

NSE & BSE / 2022-23 / 62

June 24, 2022

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

Ref: Symbol: PERSISTENT

Dear Sir/Madam,

Sub: Submission of the Annual Report 2021-22 of the Company

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed the Annual Report 2021-22.

Today, the Company, through the electronic mode has initiated the process to send the Annual Report along with the Notice of the 32nd Annual General Meeting to be held on July 19, 2022; to those Members whose name was recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as of Friday, June 17, 2022.

The Company has also uploaded the Annual Report 2021-22 on its website at [Link for Annual Report](#) and Notice of the 32nd Annual General Meeting is available at [Link for Notice](#)

We request you to take the same on your records.

Please acknowledge the receipt.

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

Amit Atre
Company Secretary
ICSI Membership No.: A20507

Encl.: As above

Unleashing Potential

32nd Annual General Meeting

Tuesday, July 19, 2022
16:00 IST

Video Conferencing and e-Voting

persys.co/agm2022

Members are requested to follow the instructions provided in the Notice of 32nd Annual General Meeting in order to attend the AGM in person or via video conferencing and to e-vote.

Remote e-Voting Period

- 1\ 12:01 AM IST on Saturday, July 16, 2022 —
05:00 PM IST on Monday, July 18, 2022
- 2\ During the AGM

Read this Annual Report online:

persys.co/ar2022

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Unleashing Potential

Over the last year, we've witnessed an unprecedented acceleration in the adoption of digital technologies that are transforming the world.

Today, software, combined with cloud technology, is literally the foundation of every experience in our lives, especially the experience of business. We've prepared ourselves for leadership in this new era over many decades and through hundreds of engagements with some of the world's most innovative companies. Our strong and consistent performance in the past

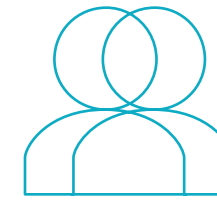
year is an outcome of our readiness for this moment in time and a testament to our team's impeccable execution.

Today, our differentiated expertise, core values and deep partnerships are essential to our various stakeholders as we work to unleash their full potential.



Our Expertise

Over 32 years, we've developed and invested in the Digital Engineering expertise that our clients now require to thrive in a software-driven, post-pandemic world. The demand for our comprehensive expertise that combines traditional software and product know-how with broader digital business and emerging-technologies acumen is as strong as ever.



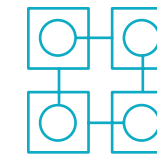
Our Clients

As trusted collaborators in the transformation agendas of our clients, we are working to engineer, deploy and integrate differentiating technologies that are driving industry innovation and unlocking new business value. Our work is helping organizations across industries to optimize cash, reduce costs and unlock growth through enhanced customer experiences and services.



Our People

Last year's growth came with a significant infusion of talent and leadership across our business. It is our commitment to help each individual reach their full potential by providing world-class development programs — enabling global opportunities to work with the industry's best and impacting the world in powerful, positive ways, using the latest technologies.



Our Ecosystem

Our partner ecosystem has been at the core of our strategy for many years, and today it is the bedrock of our success. Through organic and inorganic investments over the last few years, we've bolstered our skills, enhanced our joint value propositions and fortified the relationships required for growth in a world led by the cloud hyperscalers and other innovators.



Our Communities

We've always believed the world is one family. It is deeply ingrained in our values, culture and actions. We continue to help our communities emerge physically, economically and socially stronger through meaningful initiatives. We also include our employees and their families in our sustainability journey to build a healthier and stronger planet.

Message from the Chairman

Giving back to the society has never been more important and I'd like to thank each member of the Persistent family for their active support and unshakable trust in our abilities to deliver on our promise. You have motivated us to unleash our potential for the next phase of our growth.



Dear valued Shareholders,

I am delighted to present to you our 32nd Annual Report for Financial Year (FY) 2021-22. This year has been a remarkable year for all of us here at Persistent. We emerged more resilient and reinvigorated, and our confidence in our capabilities is reflected not only in our numbers but also in the trust that our clients have placed in us. I am grateful to our clients, partners, team members, and other stakeholders for their relentless collaboration to make this happen.

Last year, we were able to steer through the challenges of the unpredictable market conditions effectively and achieve strong growth. We did this by aligning to our clients' vision, focusing relentlessly on growth, and maintaining a strong operational rigour. This is a testament to the unwavering determination of our teams to help our clients succeed in their respective industries.

During the year, we acquired SCI, Fusion 360, Sureline, Shree Partners, Data Glove and Media Agility. I welcome

these new members to the Persistent family. These teams have enhanced our capabilities and have ensured that we remain on the cutting edge of technology.

We have been growing at an incredible pace over the last four quarters. We added more than 4,900 new team members to the Persistent family and strengthened our leadership team to fuel the next wave of growth. With our strong belief in upgrading the skill quotient of our teams, Persistent University has successfully trained 11,000 team members on various skills to contribute to their career growth. Our investments in platforms, tools, and training are focused on strengthening the capabilities of our teams.

We have adopted the hybrid working model and have allowed new people engagement norms to emerge. We believe that it is not about work-life balance or work-life integration anymore. It is about Work-life Harmony. We know that one size does not fit all, and hence we are creating multiple avenues for our people to unleash their potential by taking control of their personal health and well-being — physical, emotional, social, and financial.

While the pandemic caused unprecedented disruptions, it also taught us some life-changing lessons. We learnt the importance of protecting our family, our communities, and the world at large. As a result, we embarked on extensive outreach programs and practices to connect with our clients, suppliers, and vendors, always assuring them of our unwavering support. The circumstances have pushed us to rise above and beyond our own limitations and to align our sustainability

agenda with our business and technological transitions and organizational growth. Today, our business approach includes a holistic, sustainable strategy aimed at providing long-term value for our stakeholders.

Our CSR activities, environmental initiatives, and ethical corporate governance are focused on delivering our environmental, social and governance (ESG) responsibilities. I am proud of the progress we have made so far in providing sustainable solutions for our communities around healthcare, education, and community development. However, we still have a long road ahead to ensure a better and brighter future for our next generations. As we enter our fourth decade as a sustainable business, we are thrilled to embark on this journey with our people, our families, and the communities we serve.

Giving back to the society has never been more important, and I'd like to thank each member of the Persistent family for their active support and unshakable trust in our abilities to deliver on our promise. You have motivated us to unleash our potential for the next phase of our growth.

—
Anand Deshpande

Founder, Chairman and Managing Director

Message from the CEO

We entered FY22 a stronger, more united, and resilient organization and we proudly ended the year as one of the top performing companies in our sector. With optimism and our values guiding us, we remain laser focused on expanding the business outcomes we deliver to our clients and look forward to the journey ahead.



Dear Valued Shareowners,

We sincerely hope you and your loved ones are safe, healthy and happy.

We are delighted to report yet another year of growth across all of our critical business metrics. It truly was a banner year for us, delivering 35.2% year-on-year (Y-o-Y) growth with \$765.6 Million in FY revenue aided by 9% sequential quarterly growth for all four quarters in the financial year. Our ongoing operational discipline also helped us continue to improve our Earnings Before Interest and Taxes (EBIT) margin, ending +56.1% Y-o-Y. This performance resulted in a market-leading

shareholder value creation, as we delivered over 143% return and a market capitalization of \$4.3 Billion at year end. We are proud to share that based on this consistent top and bottom-line growth, Persistent was named, for the first time, to Forbes Asia's "Best Under A Billion" list.

Underpinning the growth in our business is a new digital reality that emerged for our clients during the pandemic. Today, virtually every experience in our lives is software-driven and cloud-enabled — especially the experience of business. In this new competitive environment, our differentiated Digital Engineering expertise and trusted delivery have become essential

components of our clients' success. Our work is not only driving new levels of efficiency and growth for our clients but is also helping to transform industries and people's lives for the better.

We want to thank all of our clients, entire partner ecosystem and every member of our 18,500+ Persistent family for their continued trust and support, enabling us to reach these significant milestones. We acknowledge our employees' hard work and dedication that have been the bedrock of our industry-leading growth and shareholder returns over the past several quarters.

This year, we were pleased to announce one of the most inclusive Employee Stock Option Plan (ESOP) in the global IT services industry, inviting 80% of our team members to participate in the company's success as shareholders. We are confident this gesture will further our employee commitment to the organization's success and be value-accretive in the longer term for our various stakeholders.

Our Digital Engineering expertise, industry solutions and delivery excellence continue to be recognized by the analyst and advisor community. For the ninth year in a row, we are a leader in the Zinnov Zones™ Engineering Research and Development Services ratings, and we made it to the Constellation Shortlist™ for Innovation Services and Engineering for the fourth consecutive time. We also built on our five 2020 ISG Star of Excellence Awards, with four more awards in 2021 for the Analytics, Salesforce, Intelligent Automation and Manufacturing categories. These awards represent the Voice of the Customer and are a true testimony of the value we deliver on an ongoing basis to our customers.

Expanding on our core strengths, we announced five acquisitions during the year gone by: Data Glove, SCI, Shree Partners, Sureline and

MediaAgility. These strategic investments bolstered our capabilities in key hyperscaler domains, which are an integral part of our long-term strategy. We strongly believe that the hyperscaler ecosystems across AWS, Google, IBM, Microsoft and Salesforce enable us to help our clients strengthen their industry-specific capabilities to thrive in the continuously evolving market.

Besides our recent acquisitions, we are strengthening our people strategy and have fortified our leadership team to fuel the next wave of growth. Notably, we welcomed Yogesh Patgaonkar as our new Chief People Officer and announced Sameer Bendre, a Persistent veteran, as Chief of Operations, responsible for ESG, Risk Management, Enterprise Information Systems, Administration and Internal Audit functions.

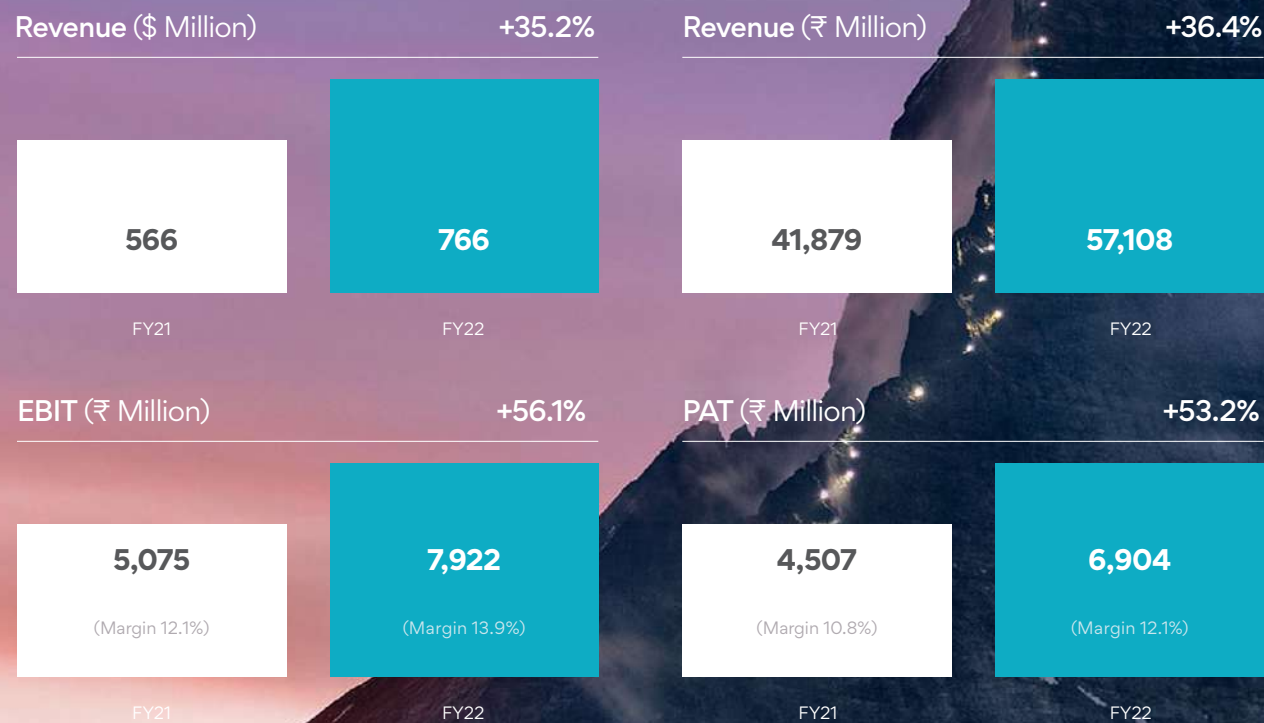
We entered FY22 a stronger, more united and resilient organization, and we were proud to end the year as one of the top-performing companies in our sector. We worked hard to future-proof our organization so that we can more effectively navigate not only the everchanging technology landscape, but also the uncertainty and complexity of the macroeconomic environment. We continued to expand on our longstanding commitment to various ESG initiatives that are not only positively impacting our environment and governance, but also numerous social programs that support community development, health, and education.

With optimism and our values guiding us, we remain laser-focused on continuing to unleash the potential of Persistent as we move forward.

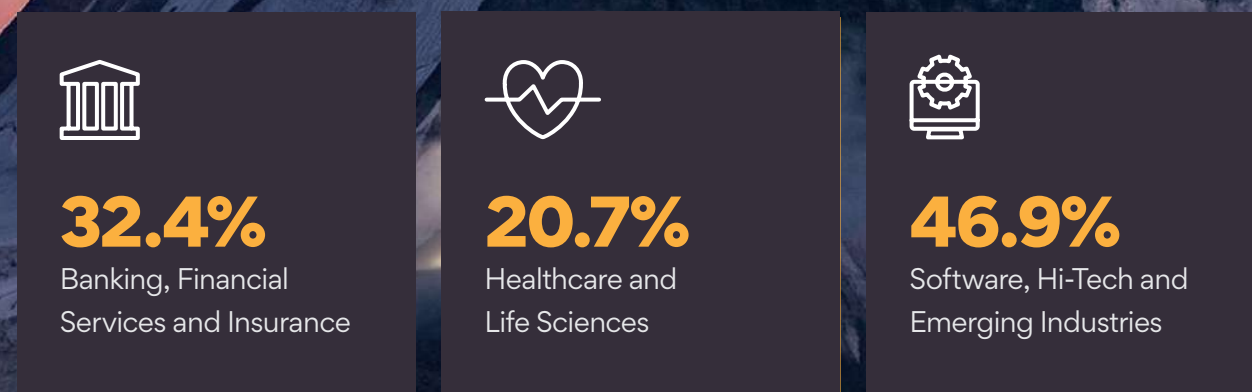
Sandeep Kalra
Chief Executive Officer and Executive Director

FY22 Performance Highlights

Our unwavering commitment towards our clients' success and ongoing operational discipline have resulted in our industry-leading growth and shareholder returns.

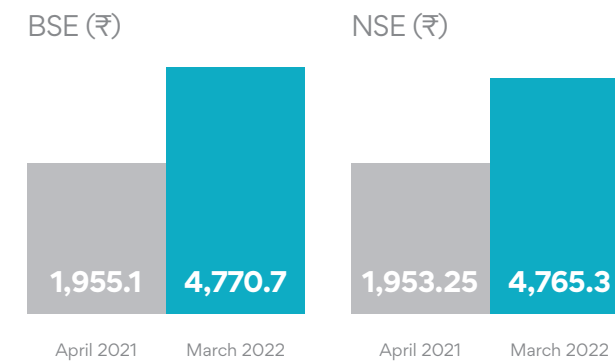


Revenue Growth by Industry



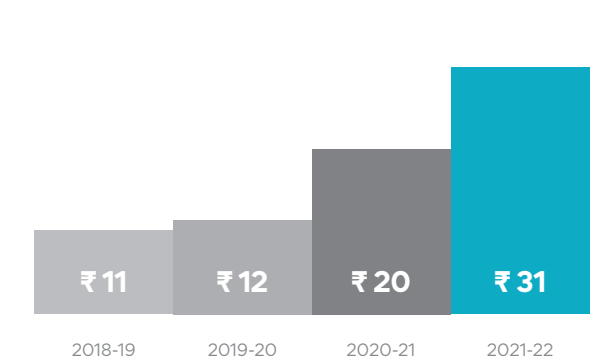
Share Price

Our share price increased by **143%** between April 1, 2021 and March 31, 2022.

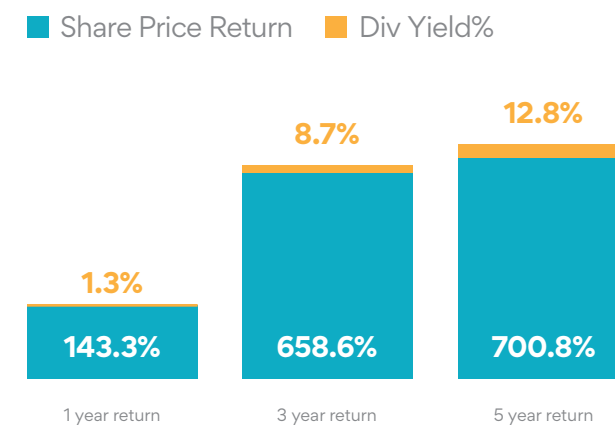


Dividend Per Share

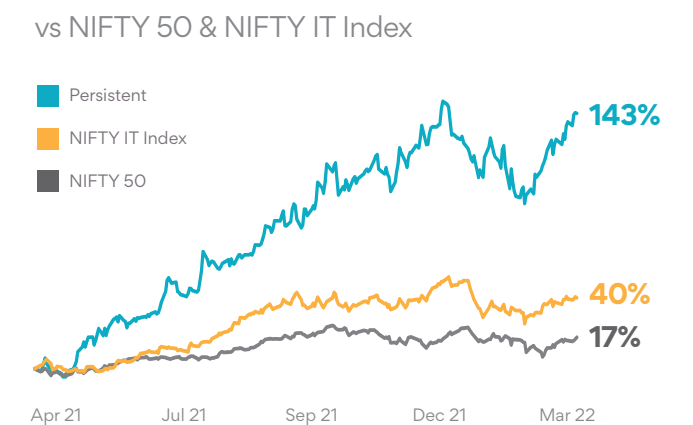
Dividend proposed for this financial year has increased by **50%** over the last year.



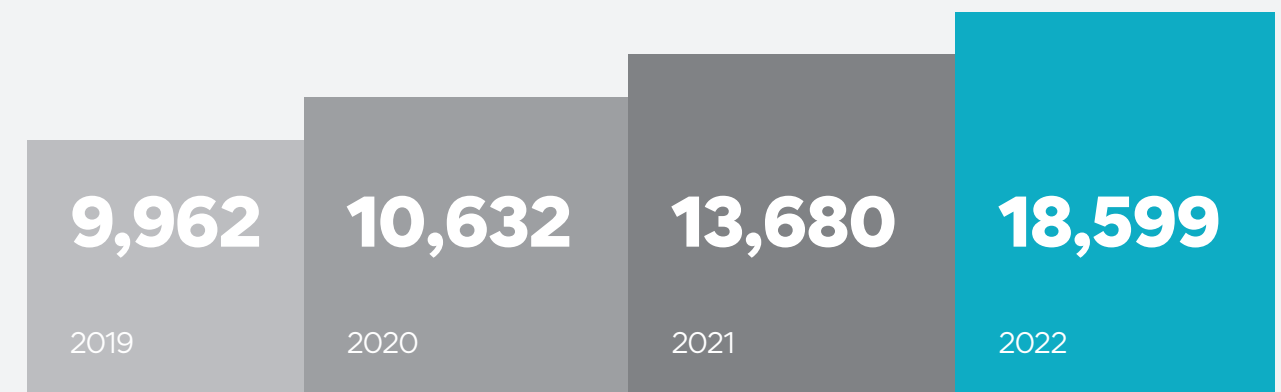
Total Shareholder Return



One Year Stock Performance



Growth in Our Team





Unleashing the Potential of Our Expertise

Over 32 years, we've developed and invested in the Digital Engineering expertise that our clients now require to thrive in a software-driven, post-pandemic world.

The demand for our comprehensive expertise that combines traditional software and product know-how with broader digital business and emerging technologies acumen is as strong as it has ever been.

Telehealth. Remote work. Virtual schooling. Contact-free commerce. A lot has changed in the past two years. Digital adoption has accelerated dramatically, leading to a world in which software is increasingly everywhere — not just in products, not just in services, but at the core of virtually every experience. Especially

the experience of business. Simply put, there's no type or aspect of business today that isn't being transformed by software. It's why this era of digital acceleration has become synonymous with excellence in software innovation. And it's why we're seeing such rapid growth among businesses that are fully embracing software.

If your business is software

You are continuously improving products and platforms to drive competitive advantage.

If your business was born on software

You need to innovate and disrupt, or you will inevitably be disrupted.

If your business is being transformed by software

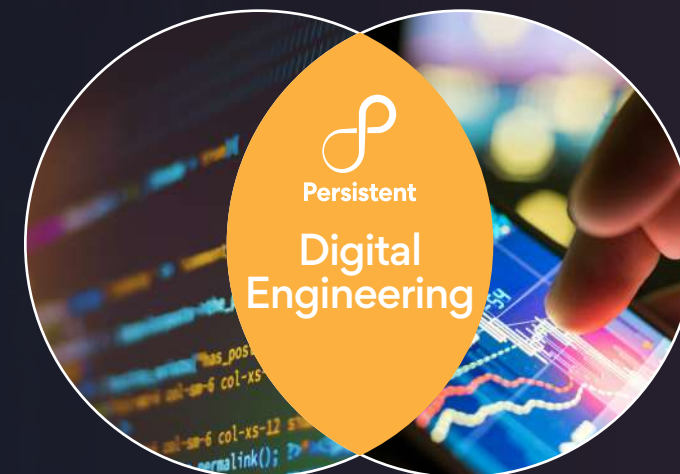
You need to reinvent your enterprise to meet new customer expectations.

To compete in this environment, organizations need access to expertise at the intersection of digital transformation and software engineering.

Our Unique Advantage: Digital Engineering

Software Engineering

Product & Platform Companies



Digital Transformation

Enterprise Businesses

Our experience building software platforms and applications for some of the most innovative companies in the world, combined with our proven abilities to execute digital

transformation at scale, is allowing us to provide unique value across the industries we serve. This differentiated expertise is what we call **Digital Engineering** at Persistent.

We are unleashing the potential of our Digital Engineering expertise to help our clients not only survive, but thrive in today's software-driven world.



Establishing digital strategies that capitalize on greater composability and the latest digital technologies while reimagining all experiences with the help of real-time data.



Designing, building and modernizing digital products, platforms and services to unlock new business models and revenue streams, taking advantage of the available ecosystems.



Developing cohesive enterprise architectures that provide the needed agility to actively respond to demands across customers, partners and competitors.



Integrating and automating enterprise applications, harmonizing data from inside and outside the organization while deploying advanced analytics and AI to drive actionable insights.



Capitalizing on the full potential of cloud technology and infrastructure as the foundation for reducing costs and delivering higher levels of innovation with greater speed of execution.



Strengthening trust and cyber-resiliency through comprehensive security and privacy capabilities.

Our business is built on decades of design-led Digital Engineering excellence, along with a platform mindset and deep industry knowledge. Hundreds of proven frameworks and accelerators — plus a wealth of intellectual property strengthened by our vast partner ecosystem — have fueled the successes of many of the world's largest and most exciting organizations. We are especially proud to count among our clients 14 of the 30 most innovative U.S. companies, 8 of the 10 largest banks in the United States and India, along with numerous innovators across the healthcare ecosystem.

In all of our work, we recognize that the cloud is increasingly at the epicenter of every client's digital transformation journey. That's why we've invested significantly in bolstering our skills to build an enviable cloud portfolio that surpasses many of our peers. We've fortified our relationships with all of the leading hyperscalers and are partnering with them to build both horizontal and vertical solutions in line with their strategies.

We continue to recruit diverse, world-class talent from around the world, immerse them in a culture of innovation and grow their expertise not only in software, but also in platform development, enterprise integration and ecosystem technologies. We are proud to support our employees' ongoing development

through our award-winning Persistent University. We promote long-term employee commitment through one of the most inclusive employee stock ownership plans in the global IT services Industry, enabling all of our teams to benefit from the company's success.

Because we're a truly global company, with local presence in 18 countries, we're always right where our clients need us to be, uniting a boutique mentality with enterprise scale to ensure a bespoke experience for every organization we work with. Above all, we continue to set the standard when it comes to fast, flexible service delivery — committing to outcomes and making them happen no matter how complex the client needs or requirements. It's why over the last two years we earned nine ISG Star of Excellence Awards for "exceptional customer-centricity in the delivery of core technologies across all geographies and industries."

At the end of the day, when organizations partner with us, they are teaming with a co-innovation partner that defined, pioneered and continues to advance modern Digital Engineering at every level, across industries and areas of expertise. They're also partnering with a company that has repeatedly helped both the disruptors and the disrupted navigate sweeping transformation.

This is the era of **Digital Acceleration.**

This is the era powered by **Digital Engineering.**

This is the era of **Persistent.**



Unleashing the Potential of **Our Clients**

As trusted collaborators in the transformation agendas of our clients, we are working to engineer, deploy and integrate differentiating technologies that are driving industry innovation and generating new business value.

We help organizations across industries optimize cash, reduce costs and unlock growth through enhanced customer experiences and services. Our technology expertise and partner ecosystems enable our clients to unleash new business models. We are proud to be a Digital Engineering and Enterprise Modernization partner for global market leaders, including 14 of the 30 most innovative US companies, 8 of the 10 largest banks in the US and India, and numerous healthcare innovators.

Banking, Financial Services & Insurance

Over the past year we've worked closely with clients to lead the next wave of technology driven transformation across Banking, Financial Services, and Insurance (BFSI). We've imagined and engineered new products, platforms and digital business models that are fundamentally changing the consumer experience across BFSI. We've modernized the core systems and processes that are fueling more efficient operations in some of the

world's leading financial institutions through the application of cloud, data, automation, machine learning and artificial intelligence. With the global economy in a state of change, financial institutions are looking for partners to enable agility and innovation at scale to allow them to quickly serve evolving customer needs. In this environment, our Digital Engineering expertise has helped our clients not only survive, but thrive as well.



