condensed interim standalone financial statements for nine months ended December 31, 2024 and authorised for issue on January 22, 2025.

2 Basis of preparation

The condensed interim standalone 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 condensed interim standalone 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 condensed interim financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The condensed interim 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 condensed interim standalone 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 condensed interim standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed interim standalone 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 primary 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 & tax losses can be utilised. The 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 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 the 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.

(This space is intentionally left blank)

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 amortisation which is recognised 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 recognised 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 recognised 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 amortisation and accumulated impairment losses, if any. Amortisation of internally generated intangible asset begins when the development is complete and the asset is available for use.

d) Depreciation and amortisation

Depreciation on Property, plant and equipment is provided using the Straight Line Method ("SLM") over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, plant and equipment as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 to 5 years
Computers - Servers and networks*	3 to 5 years
Office equipments*	5 years
Plant and equipments*	5 years
Plant and equipments (Windmill)*	20 years
Plant and equipments (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 of the Act.

Leasehold improvements are amortised 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 amortised 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 amortisation methods, useful lives and residual values are reviewed periodically.

e) Borrowing costs

Borrowing cost includes interest and amortisation 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:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset

Where the Company is a lessee

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 recognised 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 Company's 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 budgets and forecast calculations, prepared for each 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 the 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 the 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 the 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.

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 recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised 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 its 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 recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Subsequent measurement

Non-derivative financial instruments

Financial assets

Financial assets at amortised 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 amortised cost using the effective interest rate method. The change in measurements are recognised 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 recognised 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.

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

Equity 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 amortised cost using the effective interest method, except for contingent consideration recognised 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 recognised in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognised in OCI. All other changes in fair value of liabilities designated as FVTPL are recognised 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 statement of profit and loss.

Amounts accumulated in equity are reclassified to statement of profit and 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 derecognises 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 derecognised 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 statement of profit and 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 derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised 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 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 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 realised. 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 amortised 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 Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises 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 recognised 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 recognised 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 recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognised 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 recognised proportionately over the period in which the services are rendered.

Income from services rendered to the group companies is recognised as and when services are rendered and are invoiced using cost-plus mark-up approach.

Revenue from revenue share is recognised in accordance with the terms of the relevant agreements.

Unbilled revenue represents revenue recognised 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 recognised.

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 recognised on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend

Dividend income is recognised 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 recognised 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 recognised in statement of profit and loss of 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 recognised as income or expenses in the period in which they arise.

Translation of foreign operations

The company presents the condensed interim standalone financial statements in ₹. For the purpose of the financial statements, the assets and liabilities of the company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

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 recognised 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 utilised 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 recognised in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognised 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 recognised 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 the 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 recognised in full in the statement of profit and loss.

During the year, the company has discontinued the said policy.

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 recognised directly in equity is recognised 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 recognised 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 recognised 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 recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

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 recognised 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 recognised 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 recognised outside the statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI 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 condensed interim consolidated financial statements which are presented together with the condensed interim standalone financial statements.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period / year 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 EPS, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

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

o) Provisions

A provision is recognised 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 recognised 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 recognised because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in condensed interim standalone 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 recognised as employee compensation cost over the vesting period. The cumulative expense recognised 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 based on the non-market vesting and service conditions. It recognises the impact of the revisions to the original estimates, if any, in statement of profit and loss with a corresponding adjustment to equity.

The expense or credit recognised in the statement of profit and loss for the period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised 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 recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised 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 recognised 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 recognises 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 and fair value of contingent consideration payable;
 - 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 recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in OCI 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 recognised 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 recognised in the OCI 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 as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****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, 2024	991.53	2,825.52	3,727.84	67.17	2,057.11	20.79	876.97	14.81	10,581.74
Additions	-	7.00	496.98	11.11	153.21	5.23	18.29	0.87	692.69
Disposals	-	-	53.80	4.37	31.25	13.23	46.86	0.33	149.84
As at December 31, 2024	991.53	2,832.52	4,171.02	73.91	2,179.07	12.79	848.40	15.35	11,124.59
Accumulated depreciation									
As at April 1, 2024	-	1,481.62	3,132.32	54.36	1,400.79	20.79	611.18	8.14	6,709.20
Charge for the period (Refer note 40)	-	90.79	253.52	4.37	151.33	0.49	60.38	1.46	562.34
Disposals	-	-	45.72	4.37	28.86	13.23	41.72	0.33	134.23
As at December 31, 2024	-	1,572.41	3,340.12	54.36	1,523.26	8.05	629.84	9.27	7,137.31
Net block									
As at December 31, 2024	991.53	1,260.11	830.90	19.55	655.81	4.74	218.56	6.08	3,987.28

4.2 Right of use assets

	(In ₹ Million)		
	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2024	2,150.19	131.97	2,282.16
Additions	1,284.80	-	1,284.80
Disposals	166.65	-	166.65
Lease Modification	142.32	-	142.32
As at December 31, 2024	3,126.02	131.97	3,257.99
Accumulated depreciation			
As at April 1, 2024	853.14	4.76	857.90
Charge for the period	481.64	1.23	482.87
Disposals	116.85	-	116.85
Lease Modification	119.31	-	119.31
As at December 31, 2024	1,098.62	5.99	1,104.61
Net block			
As at December 31, 2024	2,027.40	125.98	2,153.38