As the industry pivots in response to global economic trends, we are uniquely positioned to assist financial institutions to modernize and streamline operations to reduce costs and improve customer experiences. Similarly, we continue to be at the forefront of innovation as we work with new entrants and incumbents alike to develop innovative, technology-enabled financial services.

Jaideep Dhok \ SVP and General Manager, BFSI

Digital Engineering in Action

Modernizing for Competitive Differentiation

Incumbent institutions have large customer bases and resources to invest. Yet they are hamstrung by legacy systems, processes and complacency. Leaders implement an IT strategy that enables them not just to react to new entrants but also to use their customer data to deliver new services.

Building a Cloud-native Business

Increasingly institutions are utilizing cloud to reduce costs, improve customer experience and build in months what previously took years. Cloud and subscription-based technologies have significantly reduced the technology barriers of entry into the financial services sector.

Future-proofing the Digital Business Strategy

Modernization, like product innovation, is a continuous journey that enables institutions to be agile in responding to shifting customer expectations. Industry leaders are continuously modernizing systems and processes, enabling them to drive transformational innovation like open banking.

ANZ Bank builds an innovative digital currency solution for the MAS challenge



ANZ Bank and Persistent built a National Integrated CBDC Ecosystem (NICE) solution for the Monetary Authority of Singapore (MAS) Global Central Bank Digital Currency Challenge, which provides citizens access to digital currency wallets authenticated with their National Digital ID.

We're delighted to work with Persistent on the Global CBDC challenge. The market-leading expertise of the delivery team made it possible to prototype our comprehensive National Integrated CBDC Ecosystem (NICE) in just a few weeks.

Balaji Natarajan \ Head, Payments & Cash Management, Asia Transaction Banking



Modernizing Policy Admin

40%

Reduced time to market

Developed an insurance policy administration system that provides greater efficiency for agents, accelerates new product development and ensures regulatory compliance.

Automated Loan Origination

85%

Reduced decision time

We engineered an integrated loan platform that automates loan origination for over \$50 Billion in annual lending and enables the bank to launch new loan products in just eight weeks.

The Way Forward

Financial institutions must accelerate their enterprise modernization efforts to deliver individualized omnichannel experiences at scale that enable customers to manage their financial futures with confidence. The only way this can be achieved is by using

technology to transform all functions and processes, enabling real-time bespoke customer experiences powered by machine learning and artificial intelligence. Current economic conditions only elevate the urgency.

Healthcare & Life Sciences

No industry was more disrupted over recent years than Healthcare and Life Sciences. Although the challenges exposed limitations, they also revealed the tremendous potential of the industry. As organizations learned that rapid innovation through the application of technology can deliver tangible results, regulatory agencies are becoming more accommodating with the use of technology

to improve patient outcomes and reduce the cost of care. This is accelerating the utilization of technology across the industry and demand for our Digital Engineering expertise to help organizations usher in a new era of technology-driven medicine. Over the past year, we have helped our clients across all segments of the industry utilize technology to deliver critical innovations.



Technology is transforming every segment of the industry and recent events have exposed the potential of technology in discovery, patient care, improving user experiences and reducing costs. Persistent is proud to partner with our clients to apply technology to improve patient lives and reduce the cost of care — increasing accessibility to underserved populations.

Vaibhav Srivastava \ SVP, Healthcare & Life Sciences

Digital Engineering in Action

Modernizing the Patient Experience

The consumerization of healthcare has shaped patient expectations of digital experience, price transparency and simplifying access to care. Leaders are exceeding those expectations by providing digital health platforms to engage and care for patients in new ways.

Tech-enabled Diagnostics and Precision Medicine

The explosion of traditional and emerging datasets has been revolutionary for the advancement of diagnostics and individualized medicine. Data-driven discovery requires a regulatory-compliant, cloud-based analytics platform to realize and propagate insights from clinical research.

Building the Health Platforms of Tomorrow

Digital platforms are transforming how the industry operates, from distributed clinical trials to patient engagement and care delivery. Interoperability and standards development will accelerate the proliferation of digital platforms across all segments of the industry.

Technologies enable home care via a Digital Health Platform



QUANTA, a dialysis technology business, puts people at the heart of its approach, enabling access to the highest-quality shared and self-care therapies. Persistent is helping build a digital health portal for clinicians and patients, enabling home care options for dialysis patients.

We have partnered with Persistent to launch our offering in the US, and they have been instrumental in getting our Digital Health offering off the ground — including an improved user experience for both patients and practitioners.



Dr Paul Komenda \ Chief Medical Officer

Improving Patient Access

75%
Reduced referral time

Implemented an integrated digital front door, nurse triage and patient referral system to simplify access and reduce patient churn at a leading pediatric hospital.

Automating Clinical Trials

80%
Reduced manual effort

Automated the end-to-end clinical trial data review process to deliver a 40% reduction in discrepancy resolutions through standardized workflows.

The Way Forward

Healthcare and Life Sciences organizations are accelerating their use of technology to deliver patient-centered care at lower costs. The advancement of interoperability initiatives and implementation of industry standards will encourage innovation through

the systematic use of machine learning and artificial intelligence. At the same time, organizations will need to modernize their legacy systems, unlocking data to improve the patient experience and reduce costs.

Software & Hi-tech

Software leaders face an array of complex challenges as the industry shifts to highly innovative subscription business models anchored on cloud. Surrounding these models are Digital Engineering-led opportunities for advanced analytics, benefits of automation, rising customer expectations and the growing demand for skilled employees who can deliver on transformation agendas. Leading

organizations are building detailed strategies and product roadmaps to take advantage of new growth opportunities while transitioning mature software products for the future. All this comes against the backdrop of margin pressure, evolving product cost structures and fierce competition. The winners are finding ways to stay agile and execute with speed.



New commercial models, AI and digital technologies are raising the bar for all software companies. With growth as a powerful predictor of success, software leaders must navigate a myriad of challenges as they prepare mature products for the future while capturing new opportunities.

Karthik Balasubramanian \ SVP, Software and Hi-Tech Industry

Digital Engineering in Action

Migrating products to platforms and marketplaces

The one-size-fits-all approach is gone. Engineers are leveraging ecosystems to tailor products, minimize investments and explore new models. Products are architected modularly with third parties invited to bring innovation via marketplaces to meet the needs of diverse customers.

Accelerating cloud-native product modernization

Modernization to the cloud with microservices and APIs enables product owners to accelerate innovation and improve cost and operational control. With modernization efforts taking several forms, organizations are rapidly benefiting from cloud scalability, automation and security.

Bringing innovation and cost savings to mature products

Mature products can hinder innovation and become costly to maintain as teams struggle with technical debt and uneven code quality. Teams require focus, discipline and tools to automate quality engineering and identify technical debt leading to quality and security issues.

Operative engineers next-generation media advertising platform

OPERATIVE

Operative is at the center of the shift to open ad platforms that prepare organizations for digital and linear convergence. Operative partnered with Persistent to build a cloud-native and API-first ad management platform that enables publishers to personalize the advertising experience.

The pandemic has forced an acceleration in the media industry. With the help of Persistent we were able to scale quickly and bring the right set of talent to be able to engineer the innovation that media companies needed.



Glen Ceniza \ Chief Technology Officer

SaaS Transition

45%
Cost reduction

Loyalty management software leader teamed with Persistent to build a multitenant API-first architecture leveraging cloud-native functionality to increase innovation speed while reducing costs.

Software Modernization

1.2 M
Shipments per day

Logistics company leader partnered with Persistent to modernize its architecture with microservices as part of a journey to provide improved scalability, extensibility, and maintainability.

The Way Forward

The last two years have accelerated the long-awaited digital transformation journey for software organizations. As we look to 2022, innovation will increasingly need to be prioritized against global economic uncertainty.

It will be important that organizations select investments that maximize growth while taking advantage of opportunities that balance the agility and cost savings advantages of the cloud.

Telecom & Media

Over the past two years the Telecom and Media industry has been rapidly transforming the ways we live, work, and communicate as a society. Yet the evolutionary benefits of connectivity speed and disruption from 5G and the evolving availability of technologies such as cloud, automation, and AI have given way to execution hurdles along with new competitive threats. Keeping pace with such rapid transformation

is both a challenge and an opportunity for business leaders. We have worked with our clients throughout the evolutionary lifecycle that are embracing strategic and forward-looking business models and the foundational infrastructure updates needed to drive change. These organizations have become world-class at adapting and driving new value with agility.



In an industry that will be defined by organizations who act now to seize untapped growth, Persistent brings the right combination of software engineering and infrastructure technology expertise. We help organizations to capture the benefits of telco cloud, deploy network automation and build software-based experiences across 5G and the edge.

Kuljesh Puri \ SVP & GM, Communications, Media

Digital Engineering in Action

Diversifying beyond connectivity

Operators are looking beyond commoditized connectivity, opting instead for new growth anchored around data, digital services and marketplaces. Outperformers are leveraging technology skills, ecosystem relationships and modern IT and network infrastructure to accelerate their journeys.

Unlocking the value of 5G

5G is not just about technology. It is about building new capabilities to attract industries, enterprises and developers. Leading operators are facilitating the development of 5G-enabled experiences and ecosystem partnerships to capture value.

Capturing the benefit of cloud

Cloudifying the network improves agility, lowers operating costs and accelerates new services. On a practical level, it's no longer optional. Operators are building partnerships with hyperscalers to host cloud-native network functions and bring new applications to customers.

Cisco drives innovation to improve customer experience



Cisco partnered with Persistent to screen feasibility and build engineering innovation prototypes across their product offerings for increased solution efficacy, productivity, and customer experience. An agile-based rapid prototyping model was adopted to accelerate development and bring new applications and prototypes to market.

As we evolve our innovation model to take concepts through to reality, we partnered with Persistent to help us make that happen. Persistent has been a partner from the start to help us define the processes, bring technical talent to the programs and execute well day-to-day. Persistent has brought market-leading expertise and flexibility to help us improve the customer experience.



Koree Mires \ Director, Global Technical Assistance Centers, Innovation-Automation & Disruption

Digital Transformation

CX ↑
with multi-channel availability

Digital transformation for a large U.S. telco. Improved CX with a better product experience created a multilayer segmentation for simpler operations and improved retention rate with better bundling.

Service Assurance

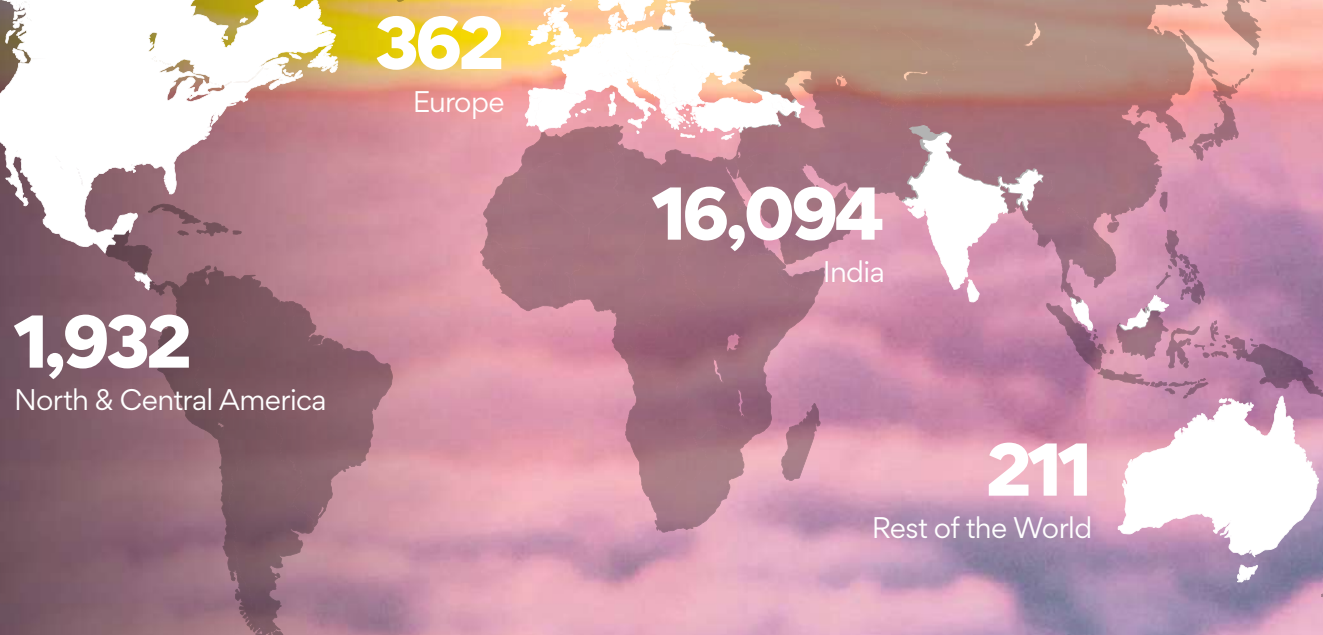
50%
Reduction in time-to-market

Provided a product engineering Center of Excellence (COE) for development, QA and professional services for a network service assurance provider.

The Way Forward

The next generation of Telecom and Media providers will be defined by those who take a holistic approach to transformation. This means developing innovative digital solutions

that redefine the customer experience, capitalize on digital convergence and help organizations launch new businesses.



Unleashing the Potential of Our People

We're dedicated to building an inclusive culture and work environment that reflects what's important to our people and facilitates their growth.

Our leadership team is focusing on areas like culture, learning and development to provide a holistic and delightful employee experience.



Persistent nurtures positive sentiment around our employee value proposition. As we grow our teams rapidly across all levels and around the world, it is important that we extend that proposition to every employee touchpoint. This will help us empower our global teams while democratizing areas like learning and career planning.

It is inspiring to witness our leadership team invest in areas like culture, learning and development to provide a holistic employee experience. We encourage an inclusive culture that reflects what is important to our

employees and our values. We motivate our employees to unleash their full potential, and we provide ample opportunities to work with global players across industries.

Keeping the employee happiness quotient in mind, we have introduced several engagement initiatives to strengthen connections and build a stronger Persistent family.

—
Yogesh Patgaonkar
Chief People Officer

Our people-centric work environment enables our employees to:



Accelerate
growth, both professionally and personally.



Impact
the world in powerful, positive ways, using the latest technologies.



Enjoy
collaborative innovation, with diversity and work-life wellbeing at the core.



Unlock
global opportunities to work and learn with the industry's best.

Unleashing the potential of our people \

Year in Review



Developing and growing our talent

86%

Employee Satisfaction Score (ESAT)

Robust Learning & Development programs, with flexibility across technical, domain and management tracks



Opportunity to deliver cutting-edge technology work across industries, clients and communities



University tie-ups with leading global institutions: Columbia, Georgia Tech, Stanford and Indiana University



Building our team to fuel the next wave of growth

Recruitment campaigns and investment in talent acquisition to bring in the best

4,900+

net hires in last 4 quarters

36%

growth

Infusion of young, high-energy talent

1,600+

freshers (CY22) hired from various institutes



Strengthening our leadership team

Sameer Bendre
Chief of Operations &
Head of Sustainability

Merlyn Mathew
Head of Delivery
Excellence & Talent
Management

Yogesh Patgaonkar
Chief People Officer

Additional leaders brought on by acquisitions and strategic hiring

Enabling employee wealth creation and financial support

Launched one of the most inclusive ESOPs in the global IT services industry

80%

employees participate in company's success as shareholders

Competitive salary structure with a robust rewards and recognition program



Persistent Employee Benefits Trust providing interest-free loans to employees in emergency situations



Company Performance Bonus

110%+

and more than 105% for second year in a row



Unleashing the potential of our people \

Promoting work-life harmony

Physical Wellbeing

Rolled out multiple programs across areas like women's health and stress management, promoting an active lifestyle coupled with regular health check-ups to ensure the holistic wellbeing of our employees.



Promoting an active lifestyle through Persistent Run to encourage employees to kickstart their fitness journeys through 3K, 5K, 10K, 15K and 21K training programs.

5 K+
participants

20 - 80
age range of participants



Emotional Wellbeing

Emotional wellness programs delivered through our in-house team of counsellors to help employees focus on their mental health, especially in the aftermath of the pandemic.



Counselling programs aimed at every life stage of an employee:

- \ Preparing students to succeed in corporate life
- \ Marital counselling
- \ Managing stress and burnout



Social Wellbeing

Promoting a sense of belonging and cultivating a feeling of oneness among employees through Pulse, our signature cultural event, plus virtual connect and ice-breaking sessions, hobby communities, and more.



In-person employee roadshow across India to connect and engage with our teams working remotely.

18
cities in India

3 K+
employees engaged



Unleashing the Potential of Our Ecosystem

Our partner ecosystem has never been more important to the success of Persistent than it is today.

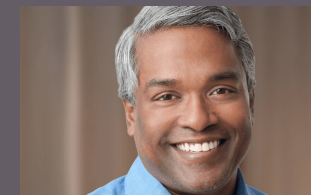
Over the last year, we've taken considerable steps — both organic and inorganic — to bolster our Digital Engineering capabilities aligned to our partners' strategies and fortify the relationships that are essential to unlocking new joint value for our clients.

Through these investments and continuous enhancements, we've future-proofed Persistent not only to address the digital agenda of our clients today, but to ready ourselves for the next wave of technology- and software-enabled transformation.

Bolstering our expertise across the hyperscaler ecosystem

Google

We announced a dedicated Google Business Unit with the acquisition of Sureline and MediaAgility, a leading Google Cloud Premier Partner.



Thomas Kurian
CEO
Google Cloud

Google Cloud partners have a significant opportunity to support businesses' digital transformations and to deliver critical services to help customers thrive in a digital world. Persistent and MediaAgility offer deep expertise in business transformation across multiple industries, and hundreds of Google Cloud certified professionals in key transformation areas like collaboration and machine learning. We look forward to working together to help customers succeed.

Microsoft

The acquisition of Data Glove brought extensive experience and the launch of our Microsoft Business Unit with a focus on Azure Cloud.



Anant Maheshwari
President
Microsoft India

Businesses and governments are seeking reliable technology partners to help them navigate the rapid digital proliferation. By establishing a business unit focusing on Microsoft Azure, Persistent builds on our longstanding relationship to develop competencies and solutions to serve customers with their Azure and Microsoft technology needs.



The momentum continues around industry solutions with AWS, including the launch of a cloud-native bank based on our Digital Bank & Credit Union Solution.



We continued our strategic focus on IBM and IBM Cloud with our elevation to the elite Platinum Business Partner status.



We expanded our MuleSoft capabilities to automate business processes enabling us to provide connected experiences to our clients.



The demand for cloud modernization and migration will continue to accelerate as organizations increase their digital adoption. Persistent has accurately spotted this trend and taken action to bolster their expertise and relationships with all major hyperscalers over the last two years. With 32 years of Digital Engineering at their core and this enhanced capability, they are in a great position to provide exceptional value to their clients.

Pari Natarajan \ Co-Founder and CEO, Zinnov

Unleashing the Potential of Our Communities

Our CSR approach is inextricably linked with the way we operate our business and inherent belief in our ability to make a difference within the communities we engage with.

Tech for Good



We continue to engage with our vast stakeholder ecosystem for leveraging technology to address various challenges faced by our communities.

In our effort to make a difference to the society, we have been partnering with Call for Code, world's largest 'Tech for Good' initiative, supported by IBM. This global program provides us a platform to address issues that impact the society at large through innovative technology solutions. This year, Persistent is the Changemaker Sponsor of this prestigious event.



We have also participated in the Smart India Hackathon, a nation-wide initiative that promotes innovation and out-of-the-box thinking amongst students to improve governance, drive digital literacy and build a smarter India.

Vaccination Drive



We vaccinated 17,000+ people, including employees and their family members, contract employees, third-party vendor staff for housekeeping, security, cafeteria, maintenance, IT services, etc. and their dependents. To encourage 100% coverage, we also reimbursed vaccination cost for those who got their shots at private hospitals.

WINGS Program



Women Inspired to Navigate Growth and Success (WINGS) program is aimed at bringing women on a career break back to technology work. It enables career-ready women to reimagine themselves in IT industry with hands-on training and upskilling opportunities. WINGS program helps women IT professionals unleash their full potential and realize their career goals.

Environmental, Social and Governance

Believing in “One Persistent, One Family,” we have always ensured that our business approach includes a holistic sustainable strategy to provide long-term value for our stakeholders.

While we are proud of our progress, we know there is a long road ahead to ensure a better and brighter future for generations to come. Entering our fourth decade as a sustainable business, we are thrilled to embark on this journey with the active support of our people, our families and the communities we serve.

With the increasingly rapid acceleration of technology adoption, we have renewed our promise to ensure that our business goals include the wellbeing of our people, our society and our planet.

We have embarked on our journey towards carbon neutrality by setting our Net Zero targets in motion. The pillars of our ESG ambition reflect our core values and determine our actions in service of this vision.

We have aligned our sustainability agenda with our business and technological transitions and growth to emerge a more responsible, sustainable, well-governed organization.

At Persistent, being aware and wanting to make a difference to the world we live in has been one of our core values. Being a socially and environmentally responsible organization we are fully committed towards creating a positive impact for all our stakeholders.

Sameer Bendre \ Chief of Operations and Head of Sustainability



For more details about our ESG strategy, please reference [our ESG Report 2021-22](#).

We commit to:

1

Identifying and capturing even the most unexpected opportunities to optimize our environmental footprint

2

Being responsible in the augmentation of our in-house capacity and contributions to build resilient communities

3

Pursuing the ideal of “One Persistent, One Family” in everything we do

Our Achievements

Environmental

2 MW solar rooftop

2.5 K t CO₂e
Reduction per year

2 Windmills, 2.1 MW each

6 K t CO₂e
Reduction per year

Certified

ISO 14064
Since 2016

Social

31.4%
Women

₹115.53 M
Spent on CSR projects

Work-life Harmony
Ensured with comprehensive employee welfare policies

39
Nationalities

Social Programs
Including hackathons to drive innovation and training to nurture talent

Governance

7/11
Independent Directors on Board

Code of Conduct
Full commitment across the Board

2/11
Women on Board

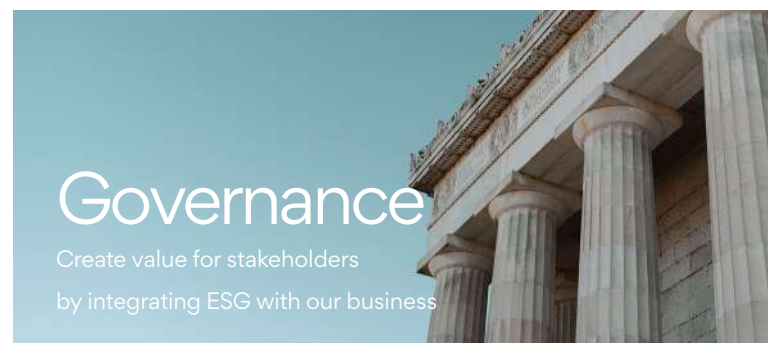
Our Vision



We are committed to unleashing the potential of our people, clients, partners, communities and technologies in service of building a more equitable, sustainable and healthier future.

We have outlined milestones and metrics for each of the three lanes of the ESG journey to ensure continuous, authentic progress is made.

We believe in working towards the greater good to ensure holistic growth for our business and the society. As a part of our ESG journey, we have also set targets that focus on our commitment towards creating a positive impact with regards to climate change, diversity and inclusion, and the well-being of our stakeholders.



Climate Action

Net Zero climate action commitment to reducing GHG emissions by 2030 will be achieved by:

- \ Science based targets (SBTi)
- \ Sourcing 100% renewable energy
- \ Using technology solutions
- \ Carbon offsetting

2026: Emit zero emissions from building operations

2028: Reduce 80% emissions from our global operations including business travel and supply chain

2030: Net zero emissions

Water Stewardship

2028: Reduce freshwater consumption and achieve 100% wastewater recycling in owned campuses

Increase ground water recharge and water storage capacities in water affected regions

Inclusive Workforce

2028: To include people of all genders, ethnicities, sexual preferences, religions and specially abled persons in our diverse workplaces

Achieve 35% of female representation in the workforce with a special focus to increase women in the senior management

Employee Health & Safety

Ensure work-life harmony to achieve professional and personal goals

Maintain zero accidents in the workplace

Implement holistic well-being initiatives focusing on physical, social, financial and emotional health

Sustainable Livelihood

Touch lives to deliver high-impact programs in Education, Community Development and Health for diverse beneficiaries.

Attract and Nurture Talent

2023: Achieve learning coverage of 90%

2024: Nurture long-term employees to get them ready for senior management roles

Ensure a healthy mix of internal & external talent

Value Chain Sustainability

By 2028: Enhance supplier standards of conduct and selection of 50% vendors with focus on ESG performance

Ethical Conduct

2023: 100% training in code of conduct

Zero tolerance for unethical & non-compliant behavior

Risk & Compliance

To be recognized as industry leader in information security & cloud practices

Use information governance to effectively manage data privacy & security related risks

Human Rights

Protect the rights of all employees across all locations

Practice "One Persistent, One Family"

Message from the Chairperson

We have hope in our hearts for the upcoming year. It will be a tough journey coping with the new normal and dealing with the aftermath of the pandemic. We need to look beyond and focus on our goals and aspirations. We are eager to pick up the threads and resume work again.



The last year saw many ups and downs due to the fierce second wave of COVID-19. It destroyed and disrupted our lives as many succumbed to it across the world. The perspective of life changed as we lost some loved ones. It was a tragic time, with seemingly no light at the end of the tunnel.

The situation improved as the year progressed and hope was back across the world. Celebrations happened again, albeit with a limited number of people. People could

travel, go out to meet friends and family, and go back to work again. It was a happy time though laced with great caution and fear.