* Note: Building includes those constructed on leasehold land:

- Gross block as on December 31, 2024 ₹ 1460.40 million (Corresponding period / Previous year: ₹ 1460.40 million)
- Depreciation charge for the quarter ₹ 43.80 million (Corresponding period ₹44.53 million / Previous year: ₹59.30 million)
- Accumulated depreciation as on December 31, 2024 ₹ 779.32 million (Corresponding period ₹720.75 million / Previous year: ₹735.52 million)
- Net book value as on December 31, 2024 ₹ 681.08 million (Corresponding period ₹ 739.65 million / Previous year: ₹ 724.88 million)

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****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	-	15.13	90.70	4.22	112.72	-	0.81	0.02	223.60
Disposals	-	-	97.23	2.16	9.64	-	7.17	1.26	117.46
As at December 31, 2023	991.53	2,825.85	3,806.81	67.05	2,049.15	20.79	883.08	14.64	10,658.90
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 period	-	91.15	501.56	3.26	124.12	-	56.92	1.69	778.70
Disposals	-	-	95.29	2.16	9.64	-	7.17	1.26	115.52
As at December 31, 2023	-	1,451.79	3,130.75	55.05	1,388.27	20.79	598.13	7.71	6,652.49
Net block									
As at December 31, 2023	991.53	1,374.06	676.06	12.00	660.88	-	284.95	6.93	4,006.41

4.2 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 December 31, 2023	2,150.19	131.97	2,282.16
Accumulated depreciation			
As at April 1, 2023	448.56	3.22	451.78
Charge for the period	298.39	1.15	299.54
As at December 31, 2023	746.95	4.37	751.32
Net block			
As at December 31, 2023	1,403.24	127.60	1,530.84

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	248.06	4.04	45.44	-	14.06	1.26	313.18
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	241.56	4.02	45.24	-	13.92	1.26	306.32
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

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****4.2 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

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****4.3 Goodwill**

	(In ₹ Million)		
	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Balance at beginning of period / year	236.00	236.00	236.00
Balance at end of period / year	236.00	236.00	236.00

4.4 Other intangible assets

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	912.12	652.64	1,564.76
Additions	323.38	-	323.38
As at December 31, 2024	1,235.50	652.64	1,888.14
Accumulated amortisation			
As at April 1, 2024	674.15	380.84	1,054.99
Charge for the period	203.99	41.98	245.97
As at December 31, 2024	878.14	422.82	1,300.96
Net block			
As at December 31, 2024	357.36	229.82	587.18

	(In ₹ Million)		
	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2023	784.41	652.64	1,437.05
Additions	14.25	-	14.25
As at December 31, 2023	798.66	652.64	1,451.30
Accumulated amortisation			
As at April 1, 2023	538.59	325.12	863.71
Charge for the period	89.56	41.87	131.43
As at December 31, 2023	628.15	366.99	995.14
Net block			
As at December 31, 2023	170.51	285.65	456.16

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****(In ₹ Million)**

	Software	Acquired contractual rights	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 amortisation			
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

4.5 Depreciation and amortisation expense**(In ₹ Million)**

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
On Property, plant and equipment	200.41	262.29	562.34	778.70	1,026.21
On Right of use assets	174.27	106.55	482.87	299.54	406.12
On Other intangible assets	146.82	43.94	245.97	131.43	191.31
	521.50	412.78	1,291.18	1,209.67	1,623.64

(This space is intentionally left blank)

Persistent Systems Limited
NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS
5. Non-current financial assets : Investments

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Investments carried at cost			
Unquoted investments			
Investments in equity instruments			
- In wholly owned subsidiary companies (Refer note 31)			
Persistent Systems, Inc. 702 Million (Corresponding period / Previous year : 702 Million) shares of USD 0.10 each, fully paid up	4,729.74	4,729.74	4,729.74
Persistent Systems Pte Ltd. 0.50 Million (Corresponding period / Previous year : 0.50 Million) shares of SGD 1 each, fully paid up	15.50	15.50	15.50
Persistent Systems France SAS 1.50 Million (Corresponding period / Previous year : 1.50 Million) shares of EUR 1 each, fully paid up	97.47	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd. 5.45 Million (Corresponding period / Previous year : 5.45 Million) shares of MYR 1 each, fully paid up	102.25	102.25	102.25
Persistent Systems Germany GmbH 16.73 Million (Corresponding period / Previous year : 16.73 Million) shares of EUR 1 each, fully paid up	1,719.40	1,719.40	1,719.40
CAPIOT Software Private Limited (refer note 39) 0.19 Million (Corresponding period / Previous year : 0.19 Million) shares of Rs. 10 each, fully paid up	483.71	483.71	483.71
MediaAgilty India Private Limited 3.21 Million (Corresponding period / Previous year : 3.21 Million) shares of Rs. 10 each, fully paid up.	971.45	971.45	971.45
Persistent Systems UK Limited 12.39 Million (Corresponding period : Nil / Previous year : 12.39 Million) shares of EUR 1 each, fully paid up.	782.01	-	782.01
Persistent India Foundation 0.05 Million (Corresponding period / Previous year : Nil) shares of INR 10 each, fully paid up.	0.50	-	-
Arrka Infosec Private Limited 0.076 Million (Corresponding period / Previous year : Nil) shares of INR 10 each, fully paid up.	134.48	-	-
Total investments carried at cost (A)	9,036.51	8,119.52	8,901.53
Investments carried at amortised cost			
Quoted investments			
In bonds (Refer note 30) [Market value ₹ 2,711.02 Million (Corresponding period : ₹ 2,796.16 Million / Previous year : ₹ 2,758.25 Million)]	2,916.91	2,951.14	2,916.91
Add: Interest accrued on bonds	92.81	95.39	78.70
Total investments carried at amortised cost (B)	3,009.72	3,046.53	2,995.61
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))	2,640.35	1,088.57	2,178.44
	2,640.35	1,088.57	2,178.44
- Others*			
Altizon Systems Private Limited 3,766 equity shares (Corresponding period / Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00	6.00
	6.00	6.00	6.00
Total investments carried at fair value (C)	2,646.35	1,094.57	2,184.44
Total investments (A) + (B) + (C)	14,692.58	12,260.62	14,081.58
Aggregate provision for diminution in value of investments	-	-	-
Aggregate amount of quoted investments	3,009.72	3,046.53	2,995.61
Aggregate amount of unquoted investments	11,682.86	9,214.09	11,085.97

* 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".

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****5 (a) Details of fair value of investment in long term mutual funds (unquoted)**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Axis Mutual Fund	657.34	516.61	526.58
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	468.84	434.37	442.81
HDFC Mutual Fund	196.65	32.34	185.54
DSP Mutual Fund	164.88	52.63	155.66
HSBC Mutual Fund	164.60	52.62	155.43
Kotak Mutual Fund	174.57	-	152.75
ICICI Prudential Mutual Fund	226.10	-	152.57
SBI Mutual Fund	162.02	-	152.65
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	263.63	-	101.92
Aditya Birla Sun Life Mutual Fund	161.72	-	152.53
	2,640.35	1,088.57	2,178.44

6. Non-current financial assets : Loans

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Carried at amortised cost			
Other loans			
Unsecured, considered good			
Loan to ESOP trust	4,010.00	3,060.00	2,760.00
	4,010.00	3,060.00	2,760.00
Unsecured, credit impaired			
Inter-corporate deposit	0.58	0.58	0.58
Less: Impairment	(0.58)	(0.58)	(0.58)
	-	-	-
	4,010.00	3,060.00	2,760.00

7. Other non-current financial assets

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Considered good			
Carried at amortised cost			
Deposits with bank (refer note 13)*	4.29	42.98	3.99
Add: Interest accrued but not due on deposits with bank (refer note 13)	0.18	2.31	0.24
	4.47	45.29	4.23
Deposit with financial institutions	-	100.00	100.00
Add: Interest accrued but not due on deposit with financial institutions	-	9.03	10.18
	-	109.03	110.18
Security deposits	341.54	320.34	337.29
Simple Agreement for Future Equity (SAFE)	332.75	-	165.75
Considered good (A)	678.76	474.66	617.45
Credit impaired			
Deposit with financial institutions (refer note 33)	430.00	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions	0.98	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)	(430.98)
Credit impaired (B)	-	-	-
Other financial assets	0.55	-	-
Total (A+B)	679.31	474.66	617.45

* Out of the balance, fixed deposits of ₹ 4.10 Million (Corresponding period : ₹ 3.60 Million / Previous year : ₹ 3.60 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****8. Deferred tax assets (net)**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Deferred tax assets			
Provision for leave encashment	242.56	188.99	223.08
Provision for long service awards	-	118.86	127.54
Allowance for expected credit loss	25.22	31.29	18.95
Provision for Gratuity	-	18.93	14.72
Right of use asset and lease liability	49.44	55.85	61.13
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	40.67	-
Provisions for doubtful investment	117.23	-	117.28
Others	-	118.20	-
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	2.16	-	-
Cash flow hedges	98.19	-	-
	534.80	572.79	562.70
Deferred tax liabilities			
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	-	16.73
Cash flow hedges	-	6.82	8.02
Capital gains (net)	101.84	36.59	44.15
	101.84	43.41	68.90
Deferred tax assets (net)	432.96	529.38	493.80

9. Other non-current assets

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Capital advances (unsecured, considered good)	821.62	670.37	823.00
Prepayments	552.12	85.66	128.27
	1,373.74	756.03	951.27

10. Current financial assets : Investments

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Carried at fair value through profit and loss			
- Unquoted investments			
Investments in mutual funds			
Fair value of current mutual funds (refer note 10(a) below)	4,136.88	6,144.76	2,623.06
Total carrying amount of investments	4,136.88	6,144.76	2,623.06
Aggregate amount of quoted investments	-	-	-
Aggregate amount of unquoted investments	4,136.88	6,144.76	2,623.06

10(a) Details of fair value of current investment in mutual funds (unquoted)