At the Persistent Foundation, we started school-related projects in anticipation of schools reopening. We helped in refurbishment of infrastructure in schools. We also started support classes and study centers to help students revise their old curriculum and prepare for the new academic year. Additionally, we provided 20 refurbished

laptops to students to help them continue learning the digital way. In the upcoming year, we aspire to provide more such laptops and desktops to students and schools.

The Nursing students successfully completed their course and were placed in hospitals across Pune. Other skill development courses provided employment to all the candidates. This was indeed heartening and encouraging for us. Our new batch of Kiran girls was onboarded in February 2022 and our batch of graduating girls was successfully placed in good companies.

The Facial Cleft project picked up through the year and benefited 624 children. We also helped 1,000 severely malnourished children improve their health by providing nutritional supplements.

We planted 16,000 trees and nurtured 24,000 more trees. We helped 40 families earn their livelihood through bamboo craftsmanship. We constructed 2 wells to solve the drinking water problem for 550 people. Desilting and recharging of water, construction of water storage tanks and soil conservation were a part of the Watershed program. The livestock development program was successful with birth of substantial number of healthy calves. Our solar power initiatives are helping the charitable hospitals save significantly in terms of power consumption.

We continued COVID-19 Relief work this year as well. We reached out to more than 5,000 families with food kits and cooked meals. We provided medical equipment to hospitals across all our 5 locations and provided hospital staff with PPE kits, sanitizers, masks,

multipara monitors, and more. We partnered with the local Municipal Corporation to set up a 600 bed COVID-19 Care Centre with the necessary consumables. The vaccination drive was conducted in Pune and Hyderabad, which benefitted almost 43,000 individuals.

As we look at the year ahead, we have hopes in our hearts and smiles on our faces. We pray that this is the last we have seen of the COVID-19 era, and life can now resume once again. It will be a tough journey coping with the new normal and dealing with the aftermath of the pandemic. The scars are deep and will take a long time to heal. We need to look beyond and focus on our goals and aspirations.

As always, our Trustees have stood strong beside us with their invaluable encouragement in such trying times. I am truly humbled by the generosity shown by our employees through donation and volunteering drives for the COVID-19 relief work during the lockdown. We are grateful to the Persistent Board for their constant appreciation. I have a fantastic team and I cannot thank them enough for their relentless commitment to Corporate Social Responsibility. All these achievements are a result of their teamwork and dedication. I would like to thank each and every one who has been a part of our Corporate Social Responsibility journey and I hope to see more participation from many more of you.

Here's to a more normal, safe, happy, and productive year!

—
Sonali Deshpande
Chairperson

COVID Relief Work

Persistent fully committed to COVID-19 relief, coordinated by the Persistent Foundation. We addressed the needs of the community by supporting hospitals, NGOs and government entities to strengthen the infrastructure and helped serve the society at large.

Food Support	Medical Support	Entrepreneurship Program	Vaccination Drive
9 partner organizations helped us reached out to 1,255 individuals	35 partners helped us reached out to 54,268 individuals	379 families benefited with the help of 4 NGOs	42,855 individuals vaccinated across 163 villages

Health

- \ Supported **16** partners for **7** key projects, which benefited **5,729** individuals. Projects included cataract surgeries, eye checkup camp, a nutrition program, a mobile medical unit, facial cleft and palate surgeries, Balshalyakriya and Individual medical cases
- \ We supported **624** individuals through our flagship program that provides comprehensive care for facial cleft and palate surgeries



Education

- \ Associated with **18** partners for **8** projects, benefiting **4,005** students
- \ Supported **15** schools for infrastructure development
- \ Supported **548** students from **3** schools with special classes to overcome learning gaps
- \ Kiran Girls Scholarship and Mentoring Program onboarded **42** students and helped place **36** girls in leading companies



Community Development

- \ **16,000+** trees planted, **24,000+** nurtured
- \ Supported **40** families for bamboo artisanship
- \ Constructed **2** wells, benefiting **2** villages and **550** villagers
- \ Integrated a watershed development program at Varude village
 - Distributed honey beekeeping units and solar pest traps to farmers
 - Increased water recharge by 91 Million liters
 - Improved farming techniques benefited 400 farmers



Appreciation

Venkatesh Murthy
Managing Trustee, Sri Vivekananda Sevashrama

Thejasvi Konduru
Computer Science Student, Hyderabad

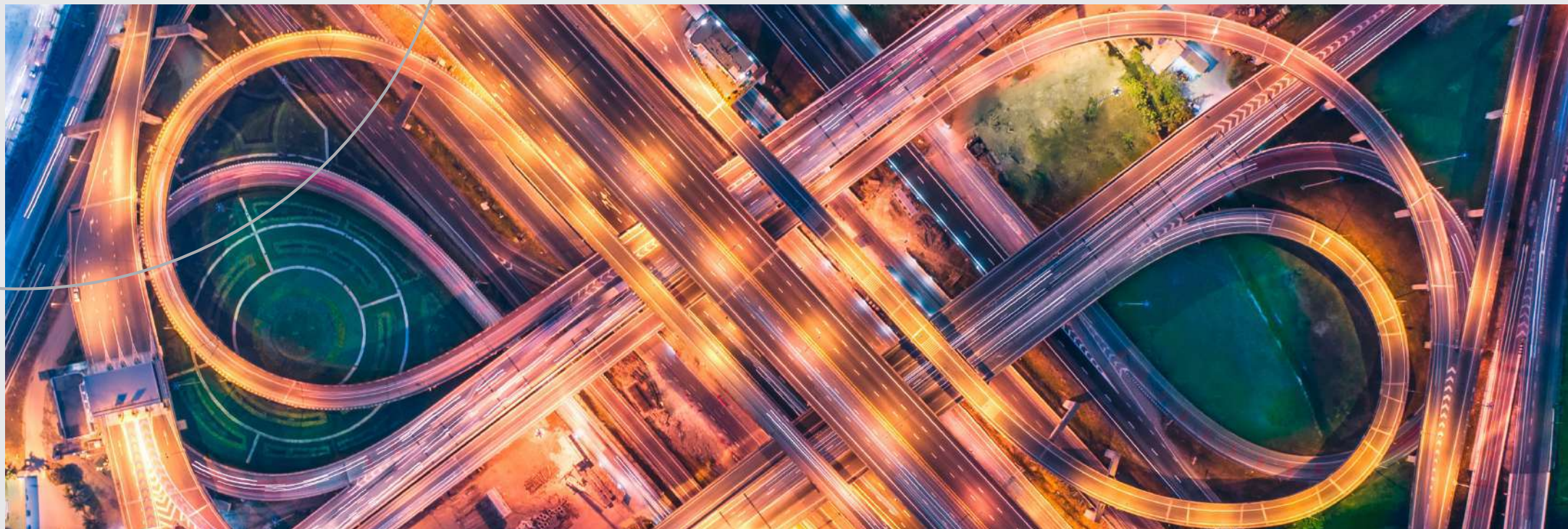
Ms. Anuda
Project Manager, Ashray Akruti, Hyderabad

The support received from Persistent Foundation has been of immense help in bringing people from darkness to light. Since 2018, the Persistent Foundation has been supporting us by providing financial assistance for cataract surgeries and to restore eyesight to the poor and needy. Their assistance has helped many patients who otherwise would have spent their twilight years in darkness and remained a burden for their family. During the last 2 years, the Persistent Foundation was instrumental in bringing light to the lives of 200 patients each year and helping them lead a dignified and independent life. We are grateful to them for their dedication and commitment in rendering service to the poor.

I'm in my 5th year of dual degree program in Computer Science from IIIT, Hyderabad. I'm truly honored to have been selected for the Kiran Girls Scholarship Program. As a part of summer schools, I learnt about the importance of LinkedIn, work culture in software companies, various programming languages, and strengthened my concepts in data structures. This exposure has helped me prepare for my internship. IIIT Hyderabad being a Tier-1 college gave me a chance to be interviewed by top companies and achieve a good package.

The support from Persistent Foundation since 2019 has immensely helped us make a difference to the lives of many people. We are truly grateful for the donation received towards special education, hearing aids, stationery, and ration kits. Along with this, we received over 6,000 grocery kits as part of COVID Relief Work, through which we were able to support families from our school.

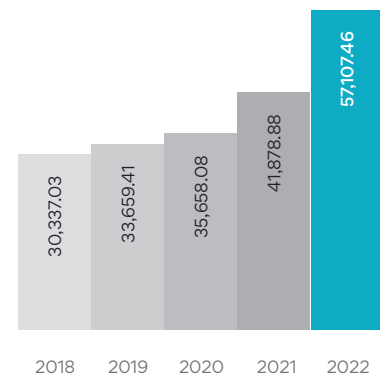
For more details on our CSR projects, please refer to [Persistent Foundation Annual Report 2021-22](#)



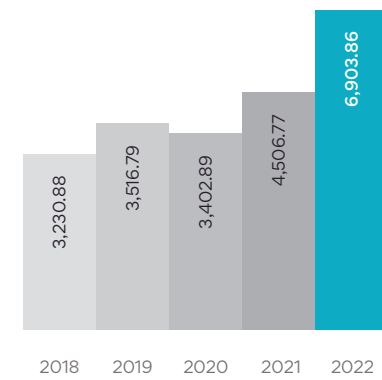
Corporate Information

Financial Highlights

Total Revenue In ₹ Million

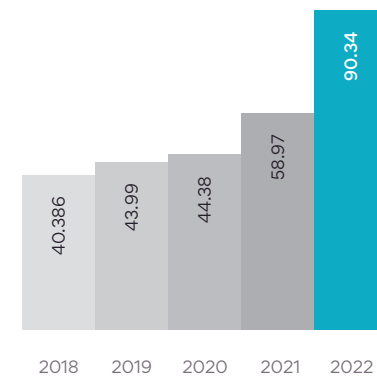


Profit After Tax In ₹ Million
After extraordinary items



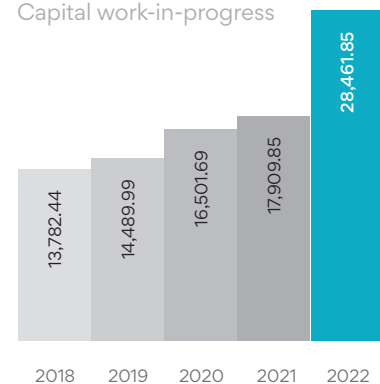
Financial Year ending on March 31

Earnings Per Share (Basic)[®] In ₹

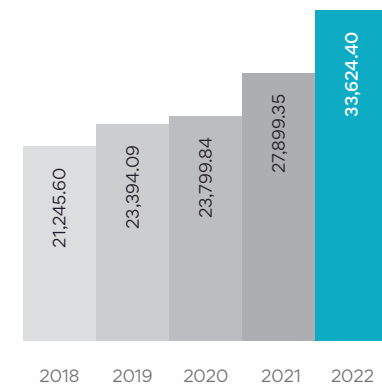


Fixed Assets* In ₹ Million

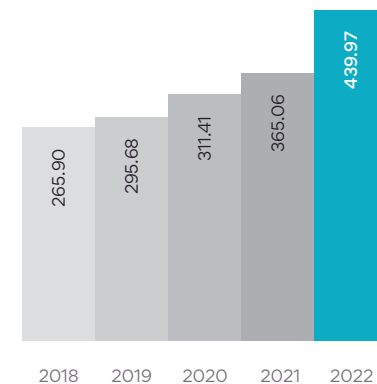
Gross block, including
Capital work-in-progress



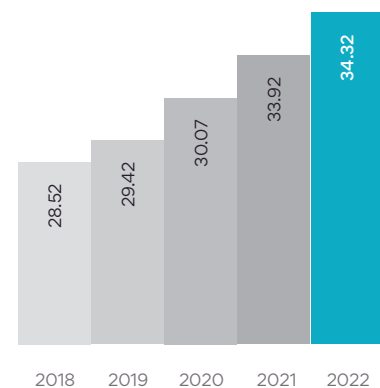
Net Worth# In ₹ Million



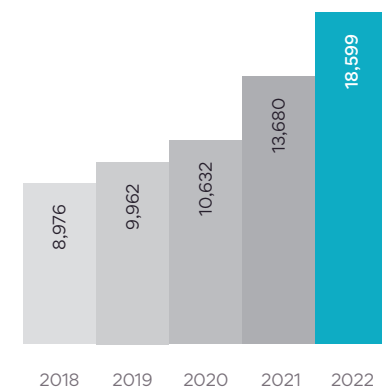
Book Value per Share# In ₹



Dividend Payout Ratio[^] In %



Persistent Team In Numbers
Including trainees and associates



[®] EPS is computed after considering the impact of exceptional item.

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

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

Financial Performance

Based on consolidated figures

Profit and Loss Statement

In ₹ Million

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Income					
Revenue	57,107.46	41,878.88	35,658.08	33,659.41	30,337.03
Other Income	1,439.55	1,077.72	1,323.77	876.55	1,191.01
Total	58,547.01	42,956.60	36,981.85	34,535.96	31,528.04
Personnel expenses (including cost of professionals)	42,567.28	30,721.67	25,475.34	22,739.98	21,497.09
Operating and other expenses	4,958.47	4,327.06	5,260.15	5,357.03	4,152.68
Profit before interest, depreciation and amortization, exceptional item and tax	11,021.26	7,907.87	6,246.36	6,438.95	5,878.27
Interest*	118.35	57.94	63.32	3.05	0.79
Depreciation and amortization	1,660.12	1,755.50	1,659.62	1,572.51	1,584.87
Exceptional item (expense)	-	-	-	-	-
Provision for taxation	2,338.93	1,587.66	1,120.53	1,346.60	1,061.73
Profit After Tax (PAT)	6,903.86	4,506.77	3,402.89	3,516.79	3,230.88
Dividend (including proposed dividend) and tax thereon	2,369.18	1,528.50	1,023.25	1,034.50@	921.44

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

Profit and Loss Account (Ratios)

In ₹ Million

Particulars	2021-22	2020-21	2019-20	2018-19	2017-18
Personnel expenses/Revenue (%)	74.54	73.36	71.44	67.56	70.86
Operating and other expenses/Revenue (%)	8.68	10.33	14.75	15.92	13.69
Profit before interest, depreciation and amortization, exceptional item and tax/Revenue (%)	19.30	18.88	17.52	19.13	19.38
Interest/Revenue (%)	0.207	0.138	0.178	0.009	0.003
Depreciation and amortization/Revenue (%)	2.91	4.19	4.65	4.67	5.22
Exceptional item/Revenue (%)	-	-	-	-	-
Tax/Revenue (%)	4.10	3.79	3.14	4.00	3.50
PAT/Revenue (%)	12.09	10.76	9.54	10.45	10.65
ROCE (%)**	21.28	17.59	14.63	15.73	16.03

* Includes notional interest on lease liability FY22: Rs. 84.06 Million (FY 21: Rs. 57.53 Million) recognised in accordance with IND AS – 116 on Leases and notional interest on amounts due to selling shareholders ₹ 15.73 Million (Previous year: Nil).

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

Awards & Recognition






Technology

Leading IT analyst and advisory firms continue to recognize the client value we are delivering through our differentiated Digital Engineering expertise, growing partner ecosystem and enviable cloud portfolio.

 <p>Persistent won four ISG Star of Excellence Awards™ in 2021 for best-in-class CX:</p> <p>Analytics Intelligent Automation</p> <p>Manufacturing Salesforce</p>	 <p>Won top positions in Zinnov Zones Engineering Research & Development Services 2021 ratings for the 9th consecutive year</p>
	<p>Recognized as leader in Zinnov Zones 2021 Hyper Intelligent Automation Services</p>
<p>ISG Digital Case Study Awards™ recognized Persistent in partnership with LungLife AI for its AI and ML algorithms that help in accelerating cancer detection</p>	 <p>Recognized as one of the Top 15 Engineering Services Providers of 2022 by Everest Peak Matrix®</p>
<p>Recognized as a Leader in ISG Provider Lens™ Archetype Report on Next Generation Cloud Services</p>	 <p>Named Partner of the Year in Americas for the “Creation and Delivery of Exceptional Solutions” for 3rd year in a row</p>
<p>Recognized as a Top 15 Sourcing Standout for Managed Services in the ISG Global Index™ “Booming 15” category for 9 consecutive quarters</p>	 <p>Constellation Shortlist™ for Innovation Services and Engineering for 4th year in a row</p>

Corporate

Our legacy of high corporate standards set us apart and position us as leaders in corporate governance. Our business ethics and operational excellence have been applauded across the industry.

 <p>Persistent named in Forbes Asia's 200 Best Under A Billion 2021 list</p>	
 <p>Won ‘Energy Conservation and Management’ award in 16th Maharashtra Energy Conservation & Management Competition by Maharashtra Energy Development Agency</p>	 <p>Won first place in ‘Excellence in Sustainability’ and first runner-up in “Emergency Preparedness & Business Continuity” at Inventicon Awards</p>
 <p>Won Dun & Bradstreet Corporate Award in ESG Performance (Services) category</p>	 <p>Persistent Mexico received the Jalisco badge for good labor practices and full compliance with labor regulations</p>

People

Prestigious institutions across the world have recognized the strength of our culture and relentless focus on learning and development to help our people grow and our teams thrive.

 <p>Recognized for excellence in Learning and Development at the SHRM HR Excellence Awards</p>	<p>TISS LeapVault CLO Awards:</p> <ul style="list-style-type: none"> Best Corporate University Best Games Based Learning Best Quality Management Best Improvement Training Program
 <p>Won the Bronze Award for "Excellence in Team Building Engagement" from ETHRWorld</p>	
 <p>Won “Corporate Vaccination Campaign” and “Hygiene @ Workplace” awards</p>	 <p>Our Learning & Development team won Training APEX Awards 2022</p>

Committees of the Board

As on June 10, 2022

Audit Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Pradeep Bhargava	Independent Director
	Roshini Bakshi	Independent Director
	Avani Davda	Independent Director
Risk Management Committee	Praveen Kadle	Chairman of the Committee and Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
	Sunil Sapre	Executive Director and Chief Financial Officer
	Dr. R. Venkateswaran	Chief Information Officer
Nomination and Remuneration Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Guy Eiferman	Independent Director
	Thomas Kendra	Non-Executive Non-Independent Director
	Prof. Deepak Phatak	Independent Director
Stakeholders Relationship and ESG Committee	Prof. Deepak Phatak	Chairman of the Committee and Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Sunil Sapre	Executive Director and Chief Financial Officer
Corporate Social Responsibility Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Dr. Anand Deshpande	Chairman and Managing Director
	Prof. Deepak Phatak	Independent Director
	Avani Davda	Independent Director
Executive Committee	Pradeep Bhargava	Chairman of the Committee and Independent Director
	Roshini Bakshi	Independent Director
	Avani Davda	Independent Director
	Praveen Kadle	Independent Director
	Dr. Anant Jhingran	Independent Director
	Sandeep Kalra	Chief Executive Officer and Executive Director
Sunil Sapre	Executive Director and Chief Financial Officer	
Investment Committee	Praveen Kadle	Independent Director
	Guy Eiferman	Independent Director
	Roshini Bakshi	Independent Director

Directors' Profiles



Dr. Anand Deshpande

Founder, Chairman and Managing Director

Sandeep Kalra

Chief Executive Officer and Executive Director

Sunil Sapre

Executive Director and Chief Financial Officer



Roshini Bakshi

Independent Director

Pradeep Bhargava

Independent Director

Avani Davda

Independent Director



Guy Eiferman

Independent Director

Dr. Ambuj Goyal

Independent Director

Arvind Goel

Independent Director



Dr. Anant Jhingran

Independent Director

Praveen Kadle

Independent Director

Thomas Kendra

Non-Independent Director



Dan'l Lewin

Independent Director

Prof. Deepak Phatak

Independent Director



Dr. Anand Deshpande

Founder, Chairman and
Managing Director

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

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

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

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

He is a founding trustee of Persistent Foundation and has served numerous positions at various professional and non-profit organizations — NASSCOM’s Executive Council, founding President of Association for Computing Machinery(ACM) India, Software Exporters’ Association of Pune (SEAP), Pune Chapter

of Computer Society of India (CSI), CII’s Pune Zonal Council, Trustee in the Computer History Museum, founding member of Indian Software Products Industry Round Table (ISPIRT), founding member of I4C, a member of the Dean’s Advisory Council in the School of Informatics, Computing and Engineering of Indiana University.

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

He is a part-time member of the Unique Identification Authority of India (UIDAI), trustee of the [VLDB Foundation](#), and is actively working on projects to create a data platform for Indian patients suffering from cancer and diabetes.

He is an honorary Adjunct Professor of Practice at the Desai Sethi School of Entrepreneurship at IIT Bombay, Chairman of the Board of Governors of IIT Patna and the interim Chairman of the Board of Governors at IIIT Allahabad. In addition, he is on the governing board of the College of Engineering, Pune and on the board of Gokhale Institute of Politics and Economics, Pune.

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

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



Sandeep Kalra

Chief Executive Officer
and Executive Director

Sandeep Kalra is the Chief Executive Officer of Persistent Systems and serves on its Board as an Executive Director. Under his leadership, Persistent is transforming from a niche technology player into a multifaceted, new age digital transformation partner and a strong global brand.

Sandeep has extensive experience in the IT services industry and in turning around businesses by promoting growth and profitability. After graduating from Indian Institute of Management in Calcutta, Sandeep spent 16+ years with HCL, where he held multiple leadership positions across Outsourced Product Engineering, establishing

HCL Technologies in LATAM and Canada as well as leading the Pharma vertical. Subsequently to HCL Technologies, Sandeep joined Symphony Teleca to lead its growth and was instrumental in its successful acquisition by HARMAN. Sandeep then led a 7,000+ member services business unit for HARMAN (now a Samsung Company), delivering digital transformation solutions to ISVs and enterprises.

Sandeep is known in the industry for his extraordinary passion, dedication and growth mindset. His vision for Persistent is to be an industry-leading organization with a growth mindset, preserving its rich legacy and yet fostering creativity, collaboration and diversity. Sandeep is based out of our New Jersey office.

Sandeep is married to Jyotika and they have three daughters.



Sunil Sapre

Executive Director and
Chief Financial Officer

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

Sunil has more than 30 years of experience in the areas of corporate finance, accounting, tax, financial planning and analysis, risk management and merger and acquisition diligence, and integration. Prior to joining

Persistent in June 2015, he worked with L&T Group in various functions and his most recent role was with L&T Infotech where he spent 14 years as the head of finance and accounts for global operations.

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

Sunil is married to Asha and they have a son.



Roshini Bakshi
Independent Director

Roshini Bakshi has been an Independent Director at Persistent Systems since July 2014.

Roshini holds a Bachelor's degree in Economics from Delhi University and a Master's degree in Business Administration from the Indian Institute of Management, Ahmedabad.

Roshini has an impressive track record in consumer industries, setting strategy for creative consumer driven services and improving operational effectiveness to create greater financial returns.

She has worked across diverse sectors including financial services and information

technology. She was voted one of the Top 50 Powerful Women Managers in India by Impact Awards in 2014.

Roshini is the Managing Director (Private Equity) at Everstone Capital Asia Pte. Ltd., based in Singapore and India. She was the Vice President and Managing Director for the Walt Disney Company's consumer business for South Asia, where she was responsible for setting up and growing the business to more than \$200 Million in revenue. Some of her earlier positions were with Unilever, American Express, Mattel, and Polaris, where she led marketing and business roles.

Roshini supports St. Jude India Child Care Centers and is a mentor with Endeavor in Indonesia.

Roshini is married to Hemant and they have two sons.



Pradeep Bhargava
Independent Director

Pradeep Bhargava has been an Independent Director at Persistent Systems since April 2012.

He holds a Bachelor's degree in Science (Honors) from Rajasthan University, Jaipur; B.E. in Electronics and Communication from the Indian Institute of Science,

Bengaluru, and PGDBA from the Indian Institute of Management, Ahmedabad.

Pradeep has worked in leadership positions in both state and private enterprises in fields ranging from consumer, industrial, and energy sectors. He has worked with the Atomic Energy Commission, Bharat Heavy Electricals Limited, Bharat Forge Group, and General Electric before joining Cummins in 2000. He steered the power generation business of Cummins in India until his retirement in 2012.

Pradeep is an independent director on the Board of several companies including Automotive Stampings and Assemblies Limited. He has been active on industry forums and was Chairman (Western Region) of the Confederation of Indian Industries (CII) and also president of Maharashtra Chamber

of Commerce Industries and Agriculture (MCCIA). He is also a Trustee of Persistent Foundation formed by Persistent Systems.

Pradeep is married to Abha and they have a son and a daughter.



Avani Davda
Independent Director

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

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

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

She was the Chief Executive Officer of Tata Starbucks Private Limited, the 50/50 joint venture between Starbucks Coffee Company and Tata Global Beverages Limited (TGBL). As the founding CEO, she successfully set up the JV Company and created the right leadership and cultural environment that resulted in

aggressive expansion of over 85 Starbucks stores in India in three years. The brand was established in six key metropolitan cities of India and is recognized for unmatched coffee house experience. Subsequently, she played role of MD and CEO at Godrej Nature's Basket from May 2016 to November 2019. In Godrej, she led the transformation and turnaround of the business with a focus on delivering store level profitability culminating in the strategic sale of the business.

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

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

Avani is married to Vishal and they have a son.



Guy Eiferman
Independent Director

Guy Eiferman has been an Independent Director at Persistent Systems since April 24, 2018.

Guy Eiferman has a Masters in Operational Research & Engineering from École Centrale de Paris and an M.B.A. in International Trade from Sciences Po, Paris.

He joined Merck & Co. in France in 1987 and, until his retirement in 2018, has held positions of increasing responsibility in Marketing, Business Development, and General Management both in Europe and in the U.S.

In July 2006, he was promoted to the role of General Manager of the Atherosclerosis and Cardiovascular Franchise and was

made responsible for the entire CV portfolio worldwide. In 2009, in his position as Senior Vice President and Managing Director for Merck/MSD in France, he successfully led the \$2 Billion and 3,000 employee organization through profound restructuring and reorganization, following the merger between Merck and Schering-Plough.

In January 2013, he led the MSD mid-Europe region, consisting of 20 countries. From 2014 to 2018, he was the Managing Director of a new entity, wholly owned by Merck, named Healthcare Services & Solutions (HSS).

Guy is now teaching Digital Solutions in Healthcare at Sciences Po in Paris and is consulting for and advising healthcare stakeholders on both sides of the Atlantic.

Guy is married to Noelle and they have three children.



Arvind Goel
Independent Director

Arvind Goel joined the Board as an Independent Director of Persistent Systems in June 2022.

Arvind holds a Bachelor's degree in Mechanical Engineering from National Institute of Technology, Kurukshetra. He has completed advance leadership and management programs from

Harvard Business School, NYU Stern School of Business and Center for Creative Leadership in Singapore.

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

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

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

With an extensive experience of more than 40 years in the automotive industry, Arvind has been the recipient of several awards, including "India's most Inspirational Leader 2020" by White Page International, "Global Indian of the year 2020-21" by Asia one, "Auto Component Leader of the year 2021" by Auto Components India Magazine and "Economic Times Inspiring CEO 2021" by Economic Times.

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



Dr. Ambuj Goyal
Independent Director

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

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

Ambuj is currently an advisor to multiple start-ups and private equity firms. Earlier, he was the Chief Executive Officer of Magine, a Stockholm based start-up. He started his career with IBM Research and served in several leadership positions across various divisions for two decades, including leading Computer Science

Research with over 1500 scientists, creating a multibillion-dollar software and services portfolio as General Manager for Information Management and Analytics, and transforming products worth \$20 Billion as General Manager for Development, IBM Systems & Microelectronics.

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

Ambuj is married to Barbara and they have two daughters.



Dr. Anant Jhingran
Independent Director

Dr. Anant Jhingran has been on the Board of Persistent Systems from November 10, 2011 to November 3, 2016 and from November 21, 2017. Dr. Anant Jhingran received his Bachelor of Technology degree in Electrical Engineering from IIT Delhi in 1985 where he was the recipient of the President of India's Gold Medal. He subsequently received his Ph.D. in Computer Science from the University of California, Berkeley in 1990.

Dr. Jhingran is the CEO of a startup — StepZen. Prior to this role, he led Products for API Management for Apigee, both as independent company, as well as after its acquisition by Google.

He joined Apigee from IBM where he was VP and CTO for IBM's Information

Management Division. He is a data geek and is an expert in middleware too.

Dr. Jhingran is the world technology leader in the field of information management with highly demonstrated impact on industrial practice and future technology and business directions. His achievements are well recognized by his peers, and by senior management at IBM having been awarded IBM Fellow, IBM Distinguished Engineer, IBM Academy of Technology, several Outstanding Achievement and Innovation Awards, and IBM Corporate Award.

He has also received several other awards including IIT Delhi Distinguished Alumnus Award, President's Gold Medal for highest GPA at IIT Delhi, IBM Academy of Technology, and has authored over a dozen patents and over 20 technical papers, including frequent keynotes in industry and academic conferences.

Anant is married to Renu and they have a son.



Praveen Kadle
Independent Director

Mr. Praveen Kadle joined the Board as an Independent Director of Persistent with effect from April 2020.

Praveen holds a Bachelor's degree with Honours in Commerce and Accountancy from Bombay University in 1977. He is also a member of the Institute of Chartered Accountants of India since 1981.

Praveen is a qualified Cost Accountant from the Institute of Cost Accountants of India and also a professionally qualified Company Secretary from the Institute of Company Secretaries of India.

Praveen is currently the non-executive Chairman of Tata Auto-Comp Systems Limited. Praveen is associated with the Tata Group for nearly three decades. He is on the boards of various Tata and non-Tata companies.

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

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

Praveen is married to Chetana, an accomplished artiste and they have a son and a daughter in law.



Thomas Kendra
Non-Executive
Non-Independent Director

Thomas (Tom) Kendra has been a Director at Persistent Systems since January 2016.

He holds a Bachelor's degree in Arts in Business Administration from Indiana University in Bloomington, Indiana, USA.

Tom was Vice President and General Manager of the Systems Management business with Dell's Software group, from where he retired in September 2015. Previously, Tom served in various positions at CA Technologies (formerly CA, Inc.) including Executive Vice President of Enterprise Products. Prior to that, he was Group

President of Security and Data Management Group at Symantec Corporation. He joined Symantec after a 26-year career at IBM, where he served as Vice President of Worldwide Server Sales, Vice President of Software in Asia Pacific and Vice President of Software for the Western United States, among other leadership positions.

Tom serves on Board of Directors of ChiroTouch and previously served as a Director of Pareto Networks, Inc., and RightNow Technologies Inc. and was a Member of the Advisory Board at Avangate B.V. Currently, he has emeritus status on the Dean's Advisory Board for the School of Informatics, Computing and Engineering at Indiana University, USA.

Tom is married to Anne-Marie and they have a son and a daughter.



Dan'l Lewin
Independent Director

Dan'l Lewin has joined the Board as an Independent Director in June

2022. He holds an A.B. degree in Politics from Princeton University.

He is currently the President and Chief Executive Officer of the Computer History Museum (CHM), a US-based non-profit

organization, where he is responsible for strategic planning, fundraising and operations.

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

Earlier, Dan'l accrued over 30 years of leadership experience in Silicon Valley. He led the initial launch of the Macintosh to higher education for Apple Computer, Inc. Dan'l was Co-founder and VP marketing and sales at NeXT, Inc. after leaving Apple.

Later, he led sales and marketing for GO Corporation. Dan'l also served as Chief Executive Officer of Aurigin Systems, Inc.

Dan'l has helped organizations establish long-term competitive positioning, guide strategy and governance as well as foster growth to achieve strategic goals and scalability.

Dan'l has served on the boards of the Silicon Valley Community Foundation, UI Labs, Advanced Energy Economy, and currently serves as a Board Director at StartX. He is also on the Advisory Council for the Department of Politics at Princeton University.

Dan'l has two sons and three grandchildren.

companies. In March 2012, he was given the responsibility to execute the prestigious Aakash tablet project. He has been an Open-Source evangelist, and has popularized the use of open-source knowledge content and software. An ardent advocate of life-long learning, he currently works on Learner-Centric MOOCs (Massive Open Online Courses).

He is a recipient of the 'Excellence in Teaching' award and the 'Industrial Impact Research Award' from IIT Bombay. He was elected Fellow of the Computer Society of India (CSI) in 1999, and Fellow

of the Institution of Electronics and Telecommunication Engineers (IETE) in 2000. He was listed among the 'Fifty Most Influential Indians' by Business Week in 2009. He was conferred the 'Padma Shri' award by Government of India in 2013. He was conferred 'Life Time Achievement Awards' by Skoch Foundation in 2003, by Data Quest in 2008, by 'Dewang Mehta Business School Awards' in 2010, by Interop in 2014, by IIT Bombay in 2014 and by CSI in 2018.

Deepak is married to Pratibha, they have two sons and three grandchildren.



Prof. Deepak Phatak

Recipient of Padma Shri Award and Independent Director

Prof. Deepak B. Phatak, recipient of Padma Shri award, received his Bachelor's degree in Electrical Engineering from Shri Govindram Seksaria Institute of Technology and Science (SGSITS), Indore in 1969, and his M.Tech and Ph.D from the Indian Institute of Technology (IIT), Bombay.

He has been associated with IIT Bombay since 1971. He has headed several academic units, and was the first Dean of Resources of the Institute. He set up the Affordable Solutions Lab (ASL) at IIT

Bombay in 2000. He held the 'Subrao M. Nilekani' Chair from 2000-2013. He is now a Professor Emeritus of IIT Bombay.

He has been an advisor and consultant to many organizations and ministries on IT related matters. He has served on the boards of several companies and institutions, including IDBI Bank, Bank of Baroda, UTIISL, IDRBT, NIA, IGNOU, and NIT Agartala. He currently serves on the boards of MKCL, IBPS, IIT Indore, etc.

He is regarded as the pioneer of Smart Card usage for financial transactions in India. In 1999, he started an IT incubator to foster innovation through start-up

Corporate Information

As on June 10, 2022

Board of Directors

Dr. Anand Deshpande

Founder, Chairman and Managing Director

Sandeep Kalra

Chief Executive Officer and Executive Director

Sunil Sapre

Executive Director and Chief Financial Officer

Independent Directors

Roshini Bakshi

Pradeep Bhargava

Avani Davda

Guy Eiferman

Arvind Goel

Dr. Ambuj Goyal

Dr. Anant Jhingran

Praveen Kadle

Dan'l Levin

Prof. Deepak Phatak

Non-Executive Non-Independent Director

Thomas Kendra

Company Secretary

Amit Atre

Registered Office

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

Auditors

M/s. Walker Chandio & Co. LLP

Bankers

ABSA Capital Bank

Axis Bank

Banco Nacional de Mexico S. A.

Banco Nacional — Costa Rica

Bank of Baroda

Bank of India

Bank of Tokyo-Mitsubishi

Barclays Bank

BNP Paribas

BNY Mellon Wealth Management

Canara Bank

Citibank NA

CommonWealth Bank

Deutsche Bank

First National Bank

HDFC Bank

Hongkong and Shanghai Banking Corporation

Silicon Valley Bank

Union Bank of India

VR-Bank Ismaning Hallbergmoos Neufahrn eG

Wells Fargo Bank

Zürcher Kantonal Bank

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Global Locations

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Tel: +91-20-6703-3000
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Rigveda-Yajurveda-Samaveda-Atharvaveda

Plot No. 39, Phase I
Rajiv Gandhi Information Technology Park
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Fax: +91-20-6798-0009

4th and 5th Floor, Building No. IT 3

Qubix Business Park Private Limited
Zone Number C-1, Special Economic Zone
Survey No. 154/6

Rajiv Gandhi Infotech Park
Hinjawadi, Pune 411 057
Tel: +91-20-6798-3500

B9 The Loft Commercial Building

Blue Ridge Township, S. No. 119 (part) to
125+154 (part) to 160+160/2 to 171+173
Plot No. 1, Sector R-1, Hinjewadi, Pune 411 057

Bengaluru

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

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

Goa

Bhaskar — Charak

L-44, Unit 1, Software Technology Park
Verna Industrial Estate, Verna
Salcete, Goa 403 722
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Gurugram

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

Hyderabad

11th and 12th Floor, WaveRock Building
Survey No. 115 (part) TSIC IT / ITES SEZ
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Growing presence in 18 countries



Employee growth



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Youperience Limited

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Forrestal Village, Plainsboro, NJ

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Atlanta

12600 Deerfield Parkway
Ste. 100, Alpharetta, GA, 30004

Dublin

5080 Tuttle Crossing Blvd.
Ste. 150, Dublin, OH 43016

Raleigh

3005 Carrington Mill Blvd
Ste. 175, Morrisville, NC 27560

Seattle

3380 146th PI SE, Ste. 220
Bellevue, WA 98007

Capiot Software Inc.

2055 Laurelwood Road, Ste. 210
Santa Clara, CA 95054

Software Corporation

International

10150 Mallard Creek Road
Ste. 305, Charlotte, NC 28262

Fusion360 LLC

10150 Mallard Creek Road
Ste. 305, Charlotte, NC 28262



Statutory

Message from the CFO

Dear Shareowners,

Financial Year 2021-22 was a year of significant growth and improved financial performance. In an incredibly dynamic market environment, we stayed on course with disciplined focus on execution and putting our clients first. Acceleration of cloud adoption by the clients in their digital transformation journey brought new opportunities in product engineering space. However, at the same time, hiring and retaining the right talent continued to be a challenge for the industry.

In the second half of the year, we made certain investments for the future, in form of acquisitions, which are covered in greater detail later. These acquisitions are an integral part of our long-term strategy to be on the cutting edge of hyperscaler ecosystems.

Highlights from the performance for FY 2021-22 include the following:

- \ Our revenue grew by 35.2% to \$ 765.59 Million. While in INR terms, it translated to ₹ 57,107 Million, with 36.4% growth over the previous year
- \ EBIT margin improved from 12.1% to 13.9%
- \ Profit After Tax (PAT) margin improved from 10.8% to 12.1%, with 53.2% growth in the PAT at ₹ 6,904 Million
- \ Cash and cash equivalents as at March 31, 2022 stood at ₹ 17,373 Million

The key acquisitions during the year were in Payments space (Charlotte based Software Corporation International (SCI) and its affiliate, Fusion360), in Microsoft ecosystem (New Jersey based Data Glove, a Microsoft partner) and in digital transformation and technology solution space (New Jersey based Shree Partners). Further, we recently concluded the acquisition of MediaAgility, a Google Cloud partner, in May 2022. These acquisitions bolster our competencies and will help us access the growth opportunities in these areas. The financial impact of the acquisitions will be manageable in view of the expected growth of the acquired businesses. During the year, we launched one of the most inclusive ESOP plans which covers 80% of our global employees, providing them an opportunity to participate as share owners in the Company's growth journey.

The Board has recommended a final dividend of ₹ 11 per share. This along with the interim dividend of ₹ 20 takes the total dividend to ₹ 31 per share (as compared to ₹ 20 per share in the previous year), resulting in dividend payout ratio of 34.3%.

As we expand our business globally, finance function is playing an increasingly important role in reduction/mitigation of financial risks and achievement of effective corporate governance as well as efficient tax planning.

I hope you will take some time to review Management Discussion and Analysis in conjunction with the audited financial statements. This section offers more details about Persistent's financial strength, prudent financial policies and commitment to excellence. When combined with the ongoing efforts of our dedicated employees, these key factors, help us to enhance shareholder value.

We will continue to actively invest in business infrastructure, human resource and other growth areas. As for human resource, we are working to ensure diversity and employee engagement to derive the benefit from collective wisdom and innovation and continue to make workstyle reforms to improve productivity. We will also continue to invest to nurture the next generation of leaders who will be the ones to drive future growth.

We look forward to FY23 with lot of enthusiasm and confidence to sustain the growth momentum. I would like to thank our employees whose resilience, hard work, dedication and creativity continue to drive our growth.

We will continue to strive to deliver value to our clients and are committed to enhance value for all our stakeholders.

Sincerely,

Sunil Sapre

Executive Director and Chief Financial Officer
DIN: 06475949

Report of the Directors

Your Directors are pleased to present the Thirty-Second Annual Report of your Company along with the Audited Financial Statements for the Financial Year ended March 31, 2022.

Business Update

In FY21, we focused on resilience, relationships and reinvention. It was an acknowledgement of challenging times and our need to build on the foundation we had in place to grow the business.

Having successfully accomplished that transition, we were able to focus FY22 on truly unleashing the potential of all the critical components that drive our business — our clients, partners and employees, as well as the multitude of communities in which we operate.

This was reflected in our record-breaking year, delivering \$765.59M in FY revenue with 9% sequential quarterly growth for all four quarters and 35.2% Y-o-Y growth. With a continued focus on operational excellence, we were also able to drive EBIT improvement, ending the year with a 56.1% growth Y-o-Y. These results translated to a staggering +143% shareholder return and a market capitalization of \$4.3 Billion by Financial Year end.

We are proud to share that, based on this consistent top-and bottom-line growth, your Company was named — for the first time — to Forbes Asia's "Best Under A Billion" 2021 list.

Your Company continues to be recognized across the industry for innovation, execution and leadership. For the ninth consecutive year, we were recognized as a leader in the Zinnov Zones™ Engineering Research and Development Services ratings. We also appeared on the Constellation Shortlist™ for Innovation Services and Engineering for the fourth consecutive year. Moreover, we augmented our five 2020 ISG Star of Excellence Awards with four more in 2021, spanning the categories of Analytics, Salesforce, Intelligent Automation and Manufacturing.

Your Company added more than 4,900 new team members during the year to support our growth, bringing the total number of employees globally to 18,599. This infusion of exceptional talent included four acquisitions that closed in the fiscal year. We know our employees are the key to success in supporting our clients and partners — which is why we continue to invest in their wellbeing and look for ways to provide the best-in-class healthcare, training and other benefits expected from a progressive, global company. Our new Employee Stock Option Plan (ESOP), covers 80% of our employees worldwide.

Alongside our own expertise and technology, we continue to evolve our partner strategy to ensure that we are maximizing the value delivered to clients. To that end, your Company has prioritized the hyperscaler ecosystem across AWS, Google, IBM, Microsoft and Salesforce. We also bolstered our advanced cloud capabilities and partner relationships with five acquisitions during the year under Report and to date: Data Glove, SCI, Shree Partners, Sureline and MediaAgility. These strategic investments are in line with our long-term strategy to be on the cutting edge of cloud, security, data and AI/ML technologies, which we believe are still in their early days of business impact.

We have also fortified our leadership team. Recognizing the bench-strength required to sustain and nurture both innovation and growth, we welcomed Yogesh Patgaonkar as our new Chief People Officer and announced Persistent veteran Sameer Bendre as Chief of Operations, responsible for our ESG, Risk Management, Enterprise Information Systems, Administration and Internal Audit functions. In addition, we welcomed Merlyn Mathew as our new head of Delivery Excellence and Talent Management, and Larry Modder as Vice President of Sourcing Advisory, among others.

Your Company will remain focused on executing a differentiated go-to-market strategy, operational excellence, partner ecosystem expansion, talent acquisition and employee retention in years ahead. These five areas are all critical foundations for continued growth, and catalysts for unleashing our full potential.

A. Financial Section

Financial Results

The highlights of the financial performance on a consolidated basis for the year ended March 31, 2022 are as under:

Particulars	(Amount in USD Million except EPS and Book Value)		(Amount in ₹ Million except EPS and Book Value)		% Change (based on amounts in ₹)
	2021-22	2020-21	2021-22	2020-21	
Revenue from Operations	765.59	566.08	57,107.46	41,878.88	36.36%
Earnings before interest, depreciation, amortization and taxes	128.46	92.32	9,581.71	6,830.15	40.29%
Finance Cost*	1.59	0.78	118.35	57.94	104.26%
Depreciation and amortization	22.26	23.73	1,660.12	1,755.50	-5.43%
Other income	19.30	14.57	1,439.55	1,077.72	33.57%
Tax expense	31.36	21.46	2,338.93	1,587.66	47.32%
Net profit	92.56	60.92	6,903.86	4,506.77	53.19%
Transfer to general reserve	36.78	27.31	2,743.46	2,020.34	35.79%
Net worth [#]	443.65	381.61	33,624.40	27,899.35	20.52%
Earnings per share (EPS) (Basic)	1.21	0.80	90.34	58.97	53.20%
Earnings per share (EPS) (Diluted)	1.21	0.80	90.34	58.97	53.20%
Book value per equity share	5.81	4.99	439.97	365.06	20.52%
Market value per equity share as on March 31					
BSE Limited	-	-	4,770.65	1,918.75	148.63%
National Stock Exchange of India Limited	-	-	4,765.30	1,922.05	147.93%

[Conversion Rate USD 1 = ₹ 74.59 for Profit and Loss items; USD 1 = ₹ 75.79 for Balance Sheet items (Financial Year 2021-22) and USD 1 = ₹ 73.98 for Profit and Loss items; USD 1 = ₹ 73.11 for Balance Sheet items (Financial Year 2020-21)]

* Includes notional interest on lease liability FY22: ₹ 84.06 Million (FY21: ₹ 57.53 Million) recognized in accordance with IND AS – 116 on Leases and notional interest on amounts due to selling shareholders ₹ 15.73 Million (Previous year: Nil).

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

The highlights of the financial performance on an unconsolidated basis for the year ended March 31, 2022 are as under:

Particulars	(Amount in USD Million except EPS and Book Value)		(Amount in ₹ Million except EPS and Book Value)		% Change (based on amounts in ₹)
	2021-22	2020-21	2021-22	2020-21	
Revenue from Operations	479.35	335.17	35,754.80	24,796.08	44.20%
Earnings before interest, depreciation, amortization and taxes	116.67	82.58	8,702.39	6,109.04	42.45%
Finance Cost*	0.92	0.52	68.78	38.21	80.01%
Depreciation and amortization	11.23	7.66	837.57	566.79	47.77%
Other income	17.76	15.90	1,324.57	1,176.16	12.62%
Tax expense	30.33	22.02	2,261.95	1,629.34	38.83%
Net profit	91.95	68.27	6,858.66	5,050.86	35.79%
Transfer to general reserve	36.78	27.31	2,743.46	2,020.34	35.79%
Net worth#	437.91	378.27	33,188.85	27,655.24	20.01%
Earnings per share (EPS) (Basic)	1.20	0.89	89.74	66.09	35.78%
Earnings per share (EPS) (Diluted)	1.20	0.89	89.74	66.09	35.78%
Book value per equity share	5.73	4.95	434.27	361.86	20.01%

[Conversion Rate USD 1 = ₹ 74.59 for Profit and Loss items; USD 1 = ₹ 75.79 for Balance Sheet items (Financial Year 2021-22) and USD 1 = ₹ 73.98 for Profit and Loss items; USD 1 = ₹ 73.11 for Balance Sheet items (Financial Year 2020-21)]

* Includes notional interest on lease liability FY22: ₹ 68.59 Million (FY 21: ₹ 38.09 Million) recognized in accordance with IND AS – 116 on Leases and notional interest.

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

Material Events Occurring after Balance Sheet Date

Your Company acquired MediaAgility India Private Limited on April 29, 2022. Further, Persistent Systems Inc, USA, wholly-owned subsidiary of your Company acquired MediaAgility Inc., USA, along with its affiliates in the UK, Mexico, and Singapore on May 4, 2022.

MediaAgility is a global cloud transformation services provider with deep expertise in building scalable, cloud-based solutions as a Google Cloud Premier Partner. It provides cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services to its 35+ enterprise service clients across the globe.

There were no other material changes and commitments affecting the financial position of your Company between the end of the Financial Year 2021-22 and the date of this report.

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

As per Section 134 of the Companies Act, 2013 (the 'Act'), your Company has provided the Consolidated Financial Statements as on March 31, 2022. Your Directors believe that the consolidated financial statements present a more comprehensive picture as compared to standalone financial statements. These financial statements are available for inspection during business hours at the Registered Office of your Company and the respective subsidiary companies. A statement showing the financial highlights of the subsidiary companies is [enclosed](#) to the Consolidated Financial Statements.

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

Consolidated Financial Statements

Consolidated financial statements of your Company and its subsidiaries as at March 31, 2022 are prepared in accordance with the Indian Accounting Standard (Ind AS) 110 on 'Consolidated Financial Statements' notified by the MCA and forms part of this Annual Report.

Auditors

Statutory Auditors

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

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

Secretarial Auditor

Pursuant to Section 204 of the Act, the Board of Directors had appointed M/s. PVS and Associates, Practising Company Secretary as the Secretarial Auditor of your Company for the Financial Year 2021-22.