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Aditya Birla Sun Life Mutual Fund	673.72	536.14	502.35
UTI Mutual Fund	394.08	700.66	364.28
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	461.13	343.48	157.51
Axis Mutual Fund	393.09	882.88	173.71
Kotak Mutual Fund	288.65	421.56	311.66
HDFC Mutual Fund	315.99	215.91	303.47
Tata Mutual Fund	390.97	310.75	234.14
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	195.88	390.09	150.60
HSBC Mutual Fund	-	308.68	40.05
ICICI Prudential Mutual Fund	284.24	225.34	30.02
DSP Mutual Fund	341.69	393.43	195.10
Mirae Asset Mutual Fund	199.09	455.02	50.06
SBI Mutual Fund	-	390.16	50.03
Sundaram Mutual Fund	-	195.15	40.05
Invesco Mutual Fund	198.35	375.51	20.03
	4,136.88	6,144.76	2,623.06

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****11. Trade receivables**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
- Current			
Unsecured, considered good*	20,786.33	14,454.84	16,829.46
Unsecured, credit impaired	100.20	124.33	63.58
	20,886.53	14,579.17	16,893.04
Less : Allowance for expected credit loss	(100.20)	(124.33)	(63.58)
	20,786.33	14,454.84	16,829.46
- Non current			
Unsecured, considered good	607.11	62.67	260.94
	607.11	62.67	260.94
	21,393.44	14,517.51	17,090.40

*Includes dues from related parties (refer note 31)

12. Cash and cash equivalents

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Cash and cash equivalents as presented in statement of cash flow			
Cash on hand	0.08	0.13	0.08
Balances with banks			
On current accounts#	1,449.68	568.75	1,761.40
On saving accounts	23.41	28.84	23.48
On exchange earner's foreign currency accounts	2,165.79	1,031.74	1,401.87
On deposit accounts with original maturity less than three months	59.00	44.00	72.00
	3,697.96	1,673.46	3,258.83

Of the cash and cash equivalent balance as at December 31, 2024, the Company can utilise ₹ 0.02 Million (Corresponding period : ₹ 169.19 Million / Previous year: ₹ 65.10 Million) only towards certain predefined activities specified in the government grant agreement.

13. Bank balances other than cash and cash equivalents

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Deposits with banks*	3,045.76	3,041.48	3,143.46
Add: Interest accrued but not due on deposits with banks	76.77	67.43	98.34
Deposits with banks (carried at amortised cost)	3,122.53	3,108.91	3,241.80
Less: Deposit with maturity more than twelve months from the balance sheet date disclosed under non-current financial assets (refer note 7)	(4.29)	(42.98)	(3.99)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	(0.18)	(2.31)	(0.24)
	3,118.06	3,063.62	3,237.57
Balances with banks on unpaid dividend accounts** - Earmarked balances with banks	9.43	3.16	2.92
	3,127.49	3,066.78	3,240.49

* Out of the balance, fixed deposits of ₹ 2,365,29 Million (Corresponding period: ₹ 2,364,78 Million / Previous year : ₹ 2,365,78 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

** The Company can utilise these balances only towards settlement of the respective unpaid dividend.

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****14. Other current financial assets**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	-	47.27	42.54
Carried at amortised cost			
Advances to related parties (Unsecured, considered good) (refer note 31)			
Persistent Systems, Inc.	-	801.87	101.25
Persistent Systems France SAS	0,81	0,69	0,80
Persistent Telecom Solutions Inc.	0,22	0,19	0,64
Persistent Systems Malaysia Sdn, Bhd.	0,13	0,07	0,13
Persistent Systems Lanka (Private) Limited	0,35	0,29	0,30
Persistent Systems UK Limited (Formerly known as Aepona Limited)	140,24	2,60	17,28
Aepona Group Limited	-	0,12	-
Persistent Systems Mexico, S.A. de C.V	1,93	1,39	1,64
Youperience GmbH	0,04	-	0,04
Persistent Systems Pte. Ltd.	-	0,41	0,41
Persistent Systems Germany GmbH	0,71	0,87	0,71
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0,20	0,13	0,20
Persistent Systems Australia Pty Limited	5,20	2,38	0,30
CAPIOT Software Private Limited	0,26	0,02	0,02
MediaAgility India Private Limited	-	-	0,01
MediaAgility UK Limited	-	6,86	2,56
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	1,32	0,42	1,25
	151,41	818,31	127,54
Unbilled revenue	8,845,08	5,038,98	4,190,71
Security deposits	65,95	0,10	0,10
Other receivables *	14,628,51	16,10	-
	23,690,95	5,920,76	4,360,89

* Includes amounts received in subsidiaries on behalf of the company of ₹ 14,628.51 million (corresponding period / previous year - NIL).