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

Sr. No.	Observations by the Secretarial Auditor	Comments by the Board
1\	In terms of provisions of Regulation 6(2) of SEBI (Share Based Employee Benefit) Regulations 2014 read with SEBI circular dated June 16, 2015, and pursuant provisions of Companies Act, 2013 to the extent applicable, the disclosure pertaining to determining the exercise price per option granted under PESOS 2014 mentioned in the notice of 31 st Annual General Meeting, was not adequate. Further, the information regarding exercise price pertaining to PESOS 2014 was provided by way of an addendum to the aforesaid notice of 31 st Annual General Meeting which was circulated on July 16, 2021.	<p>Item Nos. 6 and 7 of the Special Businesses from the Notice of the 2021 AGM was pertaining to seeking the approval of the Members for the amendments in the 'Persistent Employee Stock Option Scheme 2014' ("PESOS 2014").</p> <p>In the Explanatory Statement of Notice of the AGM, the 'Point No (f) of the Proposed amendment no. 3' contains the information on determining the exercise price per option granted under PESOS 2014. The same was maintained in line with the earlier original disclosure made by the Company at the time of initial approval of the Members by way of Special Resolution dated July 26, 2014.</p> <p>The same was in due compliance with the prevailing provisions of the Companies Act, 2013 and the then prevailing Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999 ("SEBI ESOP Guidelines") read with the prevailing Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 read with circulars issued thereunder ("SEBI SBEB Regulations").</p> <p>However, with a view to enabling the Members to take an informed decision while exercising their voting rights, the Company considered it appropriate to issue clarification to the original disclosure on the Exercise price or pricing formula. This addendum was just to confirm the understanding of the Members since the information was already available in the public domain since 2014.</p> <p>The Addendum to the Notice was issued well before the commencement of e-voting for the AGM.</p>

Sr. No.	Observations by the Secretarial Auditor	Comments by the Board
2\	<p>In terms of provisions of Regulation 3(4) of SEBI (Share Based Employee Benefits) Regulations, 2014 and Regulation 3(4) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, the trustees of the ESOP Trust were acting as the director of the subsidiary companies for the period under review.</p>	<p>The Trustees of the ESOP Trust are generally the senior executives of the Company and who have a sound understanding about the ESOP domain.</p> <p>Recently, the Company acquired some entities as a part of its long-term strategy and after the acquisition was complete, the Company appointed 2 (Two) trustees of the ESOP Trust on these acquired entities as Directors representing Persistent's Management.</p> <p>These two trustees were replaced by the ESOP Trust with other senior employees of the Company during FY 2021-22, and now, the Board of Trustees of the ESOP Trust is compliant with the Regulation 3(4) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021.</p> <p>The Company will continue to strictly observe this compliance in the future.</p>
3\	<p>In terms of the provisions of Section 175(2) of the Companies Act, 2013 read with Secretarial Standard - 1 issued by the Institute of Company Secretaries of India, the extract of certain resolutions that were passed by circulation by the Board of Directors of the Company and its committee respectively were not a part of the minutes of the subsequent meeting.</p>	<p>The Circular Resolutions passed by the Board and its Committees are always circulated to the Board/its committee as a part of its agenda of the ensuing meeting for its ratification/noting as the case may be.</p> <p>Some of these resolutions were noted/ratified by the Board and its Committees in their ensuing meetings respectively with a mention in the minutes to that effect.</p> <p>The Company will ensure to additionally attach the extract of such Circular Resolutions to the minutes of the next meeting as full compliance in the future.</p>
4\	<p>In terms of provisions of the Foreign Exchange Management Act, 1999, filing of certain forms viz. Form FC-GPR and Form ESOP was pending as of March 31, 2022. Further, there was a delay in the filing of certain forms viz. Form FC-GPR and Form ESOP, out of which some forms were approved subject to payment of Late Submission Fee including Compounding wherever directed by Reserve Bank of India. Furthermore, the Compounding application(s) wherever directed by the Reserve Bank of India are pending to be made as of the date of this report.</p>	<p>In your Company, the grant and exercise of ESOPs is a continuous process. However, the Company is able to file only One (1) form at a time on the SMF FIRMS Portal of the Reserve Bank of India ('RBI'), and the next form can be filed only after receiving approval from the RBI for the filed form.</p> <p>The above process is an automated process by RBI and the Company cannot file the pending forms with RBI through any other channel.</p> <p>The Company has maintained a list of foreign employees who have exercised their ESOPs. As and when the current form of ESOP for grant/exercise is approved by RBI, the next form is filed for the next employee.</p> <p>The Company has been experiencing procedural delays in approval from RBI. There have been no queries received from RBI's end. The Company is making all efforts to obtain the approvals, however, unfortunately there has been continued delay.</p> <p>Though the Company has all these pending forms ready to be filed, it cannot be due to the SMF FIRMS Portal system where only 1 application is filed at a time till its disposal. Therefore, a long list of pending applications has been generated with the Company due to the above technical issue on the SMF FIRMS Portal.</p> <p>The Company is following up with the RBI officials through different modes of communications and joint representations with its peer companies as well as through the chamber of commerce for resolution on such pending forms due to procedural delays from RBI.</p> <p>The Company will strive to continue its efforts to be compliant in terms of these provisions.</p>
5\	<p>In terms of provisions of the Foreign Exchange Management Act, 1999, there was a delay in the repatriation of dues receivable from some foreign subsidiaries, within the prescribed timeline.</p>	<p>The Company has migrated its ERP System and the data transfer process from some of the modules of the old system to the new ERP system has recently been completed.</p> <p>As a part of this migration process, the transaction-level data was migrated in a phased manner.</p> <p>As a cause, some of the data related to the receivables from its subsidiaries was made available in the new ERP system with a delay causing non-compliance for the Financial Year FY 2020-21.</p> <p>After identifying this default, the Company has taken strict action and all the receivables from the subsidiaries are now under the purview of the new ERP system and are monitored for timely repatriation.</p>

Reporting of Frauds by Auditors

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

Adequacy of Internal Financial Controls

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

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

Internal Audit

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

Disclosure of Cost Audit

Your Company had filed Form 23C for appointment of Cost Auditor relating to its activities of generating electricity from windmill turbine under the Companies (Cost Audit Report) Rules, 2011. However, based on another Circular dated November 30, 2011 issued by the MCA, maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act is not applicable for the business activities carried out by the Company.

Accordingly, your Company claimed exemptions from the requirement of the Cost Auditor for the said purposes and had written a letter dated December 19, 2012 to the MCA, Cost Audit Branch, for withdrawal of the appointment of the said Cost Auditor as well as cancellation of the Form 23C so filed. Reply to the said letter is awaited from the MCA.

Particulars of Loans and Guarantees Given and Investments Made

Loans, guarantees and investments covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report. (Refer notes [6](#), [7](#), [15](#), [16](#), [18](#), [34](#) and [43](#) of the Standalone Financial Statements)

Transfer to Reserves

As per the policy of your Company on transfer of surplus profit to reserves, an amount of ₹ 2,743.46 Million has been transferred to the General Reserve and an amount of ₹ 1,937.33 Million will be retained in the Statement of Profit and Loss after payment of dividend. The balance in Profit and Loss Account as on March 31, 2022 is ₹ 13,825.56 Million and in General Reserves is ₹ 17,376.65.

Fixed Deposits

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

Liquidity

Your Company continues to maintain an adequate liquidity to meet the necessary strategic and growth objectives. Your Company aims to balance between earning adequate returns on liquid assets and the need to cover financial and business risks. As at March 31, 2022, your Company, on an unconsolidated basis, had cash and cash equivalents (including investments) amounting to ₹ 14,667.67 Million as against ₹ 18,088.22 Million as at March 31, 2021.

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

(In ₹ Million)

Particulars	As on March 31, 2022	As on March 31, 2021
Investment in Mutual Funds at fair value	5,183.33	7,181.94
Fixed Deposits with scheduled banks	6,041.38	7,412.76
Bonds (quoted)	2,879.29	2,630.80
Cash and Bank balances	563.67	862.72
Total	14,667.67	18,088.22

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

(In ₹ Million)

Particulars	Year ended on March 31	
	2022	2021
Capital expenditure	-	-
Revenue expenditure	136.72	196.72
Total research and development expenditure	136.72	196.72
As a percentage of total income	0.37%	0.76%

The above-mentioned expenditure refers to the expenditure on the Government approved Research and Development projects.

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

(In ₹ Million)

Particulars	Year ended on March 31	
	2022	2021
Earnings	34,272.85	21,209.15
Outgo	4,154.92	3,770.79

Update on Fixed Deposits with IL&FS

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

Related Party Transactions

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

During the year under report, your Company did not enter into any material transaction with any party who is related to it as per the Act. There were certain transactions entered into by your Company with its foreign subsidiaries and other parties who are related within the meaning of Indian Accounting Standard (Ind AS) 24. The attention of Members is drawn to the disclosure of transactions with such related parties set out in [Note No. 34](#) of the Standalone Financial Statements, forming part of this Annual Report. The Board of Directors confirms that none of the transactions with any of the related parties were in conflict with your Company’s interests. The list of Related Party Transactions entered into by your Company for the Financial Year 2021-22 (on a consolidated basis) are available on <https://www.persistent.com/investors/corporate-governance/related-party-transactions-policy/>

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

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

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

B. Board and its Committees

Board Meetings

The details pertaining to the composition, terms of reference, and other details of the Board of Directors of your Company and the meetings thereof held during the Financial Year 2021-22 are given in the [Report on Corporate Governance](#) forming part of this Annual Report.

Directors and Key Managerial Personnel

During the year under report, the Members of your Company at the 31st AGM confirmed the re-appointment of Mr. Sunil Sapre (DIN: 06475949) as an Executive Director of the Company liable to retire by rotation, to hold the office with effect from January 27, 2021 till September 30, 2024.

During the year under report and to date, based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your Company made the following appointments:

a. Appointment of Ms. Avani Davda as an Additional Director (Independent Member):

Ms. Avani Davda (DIN: 07504739) has been appointed as an Additional Director (Independent Member) of the Company to hold office for the first term of 5 (Five) consecutive years i.e. from December 28, 2021 to December 27, 2026, subject to approval by the Members at the ensuing AGM.

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

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

Ms. Davda has confirmed her eligibility and willingness to accept the office of the Director of your Company if approved by the Members at the ensuing AGM. In the opinion of your Directors, Ms. Davda has the requisite qualifications and experience, and therefore, your Directors recommend that the proposed resolution relating to the appointment of Ms. Davda be passed with the requisite majority. [Ms. Davda's profile](#) forms part of this Annual Report and has also been provided in the Notice of the 32nd AGM.

b. Appointment of Mr. Arvind Goel as an Additional Director (Independent Member):

Mr. Arvind Goel (DIN: 02300813) has been appointed as an Additional Director (Independent Member) of the Company to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022 to June 6, 2027, subject to approval by the Members at the ensuing AGM.

Your Board considered expertise in large-scale business operations, strategy, governance, and business acumen of Mr. Goel while recommending his appointment.

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

Mr. Goel has confirmed his eligibility and willingness to accept the office of the Director of your Company if approved by the Members at the ensuing AGM. In the opinion of your Directors, Mr. Goel has the requisite qualifications and experience, and therefore, your Directors recommend that the proposed resolution relating to the appointment of Mr. Goel be passed with the requisite majority. [Mr. Goel's profile](#) forms part of this Annual Report and has also been provided in the Notice of the 32nd AGM.

c. Appointment of Dr. Ambuj Goyal as an Additional Director (Independent Member):

Dr. Ambuj Goyal (DIN: 09631525) has been appointed as an Additional Director (Independent Member) of the Company to hold office for the first term of 5 (Five) consecutive years i.e. from June 7, 2022 to June 6, 2027, subject to approval by the Members at the ensuing AGM.

Your Board considered expertise in the software industry, strategy, planning, and audit purview of Dr. Goyal while recommending his appointment.

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

Dr. Goyal has confirmed his eligibility and willingness to accept the office of the Director of your Company if approved by the Members at the ensuing AGM. In the opinion of your Directors, Dr. Goyal has the requisite qualifications and experience, and therefore, your Directors recommend that the proposed resolution relating to the appointment of Dr. Goyal be passed with the requisite majority. [Dr. Goyal's profile](#) forms part of this Annual Report and has also been provided in the Notice of the 32nd AGM.

d. Proposed appointment of Mr. Dan'l Lewin as an Additional Director (Independent Member):

The Nomination and Remuneration Committee ('NRC') of the Board of Directors of the Company at its meeting held on June 6, 2022 recommended the appointment of Mr. Dan'l Lewin (DIN: 09631526) as an Additional Director (Independent Member) of the Company.

The Board at its meeting held on June 7, 2022 discussed the same and in-principal agreed to the proposal of the NRC for the appointment of Mr. Lewin subject to the completion of certain necessary statutory requirements by Mr. Lewin.

Your Board considered expertise in the Software Industry, large-scale global operations, strategy and planning, and business acumen of Mr. Lewin while recommending his appointment.

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

The Board will consider and approve his appointment as an Additional Director (Independent Member) through a circular resolution once the Statutory Requirements are completed by Mr. Lewin.

Further details will form part of the 32nd AGM notice.

e. Appointment of Mr. Sandeep Kalra as an Additional Director (Executive Member):

Mr. Sandeep Kalra (DIN: 02506494), Executive Director and Chief Executive Officer was appointed as the Executive Director of your Company for a period of 3 (Three) consecutive years with effect from June 11, 2019, till June 10, 2022. Accordingly, his term of appointment will end on June 10, 2022.

Your Board has appointed Mr. Kalra as an Additional Director (Executive Member) with effect from June 11, 2022 till September 30, 2025 subject to the approval by the Members at the ensuing AGM and that of the Central Government considering that he is the non-resident and being appointed as the Whole-Time Director of the Company. Pursuant to the provisions of the Act, he is liable to retire by rotation.

This is because in terms of Clause (e) of the Schedule V to the Act, a person who wishes to be appointed as the Whole Time Director of a listed company needs to be a Resident of India i.e. a person who has been staying in India for a continuous period of not less than twelve months immediately preceding the date of his appointment as a managerial person and who has come to stay in India for taking up an employment in India; or for carrying on a business or vacation in India.

Further, a person being a non-resident in India and getting appointed as the Whole Time Director may travel to India only after obtaining an Employment Visa from the concerned Indian Mission abroad.

Since Mr. Kalra is a non-resident and the Board of Directors have considered the same while recommending his appointment as the Executive Director of the Company, the Company will seek approval from the Central Government for claiming an exemption from the above requirement as per Schedule V to the Act subject to the approval of the Members at the ensuing AGM.

Your Board considered Mr. Kalra's current term's contribution, expertise, wide industry experience, and business acumen for recommending him for re-appointment.

The Members may note that, Mr. Kalra's proposed remuneration (including LTI) is comparable to the remuneration being paid to the CEOs or equivalent positioned executives of peer companies. It is a regular practice of the NRC to review the annual increments of all KMPs and Senior Management Personnel on an annual basis and to keep them in line with the peer companies.

Mr. Kalra has confirmed his eligibility and willingness to accept the office of the Director of your Company if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Mr. Kalra has the requisite qualifications and experience, and therefore, your Directors recommend that the proposed resolution relating to the appointment of Mr. Kalra be passed with the requisite majority. [Mr. Kalra's profile](#) forms part of this Annual Report and has also been provided in the Notice of the 32nd AGM.

Retirement by Rotation:

In terms of Section 152(6) of the Act and Article 137 of the Articles of Association of your Company, Mr. Thomas Kendra (DIN: 07406678), Non-Executive Non-Independent Director is liable to retire by rotation at the ensuing AGM as he is the Non-Independent Director who is holding office for the longest period among the Non-Independent Directors on the current Board.

Mr. Kendra through a letter dated June 7, 2022, has intimated that, considering the increase in workload for other commitments, he is unwilling to get re-appointed at the AGM. Mr. Kendra has mentioned that the unwillingness is due to his personal reasons and has confirmed that there are no material reasons for his unwillingness other than the reason mentioned above.

Mr. Kendra will retire from the Directorship effective from the end of the ensuing AGM scheduled to be held on July 19, 2022.

The Board has noted and accepted the decision of Mr. Kendra and thanked him for his contribution to the Company and wished him the best for his future endeavors. The Board has proposed not to fill up the vacancy caused due to Mr. Kendra's retirement at the AGM.

Retirement of Mr. Pradeep Bhargava, Independent Director:

The re-appointment of Mr. Pradeep Bhargava, Independent Director (DIN: 00525234) for the second term was made at the 29th AGM held in July 2019 for a period of 3 years for a term up to conclusion of the ensuing 32nd AGM. Accordingly, he will retire at the conclusion of the ensuing 32nd AGM.

Resignation of Mr. Guy Eiferman, Independent Director:

Mr. Guy Eiferman, Independent Director (DIN: 08101854) of the Company through a letter dated June 7, 2022, has tendered his resignation effective from the end of the ensuing AGM scheduled to be held on July 19, 2022.

In his above-mentioned communication, he has also informed that the resignation is due to his personal reasons and has confirmed that there are no material reasons for his resignation other than the reason mentioned above.

The Board has noted and accepted the resignation, thanked Mr. Eiferman for his contribution to the Company and wished him the best for his future endeavors.

Remembering Mr. Prakash Telang and Mr. Sanjay Bhattacharyya, Past Directors of your Company:

During the year, we lost two former Directors of the Company. Mr. Prakash Telang passed away in December 2021 and Mr. Sanjay Bhattacharyya passed away in January 2022.

Mr. Telang was an Independent Director of the Company from August 2010 until July 2020, while Mr. Bhattacharyya was the Director from May 2011 until June 2019. Both Mr. Telang and Mr. Bhattacharyya joined the Company as Directors soon after our IPO and contributed to defining the strategy and good governance practices for the Company. We are grateful for their contribution to the Company. Even after their retirement, they continued to be available to the Company and we will miss them.

Your Company offers heartfelt condolences to the members of their family.

At present, your Company has 9 (Nine) Non-Executive Directors who are Independent Directors. Pursuant to Regulation 17(1)(b) of the Listing Regulations, every listed company shall have at least half of its total strength of the Board of Directors as Independent Directors where the Chairperson is an Executive Director. Your Company complies with this requirement.

There is no inter se relationship between the Directors. Except, Mr. Praveen Kadle, Independent Director of the Company is the Chairman, Non-Executive Non-Independent Director of Tata AutoComp Systems Limited where Mr. Arvind Goel, Independent Director of the company is the Managing Director and Chief Executive Officer.

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

Declaration of Independence by Independent Directors

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

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

During the Financial Year 2021-22, separate meetings, exclusively of the Independent Directors were held on April 30, 2021 and January 21, 2022, in which the Independent Directors have transacted the following businesses along with few other important strategic and policy-related matters:

- 1\ Reviewed performance of the Executive Directors and Management of the Company
- 2\ Discussed the quality, quantity and timeliness of the flow of information between the Directors and the Management of the Company
- 3\ Discussed the strategic matters of the Company and current state of the global IT industry
- 4\ Discussed the role of the Executive Management in the recent COVID-19 outbreak and business continuity plan in the organization

Committees of the Board

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

Audit Committee

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

Nomination and Remuneration Committee

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

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

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

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

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

The said Policy is also available on your Company's website at [Policy-for-appointment-of-a-new-director.pdf \(persistent.com\)](#)

Performance Evaluation of the Board, its Committees and Directors

Your Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees and the Directors individually including Independent Directors. The performance evaluation was done by an external management consultant who specializes in Board evaluations. The performance of the Board was evaluated by seeking inputs from all the directors and senior management. The evaluation criteria includes aspects such as the Board composition and structure, effectiveness of board processes, information and functioning, etc. The evaluation was conducted in March and April 2022 and the findings of the evaluation were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2022.

The details of the evaluation have been included in the [Corporate Governance Report](#).

Employees' Remuneration

In terms of the provisions of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as [Annexure C](#) to the Report.

Employee Stock Option Plan

Your Company has 13 (Thirteen) ESOP Schemes as of March 31, 2022. These Schemes are being implemented as per the SEBI Regulations.

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

In Financial Year 2021-22, 236,800 options were granted under PESOS 2014 and 1,679,229 options were granted under ESOP 2017.

As Required under the SEBI (Share Based Employee Benefits) Regulations, 2014, Secretarial Auditor's certificate on the implementation of share-based schemes in accordance with these regulations will be made available at the AGM.

The disclosure pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 is available on the website of the Company at <https://www.persistent.com/wp-content/uploads/2022/06/esop-details.pdf>

Corporate Social Responsibility

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

Last year, Persistent Foundation (the 'Foundation') celebrated its Thirteenth year of establishment. During these 13 years, the Foundation has contributed to many projects spread across different geographies in association with well-known NGOs to reach out to large number of beneficiaries.

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

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

In addition to contributing ₹ 115.35 Million to the Foundation, your Company made donations to various charitable institutions directly. Thus, during the year under report, your Company donated ₹ 115.53 Million i.e. more than 2% of the Average Net Profits of your Company made during three immediately preceding financial years which amounted to ₹ 110.24 Million.

Report on CSR activities of your Company under the provisions of the Act during the Financial Year 2021-22 is annexed hereto as [Annexure D](#).

A detailed [Report on the activities of the Foundation](#) forms an integral part of this Report.

CSR Committee and CSR Policy

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

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

The Company's CSR Policy highlights that the need for contributing to the society is very large and your Company can make a more significant contribution by staying focused on few areas through its social initiatives. The CSR policy recommends that your Company should encourage Persistent Foundation to contribute in the following focus areas:

- 1\ Health
- 2\ Education
- 3\ Community Development
- 4\ Assistance in Natural Calamities

The constitution of the CSR Committee is provided in the [Report on Corporate Governance](#) section forming part of this Annual Report.

Stakeholders Relationship and ESG Committee

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

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

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

C. Equity and Related Information

Listing with the Stock Exchanges

The Equity Shares of your Company are listed on BSE Limited (BSE) (Scrip Code: 533179) and the National Stock Exchange of India Limited (NSE) (Symbol: PERSISTENT) since April 6, 2010. Listing fees for the Financial Year 2021-22 have been paid to both BSE and NSE.

Institutional Holding

As on March 31, 2022, the total institutional holding in your Company stood at 46.78% of the total share capital.

Dividend for the Financial Year 2021-22

The details of the Dividend for the Financial Year 2021-22 and 2020-21 are as follows:

Type of Dividend	Financial Year 2021-22		Financial Year 2020-21	
	Interim	Final*	Interim	Final
Month of declaration/recommendation	Jan-22	Apr-22	Jan-21	Apr-21
Amount of Dividend Per Equity Share of ₹ 10 each (In ₹)	20	11	14	6
% of Dividend	200%	110%	140%	60%
Total Dividend (In ₹ Million)	1,528.50	840.68	1,069.95	458.55
Total Dividend Outflow for the year (In ₹ Million)		2,369.18*		1,528.50
Payout Ratio		34.3%*		33.9%

* Subject to approval by the Members at the ensuing AGM.

The payment of the final dividend of ₹ 11 per equity share is subject to your approval during the 32nd AGM of your Company. The Dividend will be paid out of the profits of your Company.

Out of the interim dividend declared in January 2022, ₹ 0.34 Million remained unclaimed as of March 31, 2022.

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

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

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

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

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

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

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

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

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

Transfer of Unclaimed Dividend and corresponding shares to the IEPF Authority

During the year under report, your Company has transferred the unclaimed and unpaid dividend of ₹ 409,794 to the IEPF Authority. Further, 173 corresponding shares on which the dividend was unclaimed for seven consecutive years have been transferred as per the requirement of the IEPF Rules. The details are provided in the shareholder information section of this Annual Report and are also available on the website: <https://www.persistent.com/investors/unclaimed-dividend/>

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

Shares Suspense Account

Your Company operates an 'Unclaimed Securities Suspense Account' on behalf of the allottees who were entitled to the Equity Shares under the Initial Public Offering. Some of the Equity Shares could not be transferred to the respective allottees due to technical reasons. Such shares are held in 'Unclaimed Securities Suspense Account', to be transferred to allottees as and when they approach your Company. Your Company regularly uploads details of such unpaid/unclaimed shares on your Company's website and on the website of the MCA as well.

The current balance in the above-mentioned Suspense Account as on March 31, 2022 is 140 Equity Shares owned by 7 allottees. The details of equity shares held in an 'Unclaimed Securities Suspense Account' are as follows:

S. No.	Particulars	Details
1\	The aggregate number of allottees whose shares are lying in the Account at the beginning of the Financial Year 2021-22	7 allottees
2\	The aggregate number of the outstanding equity shares in the Account at the beginning of the Financial Year 2021-22	140 Equity shares
3\	Number of allottees who approached issuer for transfer of shares from the Account during the Financial Year 2021-22	Nil
4\	Number of shares transferred from the Account during the Financial Year 2021-22	Nil
5\	The aggregate number of allottees whose shares are lying in the Account at the end of the Financial Year 2021-22	7 allottees
6\	The aggregate number of outstanding equity shares in the Account at the end of the Financial Year 2021-22	140 Equity shares

Note: Voting rights on the above-mentioned equity shares are kept frozen till the rightful owner of such equity shares claims these shares. Once the rightful owner claims these shares, the shares along with accumulated dividends will be transferred to the rightful owner.

Pursuant to Section 124(6) Act, all shares of the Company in respect of which dividends have remained unclaimed or un-encashed for seven consecutive years or more, are required to be transferred by the Company to the IEPF.

Since these shares are lying in the Suspense Account for the past 7 years, they are liable to be transferred to the IEPF in the month of August 2022, unless otherwise claimed by the respective shareholders before that day.

D. ESG

The ESG journey is an evolving process. There cannot be a hard stop or final destination. Instead our journey towards excellence is monitored and measured through our SMART Goals, which is represented as our ESG roadmap. Our objective is to continue inspiring our internal and external stakeholders. Our ESG goals are ambitious, yet inspirational to many.

The Company has published its ESG/Sustainability Report for the FY 2021-22 and the same is available on your Company's website at <https://www.persistent.com/wp-content/uploads/2022/06/esg-sustainability-report-2021-22.pdf>

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

Conservation of energy and technology absorption

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

Your Company has procured various energy saving devices and systems, which help in conserving energy and has resulted into a significant savings in the energy cost.

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

Carbon management and sustainable development provide business with some of the greatest opportunities towards sustainability. Your Company reduced carbon footprints by taking energy conservation measures. Thanks to the reduced travel, both because of local commuting and air travel, the carbon footprint this year is lower. Your Company continues to take various measures on energy saving and sustainability as follows:

Energy Efficiency Activities

- 1\ Upgradation of ACs:
 - \ ACs of 1000 TR capacity in a 2600+ seating capacity building which were based on R-22 gas were replaced with energy efficient inverter based ACs with energy efficient & environment friendly R-410 gas system. (15 % reduction in electricity consumption of air conditioning)
 - \ Ductable ACs 80 TR which were based on R-22 gas were replaced with energy efficient inverter based ACs with environment friendly R-32 gas. (12 % reduction in electricity consumption of air conditioning)
- 2\ Replaced old chiller system in the corporate office building by a combination of high efficiency (lesser energy and water consumption) chiller system & by high efficiency VRV system.
- 3\ Regulated and optimized schedules for workings of Lifts, Vending machines, Ventilation systems, Water coolers etc. (Shut off at nights/off working hours except bare minimum required).
- 4\ AC Discipline: No cool air leakages from each air-conditioned area.
- 5\ AC optimization: In server rooms and data centers, we have optimized AC utilization by removing unwanted heat loads, space optimization, reorganizing inlet and out flow and wall insulation
- 6\ Optimized running hours of air-conditioned systems: Temperature set points are altered based on working time, occupancy, and seasonal aspects. (e.g., In winter, night hrs., weekends etc.)
- 7\ Conference rooms and common area ACs are set to minimum temperature of 24° C.
- 8\ Ozone system: Integrated with air conditioning for energy saving and indoor air quality improvement resulted in energy saving of ~21 %.
- 9\ Cold aisle containment in Data Centre: Resulted in a saving of ~18% Power consumption of Data Centre AC.
- 10\ VFDs installed for all fresh air AHU systems.
- 11\ Energy saving measures are taken right from design stage like double wall construction, low-e glass for facades and windows with DGUs, maximum use of natural light and ventilation, underdeck insulation, etc.
- 12\ Replaced CFLs by LED lamps: A total of 9,365 CFL based light fittings replaced by LED lamps - indoor, outdoor and all common areas such as parking, lobbies, toilets etc. in our facilities.
- 13\ Proactively controlled smart lighting with sensors and timers /sequential timers/occupancy/motion sensors.
- 14\ Upgradation to high efficiency modular online UPS systems to reduce losses & have flexibility for future growth. ~18% energy saving achieved.
- 15\ Usage of thin client in place of CPU for training rooms and some of the projects.
- 16\ 100% change over to laptops from desktops to reduce the energy consumption and also enabling work from home, thus reducing occupancy in our office and thereby, optimizing power consumption on ACs and office network equipment

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

Renewable Energy Initiatives, Water Management and Waste Management Initiatives of the Company for the FY 2021-22 are given in the [Business Responsibility Report](#) forming part of this Annual Report.