15. Other current assets

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	887,94	816,09	1,045,55
Prepayments	1,016,80	658,60	649,98
Deferred finance cost	13,82	84,80	61,82
Other advances (Unsecured, considered good)			
VAT receivable (net)	63,13	21,44	20,97
GST receivable (net) (refer note 32(a))	3,696,33	2,207,63	2,447,09
	3,759,46	2,229,07	2,468,06
	5,678,01	3,788,56	4,225,41

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****16(a). Share Capital**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Authorized shares (No. in Million)			
400 (Corresponding period / Previous year:400) equity shares of ₹5 each	2,000.00	2,000.00	2,000.00
	2,000.00	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares (No. in Million)			
155.85 (Corresponding period: 153.86 / Previous year: 154.05) equity shares of ₹5 each	779.25	769.25	770.25
Issued, subscribed and fully paid-up share capital	779.25	769.25	770.25

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 December 31, 2024		As at December 31, 2023		As at March 31, 2024	
	No of Shares	In ₹ Million	No of Shares	In ₹ Million	No of Shares	In ₹ Million
Number of shares at the beginning of the period / year	154.05	770.25	152.85	764.25	152.85	770.25
Add / less: Changes during the period / year	1.80	9.00	1.00	5.00	1.20	-
Number of shares at the end of the period / year	155.85	779.25	153.85	769.25	154.05	770.25

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 dividend 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.

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 preferential amounts exist currently.

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 December 31, 2024, the Company has not done any buyback of shares.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at December 31, 2024		As at December 31, 2023		As at March 31, 2024	
	No. in million	% Holding	No. in million	% Holding	No. in million	% Holding
	Dr. Anand Deshpande	45.75	29.35	45.96	29.88	45.75

* 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.

(This space is intentionally left blank)

16(b). Other equity

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Reserves and Surplus			
General reserve	25,854.48	20,824.26	25,854.48
Share options outstanding reserve	4,140.15	3,254.92	2,227.71
Capital redemption reserve	35.75	35.75	35.75
Retained earnings	24,562.75	21,883.84	17,272.67
Securities premium	3,438.70	1,389.50	1,601.80
Items of other comprehensive income			
Effective portion of cash flow hedges	(291.96)	20.28	23.85
	57,739.87	47,408.55	47,016.26

(i) General reserve

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	25,854.48	20,824.26	20,824.26
Transfer to general reserve	-	-	3,942.66
Adjustments towards employees stock options	-	-	1,087.56
	25,854.48	20,824.26	25,854.48

(ii) Share options outstanding reserve

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	2,227.71	2,222.02	2,222.02
Adjustments towards employees stock options	-	-	(1,087.56)
Employee stock compensation expenses	596.13	557.50	584.95
Employee stock compensation expenses of subsidiaries	1,316.31	475.40	508.30
	4,140.15	3,254.92	2,227.71

(iii) Retained earnings

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	17,272.67	15,575.98	15,575.98
Profit for the period / year	8,675.01	8,017.08	9,856.65
Items recognised in / from other comprehensive income for the period /year	207.89	(22.53)	(84.64)
Income tax effect on above	(52.32)	5.66	21.29
Dividend	(1,540.50)	(1,692.35)	(4,153.95)
Transfer to general reserve	-	-	(3,942.66)
	24,562.75	21,883.84	17,272.67

(iv) Securities premium

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	1,601.80	-	-
Premium on fresh issue of equity shares	1,836.90	1,389.50	1,601.80
	3,438.70	1,389.50	1,601.80

(v) Effective portion of cash flow hedges

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	23.85	(5.76)	(5.76)
Items recognised in / from other comprehensive income for the period /year	(414.00)	32.86	29.61
Income tax effect on above	98.19	(6.82)	-
	(291.96)	20.28	23.85

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****17. Non-current financial liabilities : Borrowings**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Unsecured borrowings carried at amortised cost			
Term loans			
Indian rupee loan from others	-	1.85	1.85
Interest accrued but not due on term loans	-	0.01	0.02
	-	1.86	1.87
Less: Current maturity of long-term borrowings	-	(1.85)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	-	(0.01)	(0.02)
	-	(1.86)	(1.87)
	-	-	-

The term loans from Government departments have the following terms and conditions:

Loan amounting to ₹ Nil (Corresponding period : ₹ 1.85 Million / Previous year : ₹ 1.85 Million) having Interest payable @ 3% per annum which was repayable in ten equal annual installments over a period of ten years commencing from October 2015 has been repaid.

18. Lease liabilities

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Lease liabilities	2,207.89	1,605.83	1,503.97
Less: Current portion of lease liabilities	(885.10)	(543.40)	(560.87)
	1,322.79	1,062.43	943.10

The table below shows change in the Company's liabilities arising from lease, including both cash and non-cash changes:

	For the nine months ended		For the year ended
	December 31, 2024 In ₹ Million	December 31, 2023 In ₹ Million	March 31, 2024 In ₹ Million
Opening balance	1,503.97	1,555.59	1,555.59
Additions	1,284.80	321.27	321.27
Deletions	(100.75)	-	-
Lease Modification	(45.32)	-	-
Add: Interest recognised during the period / year	167.86	110.74	147.50
Less: Payments made during the period / year	(602.67)	(381.77)	(520.39)
Closing balance	2,207.89	1,605.83	1,503.97

19. Other non-current Financial Liabilities

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Security deposits	14.57	-	-
	14.57	-	-

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****20. Non current liabilities : Provisions**

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Provision for employee benefits			
- Gratuity	1.21	75.22	58.49
- Long service awards (refer note 41)	-	443.50	472.72
	1.21	518.72	531.21

21. Trade payables

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Trade payables for goods and services*			
-total outstanding dues of micro enterprises and small enterprises	21,0000	27.08	49.63
-total outstanding dues of creditors other than micro enterprises and small enterprises	19,823,1000	1,462.78	2,638.18
	19,844,1000	1,489.86	2,687.81

*Includes dues payable to related parties (refer note 31)

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 years.

22. Other current financial liabilities

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Capital creditors	49.83	46.56	61.57
Accrued employee liabilities	146.84	284.76	218.43
Unpaid dividend*	9.43	3.16	2.92
Other liabilities	9.42	8.40	9.19
Liability towards contingent consideration	36.64	43.21	-
Advance from related parties (Unsecured, considered good)			
Persistent Systems, Inc.	201.09	-	-
Aepona Group Limited	0.04	-	-
MediaAgility India Private Limited	2.21	-	-
Persistent Systems Israel Ltd.	-	0.61	-
Persistent Systems Pte. Ltd.	0.31	-	-
	203.65	0.61	-
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	447.15	-	-
Other Liabilities**	57.04	-	-
	960.00	386.70	292.11

* Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

** Includes amounts received in company on behalf of the subsidiaries of ₹ 57.04 million (corresponding period / previous year - NIL).

23. Other liabilities

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Unearned revenue	2,536.37	432.92	530.99
Advance from customers	310.00	52.49	56.09
Other payables			
- Statutory liabilities	1,085.78	1,118.24	834.26
Payable to related companies	2,332.47	-	3,381.47
Other Liabilities			
Current	73.74	2,527.44	111.29
	6,338.36	4,131.09	4,914.10
Other Liabilities			
Non-current	47.19	3.74	25.51
	6,385.55	4,134.83	4,939.61

24. Current liabilities : Provisions

	As at December 31, 2024 In ₹ Million	As at December 31, 2023 In ₹ Million	As at March 31, 2024 In ₹ Million
Provision for employee benefits			
- Leave encashment	991.24	750.93	886.38
- Long service awards (refer note 41)	-	28.75	34.02
- Other employee benefits	1,470.40	1,190.90	1117.02
	2,461.64	1,970.58	2037.42

Persistent Systems Limited
NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

25. Revenue from operations (refer note 34)

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software and other services	29,707.63	16,506.29	84,076.19	48,239.77	64,101.34
Software licenses	309.05	187.84	1,328.51	593.38	1,040.83
	30,016.68	16,694.13	85,404.70	48,833.15	65,142.17

26. Other income

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
- On deposits carried at amortised cost	59.57	57.76	183.42	200.62	261.45
- On Loan given to ESOP Trust	77.23	56.96	189.63	196.32	245.55
- On others	59.37	52.94	168.08	157.87	208.31
Dividend income from investments*	-	-	-	249.99	249.99
Other non-operating income					
Foreign exchange (loss) / gain (net)	199.18	84.64	301.74	166.41	209.51
Profit on sale of Property, plant and equipment (net)	0.58	2.51	66.92	7.74	22.95
Profit on account of lease modification	0.68	-	28.15	-	-
Profit on sale of investments (net)	-	36.45	336.02	36.45	36.45
Net profit on sale / fair valuation of financial assets designated as FVTPL	96.99	86.11	333.11	180.58	293.35
Excess provision in respect of earlier periods / years written back	4.55	-	4.55	-	0.14
Miscellaneous income	19.33	18.94	36.63	97.06	117.16
	517.48	396.31	1,648.25	1,293.04	1,644.86

*Includes dividend received from investment in wholly owned subsidiaries. (refer note 31)

27. Personnel expenses

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
27.1 Employee benefits expense					
Salaries, wages and bonus (refer note 41)	11,608.91	8,904.12	32,741.76	25,515.14	34,663.68
Contribution to provident and other funds*	628.64	452.77	1,922.27	1,356.98	1,809.06
Staff welfare expense	257.58	275.12	787.99	996.55	1,288.09
Share based payments to employees	169.61	167.12	596.13	557.50	584.95
	12,664.74	9,799.13	36,048.15	28,426.17	38,345.78
27.2 Cost of professionals					
- Related parties (refer note 31)	4,544.25	1,263.46	13,530.08	3,382.49	4,615.53
- Others	3,967.39	367.24	11,845.56	959.49	1,372.07
	8,511.64	1,630.70	25,375.64	4,341.98	5,987.60
	21,176.38	11,429.83	61,423.79	32,768.15	44,333.38

* Includes contribution towards gratuity.