Customer Experience, Operational Excellence on Green Activities

- 1\ Employees feel proud belonging to a green Company and volunteer for green initiatives like tree plantation, tree maintenance & society awareness related to sustainability.
- 2\ LED lighting has improved the ambiance and freshness of the workplace.
- 3\ Your Company has captured the impact due to their operations on GHG emissions and reviewed after every six months. Also, active efforts are taken to reduce the GHGs annually, details of which have been shared in earlier paragraphs, we are one of rare IT companies certified for ISO 14064: 2018 (GHG Monitoring and Reduction) standard.
- 4\ Organization level emission declared on CDP Portal (<https://www.cdp.net/en>). This is a huge transparency initiative for all our stakeholders – investors, shareholders, customers, employees, vendors, etc.
- 5\ Ozonates improved indoor air quality and higher oxygen levels, clearly felt by inmates as well as visitors. We are amongst the very few IT companies to have this feature installed in our AC systems.
- 6\ Periodic checking of indoor air quality to verify the various parameters in the workplace.
- 7\ Your Company is one of the very few IT companies to have solar panels on almost all rooftops and to own two 2.1 MW windmills.
- 8\ By incorporating efficient and reliable Solar PV Generation projects and two windmills, we have added to financial performance aspects while meeting environmental and social dimensions.
- 9\ In addition, we also installed Solar panels at Pune and Hyderabad Railway Stations and at Tarachand Hospital Pune under CSR activity.
- 10\ Energy and water conservation, plastic-free campus is ingrained in day-to-day operations.
- 11\ We have involved employees in environmental awareness campaigns and actions under the banner “Towards Sustainable Tomorrow” which includes energy monitoring and saving methods at home, promoting renewable energy at home/ societies, composting, water saving and such other initiatives. The campaign is run by a voluntary group of women leaders named “Aspire”. Employees involved in tree plantation drives and also in community development and education-related projects through Persistent Foundation.
- 12\ Employees contributing regularly for Tree Plantation and other green initiatives.
- 13\ Appreciation from NASSCOM for Green IT Initiatives in Pune city.
- 14\ Transport and travel operational efficiency and cost reduced due to optimization of business travel & local bus routes of employee transport, also contributed to substantial reduction of CO₂e.
- 15\ Insistence on eco-friendly & high efficiency products, is promoting vendors with such products.

E. Other Disclosures

Corporate Governance

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

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

Management Discussion and Analysis

[Report on Management Discussion and Analysis](#) as stipulated under the Listing Regulations and any other applicable laws for the time being in force based on audited consolidated financial statements for the Financial Year 2021-22 forms an integral part of this Annual Report.

Business Responsibility Report

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

Risk Management Policy

[Report on Risk Management](#) based on the risk management policy developed and implemented at your Company for the Financial Year 2021-22 forms an integral part of this Annual Report.

Vigil Mechanism (Whistleblower Policy)

The details of the vigil mechanism (whistleblower policy) are given in the [Report on Corporate Governance](#) forming part of this Annual Report. Your Company has uploaded the policy on its website at <https://www.persistent.com/investors/corporate-governance/ethical-practices-at-persistent-systems/whistle-blower-policy/>

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

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

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

During the year under report, your Company has received four complaints of sexual harassment and one complaint of harassment of non-sexual nature which were immediately disposed by following due process. As on March 31, 2022, there were no pending cases of sexual harassment in your Company.

Secretarial Standards

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

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

Other Certifications

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

Information Security

Your Company maintains a matured Information Security Management System with Policies, Processes and Controls to minimize the Cyber Security Risks. The governance and management of security compliance and risk is reviewed periodically.

Amid the pandemic and complete lockdown across cities where your Company's offices are located, most employees are required to work from their respective homes. This unprecedented situation has increased the security risks due to the expansion of the security perimeter from office premises to individual homes.

Your Company's internal team has taken a holistic and comprehensive approach to address the need of securing the employees' laptops, their smartphones, the corporate network and the confidential data against inadvertent and malicious attacks, including the customer-specific security requirements. Specific steps include allocation of laptops to every employee, installation of disk encryption and next generation antivirus solution, enhanced data leakage prevention solutions covering laptops and cloud assets, implementation of Multi Factor Authentication and security controls on personal smartphones.

The team has also provisioned critical data backup, improved incoming email scanning and enhanced the security and network monitoring solutions. Periodic external security assessments and proactive security drills help us stay vigilant to security threats. Mandatory annual employee awareness training to reinforce the security imperatives is key to keeping your Company safe.

Subsidiary Companies, Associate Companies and Joint Ventures

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

- 1\ Persistent Systems Inc., USA, wholly-owned subsidiary of your Company acquired 100% shares of Software Corporation International, USA and its affiliate Fusion360 LLC, USA on October 5, 2021.
- 2\ Persistent Systems Germany GmbH, Germany, wholly-owned subsidiary of your Company acquired 100% shares of Data Glove IT Solutions Limitada, Costa Rica, USA on March 1, 2022.

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

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

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

Infrastructure

During the Financial Year 2021-22, the total built-up capacity owned by your Company in India and abroad was 129,499 m² which is adequate for 10,000+ employees.

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

Location	Year of Acquisition/Completion	Total Built-up Area (m ²)	Total Seating Capacity (Nos)
Pune			
1\ Kapilvastu	1994	202	35
2\ Panini	1998	929	80
3\ Bhageerath	2002	12,170	596
4\ Aryabhata – Pingala	2007	31,680	2,644
5\ Hinjawadi	2012	41,446	3,197
6\ Hinjawadi – The Lofts (will be ready for use by end of H1FY23)	2021	14,021	1,350
Goa			
1\ Charak	1997	3,280	313
2\ Bhaskar	2014	3,762	411
Nagpur			
1\ IT Tower	2003	3,708	352
2\ Gargi and Maitreyi	2011	17,279	1,183
Grenoble, France	2000	1,022	50
Total		129,499	10,211

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

During the Financial Year 2020-21 and 2021-22, due to the pandemic, the majority of employees were given an option to work from home and only the employees working in essential categories such as Administration and Information Technology were mandated to attend the office in person.

Annual Return

In accordance with the Companies Act, 2013, the annual return in the prescribed format (MGT-7) for the Financial Year 2021-22 is available at <https://www.persistent.com/wp-content/uploads/2022/06/annual-return-2022.pdf>

Other Matters

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

- 1\ Dr. Anand Deshpande, Chairman and Managing Director and Mr. Sunil Sapre, Executive Director and Chief Financial Officer of your Company have not received any remuneration or commission from any of the subsidiaries.
- 2\ Mr. Sandeep Kalra, Executive Director and Chief Executive Officer has received remuneration from Persistent Systems Inc., USA in addition to remuneration received from your Company.
- 3\ No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and your Company's operations in the future.

Awards and Recognitions during the Financial Year 2021-22

Technology

- 1\ Recognized as Top 15 Sourcing Standout for Managed Services in the Q1 2022 ISG Global Index™ “Booming 15” category for 9 consecutive quarters
- 2\ Recognized as leader in Zinnov Zones 2021 Hyper Intelligent Automation Services
- 3\ Appeared on the Constellation Shortlist™ for Innovation Services and Engineering for the 4th year in a row
- 4\ Named Partner of the Year in Americas for the “Creation and Delivery of Exceptional Solutions” for 3rd year in a row
- 5\ Won top positions in Zinnov Zones Engineering Research and Development Services 2021 ratings for the 9th consecutive year
- 6\ Won four ISG Star of Excellence Awards™ in 2021 for best-in-class CX
- 7\ ISG Digital Case Study Awards™ recognized Persistent in partnership with LungLife AI for its AI and ML algorithms that help in accelerating cancer detection
- 8\ Recognized as a Leader in ISG Provider Lens™ Archetype Report on Next Generation Cloud Services
- 9\ Recognized as a Star Performer in Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2021
- 10\ Recognized as one of the Top 15 Engineering Services Providers of 2022 by Everest Peak Matrix®

Corporate

- 1\ Won ‘Energy Conservation and Management’ award in the 16th Maharashtra Energy Conservation and Management Competition 2020-21 by Maharashtra Energy Development Agency
- 2\ Named in Forbes Asia's 200 “Best Under A Billion” 2021 list
- 3\ Persistent Mexico received the Jalisco badge for good labor practices and full compliance with labor regulations
- 4\ Won Dun & Bradstreet Corporate Award in ESG Performance (Services) category
- 5\ Won first place in ‘Excellence in Sustainability’ and first runner-up in “Emergency Preparedness & Business Continuity” at Inventicon Awards

People

- 1\ Received ‘Recognition Award’ among 200+ companies in India by iNFHRA, which is an industry body and member-based organization representing the Infrastructure, Facility Management, Human Resource, and Realty Industry in India. Held annually, these award applications undergo rigorous scrutiny by juries from specific industries from all over India. Received 5th Consecutive iNFHRA award in “Ecological sustainability” in April 2021
- 2\ Received a special recognition for excellence in Learning and Development at the SHRM HR Excellence Awards 2021
- 3\ Won the prestigious TISS LeapVault CLO Award for the Best Corporate University, Best Games Based Learning Program, Best Quality Management, Best Improvement Training Program 2021
- 4\ Received Bronze Award for “Excellence in Team Building Engagement” from ETHRWorld
- 5\ Our Learning and Development team won Training APEX Awards 2022

Directors’ Responsibility Statement

Your Directors state that:

- 1\ In preparation of the annual accounts, the applicable Accounting Standards have been followed and there is no material departure;
- 2\ Your Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of your Company as at March 31, 2022 and of the profit of your Company for that year;
- 3\ Your Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities, if any;
- 4\ The annual accounts have been prepared on a going concern basis;
- 5\ Your Directors, had laid down internal financial controls to be followed by your Company and that such internal financial controls are adequate and were operating effectively;
- 6\ Your Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Future Outlook

As we exit FY22 and look ahead, the global economy is faced with new uncertainties and complexities growing out of a multitude of macroeconomic forces worldwide. These dynamics are forcing our clients to reevaluate their digital priorities and rethink their IT and R&D spend. Much like we did at the onset of the pandemic, we are looking at this as an opportunity to proactively support our clients as they seek to extract more value from their investments and optimize components of their product engineering or digital transformation agendas.

Today, virtually every experience in people’s lives is software-driven and cloud-enabled — especially the experience of business. In this environment, our differentiated Digital Engineering expertise and trusted delivery will be essential to our clients’ successes. We continue to strengthen our Digital Engineering expertise through a training academy dedicated to just that, and our recent investments in expertise across hyperscalers and micro verticals like payments have already shown success. We will continue to identify new areas of investment required for this new digital reality, ensuring that we maximize returns on all fronts while anticipating and meeting the ever-changing needs of our clients.

Over many years, we have worked hard to future-proof our organization so that we can more effectively navigate not only the always-evolving technology landscape, but also the uncertainty and complexity of the macroeconomic environment. Ultimately, we have made the right investments in acquiring newer capabilities and cultivating strong leadership to build a truly resilient organization.

We are optimistic about your Company’s future and know that we have only begun to unleash the full potential of Persistent.

Acknowledgments and Appreciation

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

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

Your Board also extends its sincere thanks to M/s. Walker Chandiook & Co LLP, Chartered Accountants, Statutory Auditors; M/s. Joshi Apte & Co., Chartered Accountants, Tax Auditors; M/s. PVS and Associates, Company Secretaries, Secretarial Auditors; Trustees of Persistent Foundation; wing of Ernst & Young LLP, providers of Compliance Manager Tool and investor relations services and related advisory; and KPMG International Limited, ESG Consultants; for their services to your Company.

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

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

Your Board thanks the investors and shareholders for placing immense faith in them.

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

For and on behalf of the Board of Directors

Dr. Anand Deshpande

Chairman and Managing Director

DIN:00005721

Pune, June 7, 2022

Annexure A to the Report of the Directors

Form No. MR-3

Secretarial Audit Report

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

For the Financial Year ended on March 31, 2022

The Members

Persistent Systems Limited

'Bhageerath', 402 Senapati Bapat Road

Pune 411 016

(CIN: L72300PN1990PLC056696)

I have conducted the secretarial audit of the compliance of statutory provisions under the Companies Act, 2013, regulations laid down by the Securities and Exchange Board of India, Foreign Exchange Regulations, EXIM Laws, STPI/SEZ Scheme and Customs listed hereinafter and the adherence to good corporate practices by Persistent Systems Limited (hereinafter called the "Company") for the Financial Year ending March 31, 2022. The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Management's Responsibility

Management is responsible for the preparation and filing of all the forms, returns, documents for the compliances under the Companies Act, 2013, regulations laid down by the Securities and Exchange Board of India, Foreign Exchange Regulations, EXIM Laws, STPI/SEZ Scheme and Customs listed hereinafter, and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Auditor's Responsibility

Secretarial audit is a process of verification of records and documents on sample basis to check compliance with the provisions of laws and rules/procedures under the Companies Act, 2013, regulations laid down by the Securities and Exchange Board of India, Foreign Exchange Regulations, EXIM Laws and STPI/SEZ Scheme and Customs listed hereinafter. The procedure for secretarial audit is selected on the secretarial auditor's judgment, including the assessment of the risks of material non-compliance of the documents filed. In making those risks assessments, the secretarial auditor considers internal control relevant to the Company's preparation and fair presentation of the documents in order to design secretarial audit procedures that are appropriate in the circumstances.

My responsibility is to express an opinion on the secretarial compliances of the aforesaid laws complied by the Company on the basis of my audit. I have conducted my audit solely on the basis of the compliances and filing done by the Company under the aforesaid laws.

Based on my verification of books, minutes books, forms and returns filed and other records maintained and made available to me, by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I report that, in my opinion, the Company has during the Financial Year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained and made available to me, by the Company for the Financial Year ended on March 31, 2022, according to the provisions of:

- 1\ The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2\ The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; To the extent applicable;

- 3\ Regulation 76(1) (2) of the SEBI (Depositories and Participants) Regulations, 2018;
- 4\ Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment;
- 5\ The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; to the extent applicable
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. Securities and Exchange Board of India Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - to the extent applicable.
 - e. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018; Not applicable
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - g. Securities and Exchange Board of India (Registered to an issue and Share Transfer Agents), Regulations, 1993 regarding the Companies Act, 2013 and dealing with client; to the extent applicable
 - h. Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008; Not applicable
 - i. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not applicable
- 6\ The Exim Laws, STP Scheme, SEZ :
 - a. The Foreign Trade Policy (Exim Policy) and Procedures thereunder;
 - b. Foreign Trade (Development and Regulation) Act, 1992;
 - c. Software Technology Parks Scheme;
 - d. Special Economic Zones Act, 2005 and Special Economic Zones Rules, 2006 (State Acts, Rules and Policies made thereunder);
 - e. Information Technology Act, 2000 and the rules made thereunder;
- 7\ The Copyright Act, 1957;
- 8\ The Patents Act, 1970;
- 9\ The Trademarks Act, 1999

I have also examined compliance with the applicable clauses of the following:

- 1\ Secretarial Standards issued by the Institute of Company Secretaries of India to the extent it is applicable.

During the year under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards mentioned above subject to the following observations:

- a. In terms of provisions of Regulation 6(2) of SEBI (Share Based Employee Benefit) Regulations 2014 read with SEBI circular dated June 16, 2015, and pursuant provisions of Companies Act, 2013 to the extent applicable, the disclosure pertaining to determining the exercise price per option granted under PESOS 2014 mentioned in the notice of 31st Annual General Meeting, was not adequate. Further, the information regarding exercise price pertaining to PESOS 2014 was provided by way of an addendum to the aforesaid notice of 31st Annual General Meeting which was circulated on July 16, 2021.
- b. In terms of provisions of Regulation 3(4) of SEBI (Share Based Employee Benefits) Regulations, 2014 and Regulation 3(4) of SEBI (Share Based Employee Benefits and Sweat Equity) Regulations 2021, the trustees of the ESOP Trust were acting as the director of the subsidiary companies for the period under review.

- c. In terms of the provisions of Section 175(2) of the Companies Act, 2013 read with Secretarial Standard - 1 issued by the Institute of Company Secretaries of India, the extract of certain resolutions that were passed by circulation by the Board of Directors of the Company and its committee respectively were not a part of the minutes of the subsequent meeting.
- d. In terms of provisions of the Foreign Exchange Management Act, 1999, filing of certain forms viz. Form FC-GPR and Form ESOP was pending as on March 31, 2022. Further, there was delay in filing of certain forms viz. Form FC-GPR and Form ESOP, out of which some forms were approved subject to payment of Late Submission Fee including Compounding wherever directed by Reserve Bank of India. Furthermore, the Compounding application(s) wherever directed by Reserve Bank of India are pending to be made as on the date of this report.
- e. In terms of provisions of the Foreign Exchange Management Act, 1999, there was delay in repatriation of dues receivable from some foreign subsidiaries, within the prescribed timeline.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

Adequate notice, agenda and detailed notes on agenda are given to all Directors to schedule the Board Meetings at least seven days in advance. Consents from all the Directors have been received where Board meeting has been held at shorter notice.

Based on the information provided by the Company, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Based on inspection of the minutes of the Board of Directors, there were no dissenting views mentioned by the members of the Board of Directors.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines. A compliance certificate providing status of the compliance with the requirements of the applicable acts and rules is submitted by the Company Secretary of the Company which is placed before the Board in its quarterly meeting along with the action taken report.

For PVS and Associates
Company Secretaries

Pallavi Salunke
Proprietor
Membership No : F5640
CP No.: 4453
UDIN: FO05640D000472141

Pune, June 7, 2022

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

To,
The Members
Persistent Systems Limited
'Bhageerath', 402 Senapati Bapat Road
Pune 411 016
(CIN: L72300PN1990PLC056696)

My report of even date is to be read along with this letter.

- 1\ Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- 2\ I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
- 3\ I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- 4\ Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- 5\ The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- 6\ The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For PVS and Associates
Company Secretaries

Pallavi Salunke
Proprietor
Membership No : F5640
CP No.: 4453
UDIN: F005640D000472141

Pune, June 7, 2022

Annexure B to the Report of the Directors

Form No. AOC-2

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

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

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

Persistent Systems Limited (the 'Company') has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during Financial Year 2021-22.

- a. Name(s) of the related party and nature of relationship: Not Applicable
- b. Nature of contracts/arrangements/transactions: Not Applicable
- c. Duration of the contracts/arrangements/transactions: Not Applicable
- d. Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
- e. Justification for entering into such contracts or arrangements or transactions: Not Applicable
- f. Date(s) of approval by the Board: Not Applicable
- g. Amount paid as advances, if any: Not Applicable
- h. Date on which the special resolution was passed in general meeting as required under first proviso to Section 188: Not Applicable

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

There were certain transactions entered into by the Company with its foreign subsidiaries and other parties who are related within the meaning of Indian Accounting Standard (Ind AS) 24 and Section 188 of the Act. Attention of Members is drawn to the disclosure of transactions with such related parties set out in [Note No. 34](#) of the Standalone Financial Statements, forming part of this Annual Report.

For and on behalf of the Board of Directors

Pune, June 7, 2022

Dr. Anand Deshpande
Chairman and Managing Director
DIN:00005721

Annexure C to the Report of the Directors

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

1\ The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as follows:

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million)	% increase in Remuneration in the Financial Year 2021-22	% increase in remuneration in the Financial Year 2021-22 * (excluding perquisite value of stock options exercised during the year)	Ratio of remuneration of each Director to median remuneration of employees	Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive)	Comparison of the remuneration of the KMP against the performance of the Company
Executive Directors and KMPs							
a.	Dr. Anand Deshpande Chairman and Managing Director India	31.94	21.68%	NA	44.68	NA	
b.	Sandeep Kalra® Executive Director and Chief Executive Officer, USA	468.68^^	329.27%	68.39%			
	Ratio of remuneration to median remuneration of employees located in India				4.06	4.06	The increase in revenue was 36.4% and in Profit After Tax was 53.2%
	USA				651.62	146.50	
c.	Sunil Sapre Executive Director and Chief Financial Officer India	90.21	94.33%	15.37%	126.20	23.73	
d.	Amit Atre Company Secretary India	7.17	110.26%	16.72%	10.03	5.57	
Non-Executive Directors							
e.	Roshini Bakshi Independent Director	4.08	64.52%	NA	5.71	NA	
f.	Pradeep Bhargava Independent Director	4.33	64.02%	NA	6.06	NA	
g.	Avani Davda# Additional Director (Independent Member)	0.79	NA	NA	1.11	NA	
h.	Guy Eiferman Independent Director	3.81	74.77%	NA	5.33	NA	

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million)	% increase in Remuneration in the Financial Year 2021-22	% increase in remuneration in the Financial Year 2021-22 * (excluding perquisite value of stock options exercised during the year)	Ratio of remuneration of each Director to median remuneration of employees	Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive)	Comparison of the remuneration of the KMP against the performance of the Company
i.	Dr. Anant Jhingran Independent Director	3.53	59.73%	NA	4.94	NA	
j.	Praveen Kadle Independent Director	4.19	69.64%	NA	5.87	NA	
k.	Thomas Kendra Non-Independent Non-Executive Director	3.63	74.52%	NA	5.08	NA	
l.	Prof. Deepak Phatak Independent Director	3.88	77.17%	NA	5.43	NA	

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

@ Appointed as a Chief Executive officer w.e.f. October 23, 2020.

Appointed as an Independent Director w.e.f. December 28, 2021.

^^ The remuneration also includes remuneration paid from Persistent Systems Inc., USA

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

\ In view of the uncertainty during COVID-19 Pandemic, the Company had announced salary cuts as a part of cost reduction. Accordingly, the Non-Executive Directors voluntarily opted for reduction of 25% in their remuneration for a period from April to July 2020.

2\ The median remuneration of employees of the Company during the Financial Year 2021-22 was ₹ 714,812

3\ The median remuneration of employees of Persistent Systems Inc. during the Financial Year 2021-22 was USD 131,712 (Equivalent ₹ 10.23 Million approx.), which has been considered to compute the ratio for Executive directors/KMPs to whom remuneration was paid from a subsidiary incorporated in the USA.

4\ In FY 2021-22, there was a decrease of 35% in the median remuneration of employees.

5\ The average annual increase was around 10% in India. However, during the course of the year, the total increase is approximately 11.5%, after considering promotions and other event-based compensation revisions. Employees outside India received a wage increase of about 3%.

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

6\ As on March 31, 2022, there were 15,422 permanent employees who were on the payroll of the Company (in standalone basis).