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****28. Other expenses***

	For the quarter ended		For nine months ended		For the year ended
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	233.51	81.78	703.41	467.88	655.81
Electricity expenses (net)	28.97	27.47	89.43	96.18	124.56
Internet link expenses	28.36	24.54	94.05	70.00	86.79
Communication expenses	7.40	9.78	18.99	39.98	47.44
Recruitment expenses	35.63	34.20	119.83	101.61	138.81
Training and seminars	37.96	36.17	97.13	107.48	155.21
Purchase of software licenses and support expenses	1,071.53	727.35	3,197.13	2,268.27	3,136.92
Bad debts	-	-	-	-	59.66
Reversal of allowance for expected credit loss (net)	10.76	4.86	25.88	46.11	(15.95)
Rent	11.79	22.82	35.89	75.10	98.74
Insurance	31.14	23.37	95.36	58.56	71.45
Rates and taxes	33.48	14.57	96.62	39.74	51.60
Legal and professional fees	130.89	75.33	411.52	274.80	377.28
Repairs and maintenance					
- Plant and machinery	38.28	58.14	117.38	120.59	154.92
- Buildings	6.54	7.59	23.15	19.91	33.77
- Others	6.45	7.82	21.67	19.48	27.23
Selling and marketing expenses	2,117.53	449.24	6,067.61	1,268.16	1,730.07
Advertisement, conference and sponsorship fees	4.41	7.10	8.56	15.38	19.72
Computer consumables	6.88	4.45	14.42	10.14	15.28
Auditors' remuneration	3.34	1.81	7.59	6.01	12.33
Corporate social responsibility expenditure	51.57	50.00	155.88	105.00	175.45
Books, memberships, subscriptions	-	0.98	4.80	2.51	5.71
Directors' sitting fees	2.63	1.32	7.58	5.35	8.20
Directors' commission	8.77	8.76	26.82	25.36	34.11
Miscellaneous expenses	166.59	43.18	436.74	174.36	289.77
	4,074.41	1,722.63	11,877.44	5,417.96	7,494.88

* Includes expenses incurred with related parties (refer note 31)

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****29. Earnings per share**

		For the quarter ended		For nine months ended		For the year ended
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
<u>Numerator for basic and diluted EPS</u>						
Net profit after tax (In ₹ Million)	(A)	3,336.07	2,597.65	8,675.01	8,017.08	9,856.65
<u>Denominator for basic and diluted EPS</u>						
Weighted average number of equity shares	(B)	155,850,000	153,850,000	154,942,364	153,831,818	153,871,858
Basic and diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	21.41	16.88	55.99	52.12	64.06

		For the quarter ended		For nine months ended		For the year ended
		December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023	March 31, 2024
Number of outstanding equity shares		155,850,000	152,850,000	154,050,000	152,850,000	152,850,000
Add: weighted average number of shares issued during the period / year		-	1,000,000	892,364	981,818	1,021,858
Number of outstanding equity shares considered for basic and diluted EPS		155,850,000	153,850,000	154,942,364	153,831,818	153,871,858

(This space is intentionally left blank)

Persistent Systems Limited
NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

30. Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

Financial assets / Financial liabilities	December 31, 2024				December 31, 2023				Fair value hierarchy*
	FVTPL	FVTOC	Amortised Cost	Cost	FVTPL	FVTOC	Amortised Cost	Cost	
Financial assets:									
Investments in subsidiaries and associates	-	-	-	9,036,51	-	-	-	8,119,52	
Investments in equity instruments	6,00	-	-	-	6,00	-	-	-	Level 3
Investments in bonds#	-	-	3,009,72	-	-	-	3,046,53	-	
Investments in mutual funds	6,777,23	-	-	-	7,233,33	-	-	-	Level 2
Loans	-	-	4,010,55	-	-	-	3,060,00	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	3,122,53	-	-	-	3,217,94	-	
Cash and cash equivalents (including unpaid dividend)	-	-	3,707,39	-	-	-	1,676,62	-	
Trade receivables (net)	-	-	21,393,44	-	-	-	14,517,51	-	
Forward contracts receivable	-	-	-	-	-	47,27	-	-	Level 2
Forward contracts payable	-	-	-	-	-	-	-	-	
Unbilled revenue	-	-	8,845,08	-	-	-	5,036,98	-	
Other non current financial assets	-	-	674,29	-	-	-	320,34	-	
Other current financial assets	-	-	14,845,87	-	-	-	834,51	-	
Total financial assets	6,783,23	-	59,608,87	9,036,51	7,239,33	47,27	31,712,43	8,119,52	
Financial liabilities:									
Borrowings (including accrued interest)	-	-	-	-	-	-	1,66	-	
Trade payables	-	-	19,844,10	-	-	-	1,489,66	-	
Lease liabilities	-	-	2,207,89	-	-	-	1,605,63	-	
Forward contracts payables	447,15	-	-	-	-	-	-	-	
Other financial liabilities (excluding borrowings)	-	-	527,42	-	-	-	386,70	-	
Total financial liabilities	447,15	-	22,579,41	-	-	-	3,484,25	-	

Financial assets / Financial liabilities	March 31, 2024				Fair value hierarchy*
	FVTPL	FVTOC	Amortised Cost	Cost	
Financial assets:					
Investments in subsidiaries and associates	-	-	-	8,901,53	
Investments in equity instruments	6,00	-	-	-	Level 3
Investments in bonds#	-	-	2,995,61	-	
Investments in mutual funds	4,801,50	-	-	-	Level 2
Loans	-	-	2,760,00	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	3,351,98	-	
Cash and cash equivalents (including unpaid dividend)	-	-	3,261,75	-	
Trade receivables (net)	-	-	17,090,40	-	
Forward contracts receivable	-	42,54	-	-	Level 2
Unbilled revenue	-	-	4,190,71	-	
Other non current financial assets	-	-	503,04	-	
Other current financial assets	-	-	127,64	-	
Total financial assets	4,807,50	42,54	34,281,13	8,901,53	

(In ₹ Million)