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

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

Sr. No.	Name	Designation	Salary and allowance (₹ Million)	Value of perquisites for stock options exercised (₹ Million)	Total remuneration (₹ Million)	Qualification	Experience in years	Date of Commencement of employment	Age in years (Approx.)	Last employment before joining the company	% of Equity Shares held
1\	Dr. Anand Deshpande	Chairman and Managing Director	31.94	-	31.94	B. Tech. (Hons.), M.S. Ph.D.	34	19-Oct-90	60	Hewlett-Packard	30.06
2\	Sandeep Karla*	Executive Director and Chief Executive Officer	2.90	-	2.90	Engineer, MBA from IIM Calcutta	27	01-May-19	50	HARMAN International	0.21
3\	Sunil Sapre	Executive Director and Chief Financial Officer	16.96	73.25	90.21	Chartered Accountant	33	29-Jun-15	57	L&T Infotech	0.07
4\	Siddhesh Bhobe	Senior Vice President-Engineering and Center Head	9.00	54.11	63.11	B.E. (Computer Science)	24	16-Feb-98	47	Not Applicable	0.05
5\	Sameer Bendre	Chief of Operations	11.35	36.23	47.58	B. E. (Ele. & Comm.)	33	06-Dec-04	54	Nagpur Motors Private Limited	0.03
6\	Mukesh Agarwal	Chief Planning Officer	10.57	33.86	44.43	B.E.	27	03-Jul-95	49	Veteran from Persistent	0.05
7\	R Venkateswaran	Chief Information Officer	9.23	34.86	44.09	Ph.D. (Comp. Science)	30	09-Dec-02	55	Lucent Technologies	0.02
8\	Hitesh Salla	Senior Engineering Partner	22.63	-	22.63	B.E. (Electronics)	24	30-Oct-20	50	CAPIOT Software Private Limited	0.00
9\	Ashish Kapoor	Senior Engineering Partner	20.32	-	20.32	B. Tech	16	30-Oct-20	49	CAPIOT Software Private Limited	0.00
10\	Suresh Prabhu	Chief Delivery Officer	19.21	-	19.21	B.E., MBA	31	07-Jun-21	54	Epicor Software	0.00
11\	Apoorva Singh	Chief Delivery Officer	14.35	10.38	24.73	B.Tech., MBA	27	14-Dec-20	53	Mu Sigma	0.00
12\	Rahul Awasthi	Client Partner	13.87	-	13.87	BE (Computer Science), MBA	21	14-Jul-20	46	Virtusa	0.00
13\	Kuljesh Puri	Senior Vice President - Sales	13.53	-	13.53	B.E. (Computer Science)	27	28-Sep-21	49	Tech Mahindra	0.00
14\	Venugopal Kandimalla	Senior Vice President - Engineering	13.35	-	13.35	MBA	33	01-Jul-21	52	Tech Mahindra Limited	0.00
15\	Peeyoosh Pandey	Senior Vice President - Sales	11.95	17.15	29.1	B.E. (Electronics)	22	01-Oct-09	47	Wipro Technologies	0.02
16\	Jaideep Dhok	Senior Vice President - Engineering	11.18	-	11.18	B.E. (CSE)	22	13-Apr-21	42	Commonwealth Bank of Australia	0.01
17\	Visveswar Mavathur	Senior Vice President - Digital Consulting	10.76	-	10.76	Post Graduate Diploma in Management (Management)	20	17-May-21	56	TCS	0.00
18\	Jaidev Karanth	Unit CTO	10.54	5.18	15.72	B.E. (Computer Science)	19	09-Aug-21	43	Not Applicable	0.01
19\	Shekhar Patankar	Senior Vice President - Engineering	9.5	4.4	13.9	B.Tech. (Computer Science)	26	24-Sep-04	49	March Communications	0.02
20\	Sameer Dixit	Senior Vice President - Engineering	9.28	17.19	26.47	B.E. (Electronics and Telecommunication)	27	02-May-06	48	Microstrategy	0.02
21\	Sachin Dewasthalee	Group Head - Corporate Finance	9.01	17.24	26.25	CA, CMA	29	20-May-20	52	Tata Consulting Engineers Limited	0.00
22\	Sharad Talwar	Vice President - Sales	8.59	10.12	18.71	M.B.A. (Marketing)	33	17-Dec-18	59	Grid Infocom	0.01
23\	Pandurang Kamat	Chief Technology Officer - Research and Innovation	8.27	19.96	28.23	Ph.D. (Computer Science)	24	27-Sep-12	46	IAC Search and Media	0.03
24\	Rakshit Bharadwaj	Head - Talent Management	7.48	16.52	24	Post Graduation Programme in Management (Management)	22	01-Nov-13	47	MphasiS Pvt Ltd	0.00
25\	Prashant Virgaonkar	Senior Vice President - Engineering	7.46	19.41	26.87	B.E. (Computer Technology)	30	17-Apr-12	55	OFSS	0.01
26\	Animesh Singh	Associate Vice President - Engineering	7.38	3.71	11.09	B.E. (Electrical)	22	02-Sep-13	43	Infosys Technologies Limited	0.00
27\	Shailesh Wadhankar	Associate Vice President - Engineering	7.17	9.55	16.72	B.Tech. (Chemical)	25	26-May-08	47	Infosys tech Ltd.	0.01
28\	Shreekanth Joshi	Vice President - Engineering	7.14	17.05	24.19	M.S. (Electrical)	25	01-Jan-03	48	Minerva Networks	0.01
29\	Rahul Ekbote	Unit CTO	7.04	15.34	22.38	B.E. (Computer Science)	11	02-May-11	53	Cradle Technologies, India	0.02
30\	Shringarpure Nilesh	Associate Vice President - Engineering	6.81	11.06	17.87	B.E. (Electronics)	21	01-Jul-11	46	WIPRO TECHNOLOGIES	0.01
31\	Rahul Inamdar	Associate Vice President - Engineering	6.44	4.35	10.79	B.Tech. (Electronics)	26	03-Jun-10	49	Infosys Technology Ltd.	0.00

Sr. No.	Name	Designation	Salary and allowance (₹ Million)	Value of perquisites for stock options exercised (₹ Million)	Total remuneration (₹ Million)	Qualification	Experience in years	Date of Commencement of employment	Age in years (Approx.)	Last employment before joining the company	% of Equity Shares held
32\	Hareshkumar Amre	Group Quality Head	6.2	20.72	26.92	Post Graduate Diploma in Management	31	03-Sep-13	51	Infosys Ltd.	0.01
33\	Siddhesh Naik Kurade	Associate Vice President - Engineering	6.19	18.89	25.08	B.E. (Computer Science)	24	01-Apr-06	48	ControlNet I Pvt Ltd	0.03
34\	Saurabh Dwivedi	Deputy General Manager - Corporate Development	6.18	11.68	17.86	Post Graduation Diploma In Computer Management	16	15-Oct-15	40	MMP Mobi Wallet Payment Systems Ltd	0.00
35\	Abhay Pendse	Associate Vice President - Engineering	6.06	11.52	17.58	M.Tech.	30	09-Apr-12	54	Sungaurd Solutions Software India Limited	0.02
36\	Rohit Vaishampayan	Associate Vice President - Engineering	6	11.37	17.37	B.E. (Computer Science and Engineering)	25	01-Aug-97	46	Not Applicable	0.1
37\	Girish Bharne	Vice President - Engineering and Center Head	5.92	6.71	12.63	B.E. (Computer Science)	29	01-Apr-06	51	ControlNet India Pvt. Ltd.	0.00
38\	Nitinchandra Shende	Head - People Operations and Corporate Initiatives	5.91	4.74	10.65	B.E. (Electrical)	27	01-Feb-07	51	TCS	0.01
39\	Prashant Gulalkari	Vice President - Sales	5.88	7.29	13.17	M.E.	27	20-Aug-10	59	Governation Pvt. Ltd	0.02
40\	Prajyot Gandhi	Technical Assistant	5.83	6.32	12.15	P.G.D.B.M.	19	18-Apr-16	41	Infosys Ltd.	0.00
41\	Harikumar TR	Deputy General Counsel	5.77	11.18	16.95	L.L.B.	23	19-Jun-13	51	SKF India Limited	0.01
42\	Amol Pathak	Chief Architect	5.64	11.24	16.88	B.E. (Mechanical)	23	05-Apr-04	46	NIC Software Engg Pvt Ltd	0.00
43\	Jayant Konde	Chief Administrative Officer	5.64	11.11	16.75	M.Tech.	28	01-Aug-19	50	Syntel Pvt Ltd	0.01
44\	Jitendra Patil	Head - Enterprise Solutions	5.6	6.81	12.41	B.E. (Mechanical)	23	11-Aug-04	45	Synggy India Pvt Ltd	0.01
45\	Nayana Bhandari	Head - Budgeting & MIS	5.58	10.92	16.5	C.A. (Accounting)	22	03-Jun-10	52	Trinity Convergence India P. Ltd.	0.02
46\	Gopal Tatte	Associate Vice President - Engineering	5.49	10.44	15.93	B.E. (Computer Science and Engineering)	23	24-May-10	50	Excellon Software Pvt. Ltd.	0.00
47\	Anibha Shyamkant Athalye	Practice Head	5.42	7.18	12.6	B.E. (Electronics and Power)	17	29-Nov-04	42	Patni Computer Systems Ltd.	0.01
48\	Dhruva Ray	Chief Architect	5.35	8.61	13.96	M.C.A.	23	03-Jul-00	45	vJungle.com	0
49\	Shubhada Sidhaye	Head - Unit Business Planning and Operations	5.29	12.41	17.7	B.E. (Electrical)	27	22-Nov-04	49	Zensar Technologies Ltd	0.01
50\	Ajay Divekar	Associate Vice President - Engineering	5.28	9.96	15.24	B.E. (Computer Science)	29	09-Feb-04	53	Ebsolute Technologies	0.04
51\	Sandeep D. Deshmukh	Head - Enterprise Infrastructure	5.28	7.17	12.45	B.E. (Computer Science), Engineering	30	29-May-00	53	Mastech Corp	0.01
52\	Tushar Jangle	Enterprise Architect	5.24	8.11	13.35	M.B.A.	14	02-Nov-15	50	Tech Mahindra Ltd	0.00
53\	Rajiv Shethia	Head-Compensation, Benefits and People Analytics CoE	5.22	7.56	12.78	B.Tech. (Chemical)	24	25-Jun-08	46	Infosys Technologies Limited	0.01
54\	A. B. Manikhandan	Associate Vice President - Engineering	5.21	11.66	16.87	M.C.A.	28	14-Sep-94	53	Not Applicable	0.06
55\	Praveen Joshi	Head - Revenue and Invoicing	5.12	10.1	15.22	M.B.A. (Finance)	36	04-Jul-05	58	Information Systems Resource C	0.01
56\	Tushar Dixit	Senior Engineering Partner	5.01	10.98	15.99	M.C.S.	22	03-Jul-00	45	Not Applicable	0.01
57\	Huzaiifa Nampurwala	Senior Engineering Partner	4.94	12.21	17.15	B.E. (Computer Science)	24	26-Jul-04	48	FEI Software (India) Pvt Limit	0.00
58\	Rakesh Rathod	Engineering Partner	4.76	6.83	11.59	B.E. (Computer Science)	19	05-Jul-04	39	Spartan Labs Pvt. Ltd	0.00
59\	Rohit Bhargav	Enterprise Architect	4.74	7.99	12.73	B.Tech. (Computer Science)	23	06-Sep-04	46	IBM	0.00
60\	Abhijit Belambe	Senior Engineering Partner	4.73	6.46	11.19	B.E. (Computer Science)	22	28-Nov-05	44	BMC Software	0.01
61\	Vijesh Rangaswami	Senior Engineering Partner and Center Head	4.7	8.14	12.84	B.E. (Electronics and Communication)	24	01-Sep-08	48	Metrikus	0.01
62\	Abhijit Sane	Vice President - Sales	4.68	10.81	15.49	M.B.A. (Mktg. & Fin.)	21	21-Feb-11	48	Designtech Systems Ltd.	0.00
63\	Jaydeep Ayachit	Enterprise Architect	4.5	7.54	12.04	B.E. (Computer Science)	23	24-Nov-03	44	Infosys Technologies Ltd	0.00
64\	Sandeep Darvekar	Senior Engineering Partner	4.49	10.47	14.96	B.E. (Industrial Engineering)	24	21-Jul-05	47	Selectica India Pvt. Ltd.	0.00
65\	Ashwini Bagaitkar	Senior Engineering Partner	4.49	7.14	11.63	M.C.S.	24	23-Jun-08	46	Jopasana Software Systems Ltd.	0.01
66\	Narasinha Upadhye	Senior General Manager - Finance	4.35	8.17	12.52	ICWA	25	16-Jan-97	50	Not Applicable	0.04

Sr. No.	Name	Designation	Salary and allowance (₹ Million)	Value of perquisites for stock options exercised (₹ Million)	Total remuneration (₹ Million)	Qualification	Experience in years	Date of Commencement of employment	Age in years (Approx.)	Last employment before joining the company	% of Equity Shares held
67\	Ashish Rathi	Chief Architect	4.25	10.95	15.2	B.E. (Computer Science)	19	07-Jul-03	43	Mphasis BFL Ltd	0.01
68\	Trupti Phadnis	Engineering Partner	4.17	7.81	11.98	M.C.S.	21	12-May-03	42	Dishnet-DSL	0.01
69\	Dattatraya Prabhune	Head - Global Procurement	4.14	8.18	12.32	B.E. (Metallurgy)	36	15-Oct-07	58	Kirloskar Pneumatic	0.01
70\	Siddharameshwar Bharamgonde	Chief Architect	4.07	7.02	11.09	B.E. (Production)	20	01-Apr-03	45	Washington Softwares Ltd. Pune	0.00
71\	Bhushan Satpute	Principal Architect	3.89	6.73	10.62	B.E. (Computer Science)	24	05-Jan-04	50	L&T InfoTech Limited	0.00
72\	Kalpana Kudlingar	Head-Campus Talent Acqui and HR Business Partner-M&A	3.81	8.5	12.31	B.E. (Civil)	18	04-Jul-07	41	Neilsoft	0.00
73\	Vishal Pai Vernekar	Chief Manager - Engineering	3.67	6.68	10.35	B.E. (Computer Science)	19	05-Apr-04	41	BindView India Pvt LTD	0.01
74\	Salil Randive	Principal Engineering Manager	3.03	7.46	10.49	D.A.C	25	26-May-03	49	Quexst Associates	0.01
75\	Aparna Duse	Principal Engineering Manager	2.99	8.71	11.7	B.E. (Computer Science)	22	10-Nov-03	50	MBT	0.01
76\	Prashant Shelar	Senior Architect	2.77	12.99	15.76	B.E. (Electronics)	23	25-Apr-05	50	Cybage Software Pvt. Ltd.	0.00

* Details include the remuneration paid by Persistent Systems Limited, India only. Mr. Kalra has received remuneration from Persistent Systems Inc., USA, wholly owned subsidiary, in addition to remuneration received from your Company.

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

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

For and on behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN:00005721

Pune, June 7, 2022

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Annexure D to the Report of the Directors

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

The Board of Directors of your Company has formulated the CSR Policy of your Company to provide a guideline for the Company's CSR activities. The CSR Policy is also uploaded on your Company's website at <https://www.persistent.com/wp-content/uploads/2020/03/csr-policy.pdf>

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

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

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

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

A little help goes a long way. The story of Persistent Foundation stands as proof of this. Since 2009, the helping hand of the Foundation has been trying to make communities and individuals stand on their feet. The Foundation started with a humble purse of a few lakhs which gradually increased to ₹ 10 crores as your Company grew in size and revenue.

The CSR policy recommends that your Company should encourage Persistent Foundation to contribute in the following focus areas:

- 1\ Health
- 2\ Education
- 3\ Community Development
- 4\ Assistance in Natural Calamities

Projects and programs undertaken

The Financial Year 2021-22 is the 13th year of the Persistent Foundation. During the year, Persistent Foundation continued to work on addressing the needs of the community around the Company's operations and its commitment to supporting covid relief work along with regular projects. 2nd wave of Covid was a bad hit and along with Foundation's partner organizations and hospitals, the Company and Persistent Foundation continued its work. The focus of covid relief work in this year was more on creating infrastructure and addressing the impacts of Covid on livelihood and education. The Company through Persistent Foundation was able to reach out to 5,594 families, 54,268 individuals, and 13 hospitals.

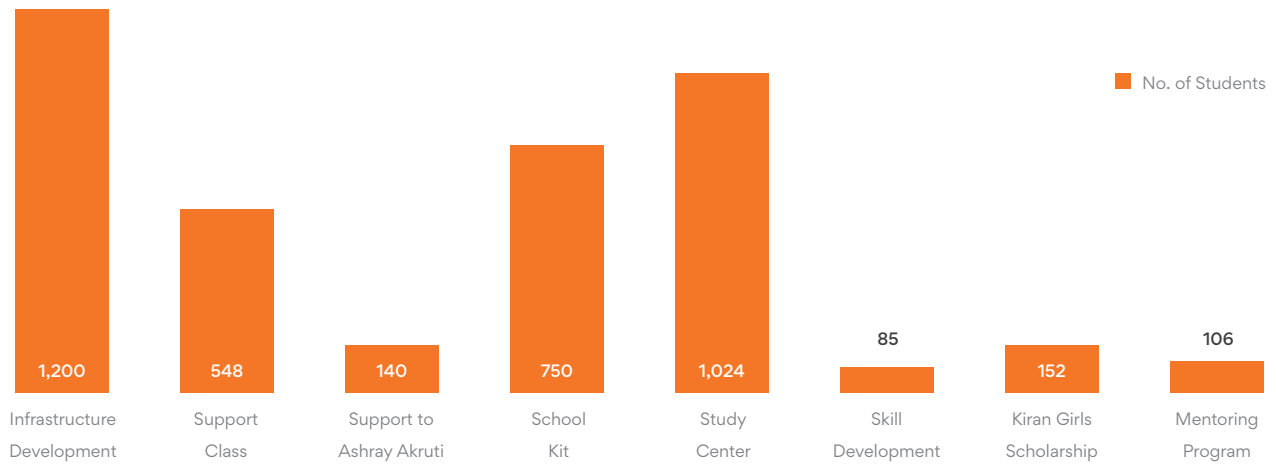
As part of regular project work under three focus areas, the Company through Persistent Foundation reached out to 15,024 beneficiaries, 21 unique initiatives, and 50,000+ trees.

Education — No. of initiatives: 9 | No. of beneficiaries: 5,500 | No. of partners: 17

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

Other Education Projects

8 projects | 5 locations in India | Partnered with 11 schools and 7 NGO partners | Reached out to 4,005 students



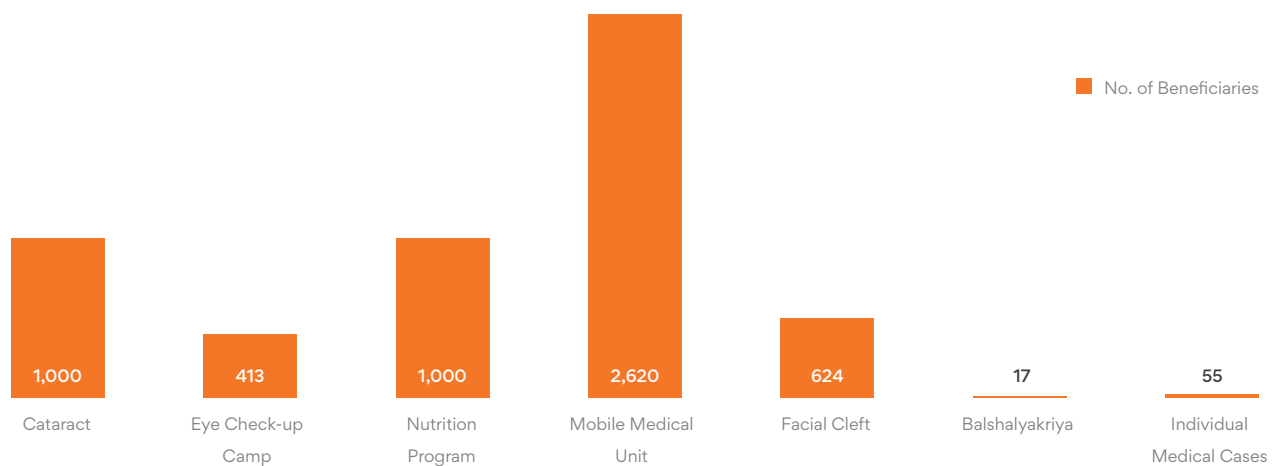
Health

Support for Comprehensive care for Facial Cleft and palate surgeries continues to be a flagship program.

Despite covid, the Foundation was able to reach out to 624 children and have supported 4 centers. Through these centers, they provide support for nutrition, speech therapy dental treatment, and follow-up services are provided.

Other Health Projects

7 projects | 5 locations in India | Partnered with 10 hospitals and 6 NGO partners | Reached 5,729 beneficiaries



Community Development

4 projects | 4 locations in India | Partnered with 10 organizations | Reached out to 40 families and 5,170 individuals

Water continues to be the area of work, which the Foundation has adopted for the flagship program. Comprehensive Watershed development program at village Varude in Pune district was implemented along with BAIF. This is the third and concluding year of the project. Under this program, 7 types of services were provided and have reached out to 4,600 farmers and have benefitted 2,100 Ha of land.

Type of Services	The target for 3 years	Achievement till Mar 31, 2022	Outcome
Soil and water conservation	730 Ha, Plantation – 850 Ha	730 Ha Plantation – 300 Ha	913 Lakh liter water recharged Plantation of 10,000 plants and 80,000 seeds, covering 250 Ha
Drainage line treatment measures	1,070 structures	1,080 Structure	Reduced water speed on approximate 380 Ha catchment area
Recharge measures	55 farm ponds, 13,000 cu m desilting, Planation 10 km	55 farm ponds, 12,595 Cu m desilting. Plantation- planned for June 22	Helped to recharge 130 Lakh liter water and increase groundwater level
Water storage measures	15 structures, 10,000 cu m desilting	6 structures- Planned in Q1 7,336 Cum desilting- Balance work is in process	Increase water storage and recharge capacity 73 lack lit of old structures
Agriculture development	200 farmers	197 farmers	Vegetable farming, increased farmer income from ₹ 20,000 to ₹ 25,000, 45% water saving due to drip irrigation, Honeybee Keeping- 2.0 km area covered for cross-pollination. Solar trap- less use of pesticide
Livestock development	Semen doses – 3,750 Sorted Semen – 155	Semen doses – 4,222 Sorted Semen – 196	707 Heifer born – 60% conception rate and 40% success rate 61 Heifer born – 73% conception rate and 83% success rate
Capacity building of community	30 nos.	25 events	5 exposure visits, 12 farmer training, 3 volunteer training, 2 Kisan melava, 3 honeybee training

Other Community Development projects

Tree Plantation

- 20,266 (against the target of 22,266). Mortality rate – 7.51% which will be replaced in June 2023 by 23,500 (against the target of 30,000)
- Nurtured trees – 23,500 (against the target of 30,000). 25% difference which will be achieved in June by seeding activity.

Along with tree plantation inputs have also been given on silage making, which will help farmers to have quality fodder for livestock and avoid grazing on open land which will improve the life expectancy of trees planted.

Support for Livelihood

The project is implemented along with Paulwat in the Velhe region, training input was given on bamboo artisanship. 40 families are trained and are managed to earn ₹ 8,000 - 10,000 per season along with agriculture.

Laptop refurbishment program- The process of refurbishment has impacted various stakeholders. Generated livelihood opportunities for 3 unskilled and 3 skilled individuals. This has helped them earn ₹ 15,000.

16 laptops are given for recycling which has generated ₹ 4,800.20. Students have received these refurbished laptops which have enabled savings of ₹ 6 lakhs.

Support for the construction of open wells. During the year under review, the Company supported 2 Open wells, covering 2 villages reaching out to 550 villagers and 900 livestock. Out of these 2 open wells, one open well does not have a live spring, it will be used as a storage tank. Both these wells have created a storage capacity of 22 lakh liters. Availability of water is increased by 2-3 months.

Covid Relief Work

As part of covid relief work activities, Persistent Foundation has been associated with 38 partners, reached out to 5,215 families, 64,231 individuals, 13 hospitals, 372 schools, and 126 entrepreneurship.

Sr. No.	Details of Support Provided	No. of Partners Engaged	No. of Beneficiaries	
1	Support provided for food	9	No. of families – 5,215	No. of individuals – 1,255
2	Support provided for medical needs	22	No. of hospitals – 13	No. of individuals – 54,268
3	Education – Bridging learning gaps	3	No. of schools – 372	No. of students – 8,146
4	Support provided for entrepreneurship	4	No. of entrepreneurship established – 126	No. of individuals – 190

Flood Relief Work

Flood relief activity was carried out from employee donation funds. During the year, the families in Satara and Chiplun were supported with the help of 2 implementing agencies and local government departments. In Satara, the relief kit had 11 items. Relief kit distribution was carried out in Mahabaleshwar block of Satara district at Renoshi, Rule, Kharoshi, Kirnar, Dabhe – Dabhekar and Dabhe – Mohan villages. Most of these villages had no connectivity as roads had been washed away due to heavy rains. Some roads were blocked due to landslides. In these treacherous conditions, the team travelled the whole day covering 70 km from the backwaters of Konya Dam and distributed 500 kits benefitting 1,984 individuals. In Chiplun, support was provided to 200+ families for kids kit. Also, the ground-level organization was supported with some equipment that helps in rescue operations.

More details on the CSR Policy and projects are available on the Company's website as per the link given below:

<https://www.persistent.com/investors/csr-at-persistent/>

2\ Composition of the CSR Committee

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

Sr. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1\	Mr. Pradeep Bhargava	Chairman of the Committee and Independent Director	1	1
2\	Dr. Anand Deshpande	Chairman and Managing Director	1	1
3\	Prof. Deepak Phatak	Independent Director	1	1
4\	Ms. Avani Davda*	Additional Director (Independent Member)	1	NA

*Appointed w.e.f. January 19, 2022.

3\ Provide the web link where the Composition of the CSR committee, CSR Policy, and CSR projects approved by the board are disclosed on the website of the company.

- \ The CSR Policy of your Company is available at the following link: <https://www.persistent.com/wp-content/uploads/2020/03/csr-policy.pdf>
- \ The composition of the CSR Committee is available on the website of your Company at the following link: [Board of Directors Committees | Persistent Systems](#)
- \ The details of CSR Projects is available on the website of your Company at the following link: <https://www.persistent.com/company-overview/community/>

4\ Provide the details of the Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

The average CSR obligation of your Company for the last three financial years was below ₹ 10 Crores. Therefore, the Company was not required to undertake an impact assessment for the projects undertaken. Company is regularly conducting internal impact assessments to monitor and evaluate its CSR programs.

The details of CSR obligation of your Company for the Financial Year 2021-22 are as follows:

Financial Year	(In ₹ Million)
2018-19	79.08
2019-20	85.05
2020-21	94.49
Total	258.62
Average Obligation	86.21

5\ Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any — **Not Applicable**.

6\ Average net profit of the Company as per section 135(5) — **₹ 5,511.97 Million**.

7\ a. Two percent of average net profit of the Company as per section 135(5) — **₹ 110.24 Million**.