Financial assets / Financial liabilities	March 31, 2024				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial liabilities:					
Borrowings (including accrued interest)	-	-	1,87	-	
Trade payables	-	-	2,687,81	-	
Lease liabilities	-	-	1,503,97	-	
Other financial liabilities (excluding borrowings)	-	-	292,11	-	
Total financial liabilities	-	-	4,485,76	-	

*Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

Investments in bonds:

(In ₹ million)

Particulars	December 31, 2024			December 31, 2023			March 31, 2024		
	Face Value	No. of Units	Cost	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	1,355,898 53,000 906	1,627,80 361,87 961,47	1,000 5,000 1,000,000	1,325,898 53,000 906	1,593,57 361,87 961,47
Total Cost			2,916,91			2,951,14			2,916,91
Add: Interest accrued on bonds			92,81			95,39			78,70
Total investments carried at amortised cost			3,009,72			3,046,53			2,995,61

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS****31. Related Party Transactions**

Refer to the Company's annual financial statements for the year ended March 31, 2024 for the full names and other details of the Company's related parties.

The Company's significant related party transactions during the period ended and outstanding balances as at December 31, 2024, December 31, 2023 and March 31, 2024 are with its related parties with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

32. Contingent liabilities

		(In ₹ Million)		
Sr. No	Particulars	As at December 31, 2024	As at December 31, 2023	As at March 31, 2024
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 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 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	173.78
	(ii) Other pending litigations in respect of indirect taxes.	265.16	7.77	7.77
2	Income tax demands disputed in appellate proceedings.	1,168.61	1,102.72	1,102.72
b)	Letter of comfort on behalf of subsidiaries			
1	Guarantees given on behalf of subsidiaries	870.65	846.14	835.67
2	Letters of comfort on behalf of subsidiaries (USD 20.83 Million (Corresponding period: USD 31.44 Million / Previous year : USD 24.69 Million))	1,783.26	2,615.81	2,059.15

* 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 condensed interim standalone financial statements.

(This space is intentionally left blank)

Persistent Systems Limited**NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS**

- 33 The 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.
- 34 During the nine months ended, the Company has internally reorganized business operations in USA. While, the overall business has remained consistent for these customers, the reorganisation has resulted in transfer of certain customer contracts and certain employees, from Persistent Systems, Inc.(US subsidiary) to Persistent Systems Limited (the Holding Company and its USA branch). As result of the reorganization, the revenue for the nine months ended is not comparable with the previous corresponding period/year.
- 35 The Company has recognised notional interest on lease liability of ₹ 167.86 Million (Corresponding period: ₹ 110.74 Million / Previous year: ₹ 147.50 Million) under finance cost as required by Ind AS 116: Leases.
- 36 Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems, Inc. (wholly owned subsidiary) effective from August 1, 2024, upon completion of the necessary customary closing conditions.
- 37 M/s, Arka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024, upon completion of the necessary customary closing conditions.
- 38 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. The approval from NCLT for the proposed merger is awaited as at December 31, 2024.
- 39 Persistent India Foundation was incorporated under Section 8 of the Companies Act, 2013 effective from May 1, 2024, as a wholly owned subsidiary of the Company.
- 40 During the nine months ended, based on review of method and estimated useful lives of property, plant and equipment, the management has revised the estimated useful lives of computers and networking equipment prospectively from 3 years to 4 years w.e.f. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

Particulars	For the quarter ended				(In ₹ Million)	
	June 30, 2024	Sept 30, 2024	Dec 31, 2024	March 31, 2025	FY 2024-25	FY 2025-26
Decrease in depreciation expense	75.04	48.97	32.14	11.19	167.33	44.84

- 41 During the nine months ended, the Company has discontinued the policy of Long-Term Service Award to employees which was to reward employees on reaching significant milestones in terms of number of years of their service. This is in the context of the coverage of a large number of employees under the Company's ESOP schemes over the last few years, providing employees an opportunity to participate in the Company's growth and value creation. Consequently, the accumulated provision amounting to ₹ 506,74 Million has been written back in the Statement of Profit and Loss, and has been reduced from Employee Benefit Expenses.
- 42 The condensed interim standalone financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.
- 43 Previous period's / 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 Chandiook & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI
PURUSHOTTAM
TADWALKAR
Shashi Tadwalkar

Digitally signed by SHASHI
PURUSHOTTAM TADWALKAR
Date: 2025.01.22 16:14:44
+05'30'

Partner
Membership No.: 101797

Place: Pune
Date : January 22, 2025

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande Sandeep Kalra Praveen Kadle
Anand Deshpande (Jan 22, 2025 14:07 GMT+5.5) Sandeep Kalra (Jan 22, 2025 05:13 EST) Praveen Kadle (Jan 22, 2025 14:15 GMT+5.5)

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
---	--	---

Place: Pune Date : January 22, 2025	Place: USA Date : January 22, 2025	Place: Pune Date : January 22, 2025
--	---------------------------------------	--

Vinit Teredesai
Vinit Teredesai (Jan 22, 2025 14:08 GMT+5.5)

Vinit Teredesai
Chief Financial Officer

Place: Pune
Date : January 22, 2025

Amit Atre
Amit Atre (Jan 22, 2025 14:10 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date : January 22, 2025