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

c. Amount required to be set off for the Financial Year, if any — **The Company has not availed the benefit of set-off**

d. Total CSR obligation for the Financial Year 2021-22 (7a+7b-7c) — **₹ 110.24 Million**

8\ a. CSR amount spent or unspent for the Financial Year:

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

b. Details of CSR amount spent against ongoing projects for the Financial Year — **Not Applicable**

Details of COVID related donations made by the Company in India and abroad in FY 2021-22

The growing concern of COVID-19 pandemic whereby the whole world is facing unprecedented challenges with the communities and economies. The Coronavirus has tremendously impacted the lives of people directly as well as indirectly. Considering the concern of this threatening disease, the Company has decided to make donations in this burdensome situation. The details of donations made, and funds allocated across countries on a cumulative basis are as follows:

Country	No. of Employees (As on April 1, 2020)	% of Total	Amount Spent
India	8,336	89.42%	₹ 175,000,000
USA	649	6.96%	₹ 30,000,000
Sri Lanka	81	0.87%	₹ 3,000,000
Mexico	63	0.68%	₹ 2,625,000
UK	61	0.65%	₹ 2,625,000
Malaysia	50	0.54%	₹ 1,875,000
Israel	41	0.44%	₹ 1,875,000
Canada	41	0.44%	₹ 1,875,000
Total	9,322		₹ 218,875,000

Out of the above, during the year under review, the Company has spent ₹ 55 Million on Covid Relief Projects through Persistent Foundation.

c. Details of CSR amount spent against other than ongoing projects for the Financial Year:

Amounts in ₹ Lakhs

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount allocated for the project	Mode of Implementation — Through Implementing Agency		
				State	District		Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
1\	Kiran- Girl's Scholarship Programme	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Maharashtra, Telangana, Goa, Karnataka	Pune, Nagpur, Hyderabad District, South Goa, Bengaluru Urban	58.50	Yes	Persistent Foundation	CSR00002967
2\	Study Center	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	5.13	No	Seva Sahayog Foundation	CSR00000756
3\	Study Center	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Telangana	Hyderabad District	10.61	No	Youth For Seva	CSR00000368
4\	Study Center	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra, Telangana and Goa	Pune, Nagpur, Hyderabad and Goa	4.97	Yes	Persistent Foundation	CSR00002967
5\	Support Class for 9th and 10th Standard Students	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	16.01	No	Suprabhat Mahila Mandal	CSR00001592
6\	Student Sponsorship Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	2.34	No	Swa-Roop Wardhinee	CSR00002033
7\	Student Sponsorship Program	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	1.65	No	Jagruti School for Blind Girls	CSR00002723
8\	Skill development- Reuse Recycle- Laptop Refurbishment and Vocational Course	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra	Pune	1.00	No	Poornam Eco Vision	CSR00002686
9\	School Infrastructure Refurbishment	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Maharashtra and Karnataka	Pune and Bengaluru	3.60	Yes	Persistent Foundation	CSR00002967
10\	Bridging Learning Gaps	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, daycare centers and such other facilities for senior citizens, and measures for reducing inequalities faced by socially and economic	Yes	Telangana and Karnataka	Hyderabad and Bengaluru Urban	3.25	No	Agastya International Foundation	CSR00003442
11\	Special Education for Hearing Impaired students	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Telangana	Hyderabad District	11.72	No	Ashray Akruti	CSR00001517
12\	Skill development- Vocational Course	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune	6.33	No	Swa-Roop Wardhinee	CSR00002033
13\	Skill development- Vocational Course	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Maharashtra	Pune and Nagpur	8.30	No	Yashaswi Academy for Skills	CSR00000192
14\	Special Education for Hearing Impaired students- Procurement of Hearing aid machine	Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economic	Yes	Telangana	Hyderabad District	5.64	Yes	Persistent Foundation	CSR00002967
15\	Support for Nutrition	Promoting health care including preventive health care	Yes	Karnataka and Telangana	Bengaluru Urban	7.50	No	Sri Sathya Sai Annapoorna Trust	CSR00002081
16\	Support for Cataract Operations	Promoting health care including preventive health care	Yes	Maharashtra	Pune	6.00	No	Seth Tarachand Ramnath Charitable Ayurvedic Hospital Trust	CSR00005308
17\	Support for Cataract Operations	Promoting health care including preventive health care	Yes	Maharashtra	Nagpur	1.00	No	Swami Vivekananda Medical Mission	CSR00005068
18\	Support for Cataract Operations	Promoting health care including preventive health care	Yes	Telangana	Hyderabad District	9.00	No	Hyderabad Eye Institute	CSR00001698
19\	Support for Cataract Operations	Promoting health care including preventive health care	Yes	Bengaluru	Bengaluru Urban	4.00	No	Sri Vivekananda Sevashrama	CSR00006269
20\	Comprehensive care to patients affected by Facial Cleft and palate	Promoting health care including preventive health care	Yes	Maharashtra, Telangana, Karnataka	Pune, Nagpur, Hyderabad District, Bengaluru Urban	147.56	No	Akila Bharatha Mahila Seva Samaja	CSR00016661
21\	Support for Preventive Health Care	Promoting health care including preventive health care	Yes	Maharashtra, Telangana	Pune, Hyderabad District	24.2	Yes	Persistent Foundation	CSR00002967
22\	Support for physiotherapy center	Promoting health care including preventive health care	Yes	Maharashtra	Nagpur	5.50	Yes	Persistent Foundation	CSR00002967

Amounts in ₹ Lakhs

Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount allocated for the project	Mode of Implementation — Through Implementing Agency		
				State	District		Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
23\	Tree Plantation	Ensuring environmental sustainability	No	Maharashtra	Satara	57.40	No	Wildlife Research And Conservation Society	CSR00004158
24\	Tree Plantation	Ensuring environmental sustainability	Yes	Maharashtra	Pune	10.00	No	Terre Policy Centre	CSR00001446
25\	Comprehensive watershed and livestock development program	Rural development projects	No	Maharashtra	Pune	103.76	No	BAIF Institute for Sustainable Livelihoods And Development	CSR00000259
26\	Support for Drinking Water	Rural development projects	No	Maharashtra	Pune	15.49	No	Sevavardhini	CSR00000860
27\	Support for Drinking Water	Rural development projects	No	Maharashtra	Pune	12.39	No	Torna Rajgad Parisar Samajonnati Nyas	CSR00010307
28\	Support for Drinking Water	Rural development projects	No	Maharashtra	Pune	7.3	No	Jnana Prabhodhini	CSR00002565
29\	Skill development- Reuse Recycle- Laptop Refurbishment and Vocational Course	Ensuring environmental sustainability,	Yes	Maharashtra	Pune	1.05	No	Poornam Eco Vision	CSR00002686
30\	Mission Urja	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune	8.00	No	Technology Reuse Environment Empowerment Innovative Foundation	CSR00001523
31\	Need Assessment for watershed development project	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune	5.38	No	BAIF Institute for Sustainable Livelihoods And Development	CSR00000259
32\	Project Hygiea	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water 4[including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	Yes	Maharashtra	Pune	1.38	No	Technology Reuse Environment Empowerment Innovative Foundation	CSR00001523
33\	Supporting ACM	Contributing to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government; and	Yes	Maharashtra	Pune	16.00	No	ACM	CSR00017730
34\	Support for medical needs- consumables, equipment, vaccination, etc Supported 13 hospitals	Covid relief work	Yes	Maharashtra, Karnataka, Telangana, Goa	Pune, Nagpur, Satara, Sangali, South Goa, North Goa, Urban Karnataka	466.21	Yes	Persistent Foundation	CSR00002967
35\	Support for livelihood generation for covid affected families in rural parts of Satara- Support for machinery for small scale business	Covid relief work	No	Maharashtra	Satara	13.73	No	BAIF Institute for Sustainable Livelihoods And Development	CSR00000259
36\	Support for livelihood generation for covid widows in rural parts of Satara and Sangali - Support for training and seed capital for small scale business	Covid relief work	Yes	Maharashtra	Pune, Satara,	31.36	No	Centre For Youth Development & Activities	CSR00001160
37\	Support for livelihood generation for covid affected families - Support for training and seed capital for small scale business	Covid relief work	No	Maharashtra	Yavatmal	15.00	No	Seva Sahayog Foundation	CSR00000756
38\	Support for Food kit	Covid relief work	Yes	Maharashtra	Pune	1.60	No	Sevavardhini	CSR00000860
39\	Support for dray ration kit for a period of 3 months for residential school	Covid relief work	No	Maharashtra	Sangali	18.24	No	Shikshan Prasarak Mandal Kurudwad	CSR00020744
40\	Support for procurement of truck-mounted oxygen tank	Covid relief work	Yes	Maharashtra	Pune	4.00	No	Swa-Roop Wardhinee	CSR00002033
41\	Support for Old Age Homes	Setting up homes and hostels for women and orphans; setting up old age homes, daycare centers, and such other facilities for senior citizens	Yes	Maharashtra	Pune	1.16	Yes	Help Age India	CSR00000901
42\	Animal Welfare,	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources, and maintaining the quality of soil, air, and water	Yes	Maharashtra	Pune	0.59	Yes	Wildlife Research & Conservation Society	CSR00004158
43\	Admin		Yes	Maharashtra	Pune	21.46	Yes	Persistent Foundation	CSR00002967

- d. Amount spent in Administrative Overheads — ₹ 1.29 Million
- e. Amount spent on Impact Assessment, if applicable — **Not Applicable**
- f. Total amount spent for the Financial Year (8b+8c+8d+8e) — ₹ 115.53 Million
- g. Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ Million)
i.	Two percent of the average net profit of the company as per section 135(5)	110.24
ii.	Total amount spent for the Financial Year	115.53
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	5.29
iv.	Surplus arising out of the CSR projects or programs or activities of the previous financial years, if any	0.00
v.	The amount available for set off in succeeding financial years [(iii)-(iv)]	5.29

- 9\ a. Details of Unspent CSR amount for the preceding three financial years — **Not Applicable**
- b. Details of CSR amount spent in the Financial Year for ongoing projects of the preceding financial year(s) — **Not Applicable**
- 10\ In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year — **No capital assets have been created or acquired out of the CSR Funds.**
- 11\ Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5) — **Not Applicable**

On behalf of the Board of Directors

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Pradeep Bhargava
Independent Director, Chairman of the CSR Committee
DIN: 00525234

Pune, April 27, 2022

Annexure E to the Report of the Directors

Details of the other certifications for technical processes and systems:

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
1\	ISO 9001:2015 Quality Management System	Software design, development, testing, maintenance, support services and business enabling functions for product engineering, platforms integration & solution, SMAC (social, mobility, analytics and cloud) services and accelerite business unit for software products	Pune (Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge), Nagpur, Bengaluru, Hyderabad, Goa, Malaysia, France	March 11, 2010	March 11, 2022 – March 10, 2025
2\	ISO 13485:2016 Quality Management System for Medical Devices	Software Product Design, Development, Testing, Enhancement and Support for Medical Device Software	Pune (Aryabhata-Pingala, Blueridge)	October 31, 2017	April 19, 2022 – April 18, 2025
3\	ISO/IEC 27001:2013 Information Security Management System ISO 27701:2019 Privacy Information Management System	Management of information security pertaining to software design, development, testing, operations, maintenance, support services, ensuring privacy & security for PII data in public cloud service utilization and business enabling functions using the guidance in ISO/IEC 27017:2015 and ISO/IEC 27018:2014 and using applicable controls of ISO/IEC 27701:2019 as PII Data Controller and PII Data Processor as per the statement of applicability version 9.0 dated 24-Dec-2021 for - Product engineering, platforms integration & solution, digital, cloud, security, internet of things (IoT), data analytics offerings - Banking financial services & insurance, life sciences & health care, industrial markets, telecom and Software & Hi-Tech - Accelerite business unit for software products.	Pune (Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge, Panini), Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad, Goa, Bengaluru, France, Malaysia, Sri Lanka, Dublin (Ohio, USA), Jalisco (Mexico)	February 6, 2008	March 11, 2022 – March 10, 2025
4\	ISO 14001:2015 Environment Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge), Nagpur, Hyderabad, Goa	May 21, 2012	March 11, 2022 – March 10, 2025
5\	ISO 45001:2018 Occupational Health and Safety Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge), Nagpur, Hyderabad, Goa	March 8, 2019	March 9, 2022 – March 8, 2025
6\	CMMI For Dev 2.0 Maturity Level 5	Organizational Unit: Software Industry and Services Lines LoBs covering Software Development, Maintenance Projects	Pune and Nagpur	May 25, 2018	August 27, 2021 – August 26, 2022

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
7\	ISO 22301 Management System Certificate	Management of business continuity of critical services infrastructure and information systems required for software design, development, operations, maintenance, support services for \ Product Engineering, Platform integration and solution, digital, cloud, security, internet of things (IOT), data analytics offerings \ Banking financial services & insurance, software products, life sciences & health care and industrial markets	Pune (Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge, Panini), Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad, Goa, Bengaluru, France, Malaysia, Sri Lanka, Jalisco (Mexico)	February 15, 2021	February 15, 2021 – February 15, 2024
8\	ISO AGS 14064-1 Green House Gases emission Verification Statement	Green House Gases emission Verification Statement and certificate for Persistent Systems Limited	Pune(Aryabhata-Pingala, Bhageerath, Hinjewadi, Blueridge), Nagpur, Bengaluru, Hyderabad, Goa, Mumbai	February 18, 2015	September 8, 2021 – September 7, 2022

Details of the Partner Certifications:

Sr. No.	Partner	Certification	Applicable Geo(s)
1\	Microsoft — CSP Tier 1	CSP Tier 1- Indirect, ITes360 and Gold Partner. Gold Competencies — Application Development, Application Integration, Cloud Platform, Cloud Productivity, Data Analytics, Data Platform, Datacenter, DevOps, Messaging Silver Competencies — Security Total Certifications: 668 (Persistent 618 + 50 Mediaagility)	NA, India, EMEA, APAC
2\	OutSystems — GSI Sales & Delivery Partner (Global Top 30 program)	Traditional Web Developer, Reactive Developer, Tech Lead, Mobile Developer Specialist, Architecture Specialist, Delivery Specialist, Pre-Sales Certification 56 Associate Developers 23 Tech Leads or Professional or Expert Developers Total Certification:210	US, India
3\	DataBricks	New Partnership. No Certification.	US, India
4\	Appian	Total Certificates:386.	US, APAC
5\	Unqork	64 Certifications	US, India
6\	Snowflake	6 Certificates. We are at Basic level of Partnership.	NA, APAC
7\	Red Hat	We are Advanced Partner. They maintain Accreditations. Total Accreditations: 415	NA, EMEA, APAC
8\	UiPath	9 RPA Associates	US, India
9\	IBM	52 Resources Certified. We have become a Platinum Partner (Need to confirm once).	NA, EMEA, APAC
10\	Mulesoft	171 Resources Certified	NA, EMEA, APAC
11\	Mambu	We are Strategic Partner with Mambu. 80+ Practitioners.	NA, EMEA, APAC
12\	Tibco	50 Resources Certified	US, India
13\	GCP	392 Certifications (343 Mediaagility+49 Persistent). Persistent is at Partner Level and Mediaagility is at Premier Level.	NA, EMEA, APAC

Sr. No.	Partner	Certification	Applicable Geo(s)
14\	Saviynt	We are Diamond Partner.	NA, EMEA, APAC
15\	AWS	<p>AWS Advanced Consulting Partner.</p> <p>Current Competency and Service Delivery Programs: Data & Analytics Consulting Competency, DevOps Consulting Competency, Financial Services Consulting Competency, IoT Consulting Competency, SaaS Consulting Competency, AWS Lambda Delivery, Amazon EC2 for Windows Server Delivery</p> <p>Total Certifications: 427 (Persistent 416 + 11 Mediaagility)</p> <p>Professional/Specialty Certifications: 80</p> <p>Associate Certifications: 205</p> <p>Foundational Certifications: 107</p>	US, India, EMEA, APAC
16\	Salesforce	<p>We are Summit Partner. ISV, Sales Cloud, Service Cloud, Marketing cloud, community, Mulesoft, Tableau, Einstein, Health Cloud, Financial Service cloud, Field service lightning, Architect certifications, Sharing & security, Vlocity, B2B</p> <p>Commerce, B2C commerce, Platform</p> <p>Total Certification: 3,826</p>	NA, India, Europe, Australia, APAC

Report on Corporate Governance

Company's beliefs on Corporate Governance

“Corporate governance is concerned with holding the balance between economic and social goals and between individual and communal goals. The governance framework is there to encourage the efficient use of resources and equally to require accountability for the stewardship of those resources. The aim is to align as nearly as possible the interests of individuals, corporations, and society.”

Dominic Cadbury, British businessman and member of the Cadbury chocolate manufacturing dynasty

Traditionally, stakeholders of a public limited company are defined in legal terms as its shareholders, debenture-holders, deposit-holders, and any other security holders. Our Company believes that in today's day and age, the definition of the stakeholders must be extended beyond what is stated in strictly legal terms and must include the society and constituents that have a stake in the functioning of the Company in the broader context of the ecosystem. After due consideration and deliberations by the Board Members, the Company has decided to adopt a broader definition of stakeholders to explicitly include the following entities in addition to its investors. This approach has also been adopted by the Board in view of its sustainability goals:

1\ Society

The Company works in and for the community of people; without which it would have no relevance. Society is the very reason for its existence. Communities in different nations where the Company operates are considered as stakeholders in the Company. The Company shall strive hard to contribute to the well-being and prosperity of society.

2\ Clients

The Company provides services to its clients because of which we earn our revenue. Their satisfaction and delight are important focus areas of the Company's operations. Therefore our clients are considered as our stakeholders.

3\ Partners

Our partners help us deliver services to our clients. Partnerships are mutual and we believe that our success depends on the support we get from our partners. We must ensure the success of our partners and hence, we consider them as our stakeholders.

4\ Suppliers

In the execution of our business, there are several products and services that the Company acquires from suppliers. The efficiency and effectiveness of our operations critically depend on the quality, efficiency, and effectiveness with which our suppliers provide products and services to us. We believe, it is our responsibility to ensure the long-term success of our suppliers. Therefore, the suppliers are considered stakeholders of our Company.

5\ Employees and their Families

Everything that the Company does, is done by our employees. It is indeed their expertise, hard work, efficiency, and dedication that permit the Company to perform to the best of its abilities. Senior employees help us formulate our strategic thinking and our business approach and supervise all our operations. Our employees are supported by their families, and we are responsible for their wellbeing. Our employees and their families are important stakeholders of our Company.

6\ Shareowners/Investors

Shareowners are the owners of the Company and are the traditional stakeholders in the Company. They are the reason for our existence and their ongoing support is essential for the existence of the Company. Therefore, they are our primary stakeholders.

7\ Environment

It is a constant endeavor of the Company to conserve and preserve the environment. Over the years, the Company has focused on sustainable business practices encompassing economic, environmental, and social imperatives. The Company also works through Persistent Foundation, to support projects in the areas of environmental sustainability and ecological balance.

To maintain and nurture harmonious relations with all these stakeholders, the Company has established elaborate mechanisms. The Company is committed to global sustainability goals and has pledged to track and improve on metrics defined as part of the ESG efforts of the Company.

Relations with customers and suppliers are maintained by the management and are monitored by the senior leaders and the Board. The Nomination and Remuneration Committee (the 'NRC') of the Board specifically caters to our relations with our employees. The Stakeholder Relationship and ESG Committee (the 'SRC') specifically looks after the interests of our investors, shareholders, and any other security holders as mandated by the law. In order to have Board level attention to the Company's ESG initiatives, these have been brought under the purview of Stakeholder Relationship Committee, which has been renamed as "Stakeholder Relationship and ESG committee".

In order to comprehensively cater to the building and nurturing of harmonious relations with all our stakeholders, the Company additionally requires the SRC to specifically collect inputs from management and other committees responsible for the relationships with different stakeholders, and to prepare and submit an annual brief to the Board. This report forms part of this Report.

The Company believes in raising the bar and upholding the highest standards of Corporate Governance as it enhances the long-term value of the Company for its stakeholders. Good governance is an essential ingredient of good business. The following report on the implementation of the Corporate Governance Practices is a sincere effort of the Company to follow the Corporate Governance Principles in its letter and spirit.

1\ Board of Directors

a. Size and Composition of the Board

The Board of Directors of the Company has a combination of Executive, Non-Executive and Independent Directors with rich professional backgrounds. As of March 31, 2022, the Company's Board consisted of Eleven Directors — Three Executive Directors, Seven Independent Directors and One Non-Executive Non-Independent Director. Independent Directors fulfill the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board is chaired by a full-time Executive Director who is a Promoter. Table 1 gives the composition of the Board and the number of outside directorships held by each of the Directors as of March 31, 2022:

Table 1: Board of Directors

Name of the Director and Director's Identification Number (DIN)	Category	Directorships		Number of Committee Positions held **		
		Indian Companies		Foreign Companies		
		Public*	Private	Chairman	Member	
Dr. Anand Deshpande (DIN: 00005721)	Founder, Chairman and Managing Director	0	1	5	Nil	1
Roshini Bakshi (DIN: 01832163)	Independent Director	3	Nil	1	Nil	1
Pradeep Bhargava (DIN: 00525234)	Independent Director	3	1	Nil	Nil	3
Ms. Avani Davda (DIN: 07504739)	Additional Director (Independent member)	3	Nil	Nil	Nil	3
Guy Eiferman (DIN: 08101854)	Independent Director	Nil	Nil	1	Nil	Nil
Dr. Anant Jhingran (DIN: 05116722)	Independent Director	Nil	Nil	Nil	Nil	Nil
Praveen Kadle (DIN: 00016814)	Independent Director	5	6	1	2	4
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	Nil	3	Nil	Nil
Thomas (Tom) Kendra (DIN: 07406678)	Non-Executive Non-Independent Director	Nil	Nil	1	Nil	Nil
Prof. Deepak Phatak (DIN: 00046205)	Independent Director	2	0	Nil	1	1
Sunil Sapre (DIN: 06475949)	Executive Director and Chief Financial Officer	Nil	1	8	Nil	1

* Excluding directorship in Persistent Systems Limited

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

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

Table 2: Details of the Directorships in Other Indian Listed Entities

Name of the Director and Director's Identification Number (DIN)	Category	Directorships in other Listed Entities	Name of Listed Entities
Dr. Anand Deshpande (DIN: 00005721)	Chairman and Managing Director	Nil	
Roshini Bakshi (DIN: 01832163)	Independent Director	1 (One)	1\ Independent Director, J M Financial Limited
Pradeep Bhargava (DIN: 00525234)	Independent Director	2 (Two)	1\ Independent Director, Automotive Stampings and Assemblies Limited 2\ Independent Director, Himatsingka Seide Limited
Avani Davda (DIN: 07504739)	Additional Director (independent Member)	2 (Two)	1\ Independent Director, Mahindra Logistics Limited 2\ Independent Director, NIIT Limited
Guy Eiferman (DIN: 08101854)	Independent Director	Nil	
Dr. Anant Jhingran (DIN: 05116722)	Independent Director	Nil	
Praveen Kadle (DIN: 00016814)	Independent Director	1 (Two)	1\ Independent Director, Tide Water Oil Co India Ltd.
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	
Thomas (Tom) Kendra (DIN: 07406678)	Non-Executive Non-Independent Director	Nil	
Prof. Deepak Phatak (DIN: 00046205)	Independent Director	Nil	
Sunil Sapre (DIN: 06475949)	Executive Director and Chief Financial Officer	Nil	

In terms of the Regulation 26 of Listing Regulations, none of the Directors of the Company were members of more than 10 Committees or acted as the Chairperson of more than 5 Committees across all companies in India, in which they are a Director.

Further, the Independent Directors have made the declaration that they are 'Independent' and their directorships in the above companies and their committees do not conflict with the interest of Persistent Systems Limited.

Based on these declarations, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act and Regulation 16(1)(b) of Listing Regulations and that they are independent of the management.

There is no inter-se relationship between the Directors.

In addition to the disclosure of Chairmanship/Membership of Committees of Directors disclosed in Table 1 above, the Chairmanship/Membership of Directors of the Company in other Committees (excluding Chairmanship/Membership in Private Limited Companies) of March 31, 2022, is given below:

Table 3: Chairmanship/Membership of Directors of the Company in Other Committees

Name of the Director	Category	Membership in Committees	Chairmanship in Committees
Dr. Anand Deshpande	Chairman and Managing Director	1	Nil
Roshini Bakshi	Independent Director	2	Nil
Pradeep Bhargava	Independent Director	1	5
Avani Davda	Additional Director (Independent Member)	3	2
Guy Eiferman	Independent Director	2	Nil
Dr. Anant Jhingran	Independent Director	1	Nil
Praveen Kadle	Independent Director	6	4
Sandeep Kalra	Executive Director and Chief Executive Officer	2	Nil
Thomas (Tom) Kendra	Non-Executive Non-Independent Director	1	Nil
Prof. Deepak Phatak	Independent Director	4	Nil
Sunil Sapre	Executive Director and Chief Financial Officer	2	Nil

b. Brief Description of Terms of Reference of the Board of Directors

- i. To manage and direct the business and affairs of the Company
- ii. To manage, subject to the Articles of Association of the Company, its affairs, including planning its composition, selecting its Chairman, appointing Committees, establishing the terms of reference and duties of Committees, and, determining Directors' compensation
- iii. To act honestly and in good faith in the best interests and objects of the Company, its employees, its shareholders, the community, and for the protection of the environment
- iv. To exercise due care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgment
- v. To participate directly or through its Committees, in developing and approving the mission of the business, its objectives, and goals, and the strategy for their achievement
- vi. To ensure congruence between shareholders' expectations, Company's goals, objectives, and management performance
- vii. To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances
- viii. To approve and monitor compliance with all significant policies and procedures by which the Company is operated
- ix. To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards
- x. To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders, and regulators on a timely and regular basis
- xi. To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other processes and procedures as per the notified Secretarial Standards issued by the Institute of Company Secretaries of India
- xii. To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities
- xiii. Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company

- xiv. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company
- xv. Not to assign his office and any assignment so made shall be void; and
- xvi. To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company

c. Chart Setting out the Competencies of the Board

The Board of Directors takes into consideration the following parameters while nominating the candidates to serve on the Board:

- 1\ Expertise in the Software Industry
- 2\ Large-scale global operations
- 3\ Strategy and planning
- 4\ Financial, treasury management and taxation expertise
- 5\ Governance, Compliance and Audit purview

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

Table 4: Details of the Specific Areas of Focus and Expertise of Individual Board Members

Name of the Director	Expertise in the Software Industry	Large-scale global operations	Strategy and planning	Financial, treasury management and taxation expertise	Governance, Compliance and Audit purview
Dr. Anand Deshpande	✓	✓	✓	✓	✓
Roshini Bakshi	-	✓	✓	✓	✓
Pradeep Bhargava	-	✓	✓	✓	✓
Avani Davda	-	✓	✓	✓	✓
Guy Eiferman	✓	✓	✓	-	-
Dr. Anant Jhingran	✓	✓	✓	-	-
Praveen Kadle	-	✓	✓	✓	✓
Sandeep Kalra	✓	✓	✓	-	✓
Thomas (Tom) Kendra	✓	✓	✓	-	-
Prof. Deepak Phatak	✓	✓	✓	-	✓
Sunil Sapre	-	✓	✓	✓	✓

d. Board Meetings and Deliberations

The Company Secretary, in consultation with the Chairman of the Company and Chairman of the respective Board Committees, prepares the agenda and supporting documents for discussion at each Board meeting and Committee meetings, respectively. Members of the Board or Committees are free to suggest items to be included in the agenda, in addition to their right to bring up matters for discussion at the meeting with the permission of the Chairman.

Information and data that is important to the Board to understand the business of the Company in general and related matters are tabled for discussion at the meeting. The agenda is circulated in writing to the members of the Board seven days in advance before the meeting.

The Board and the Audit Committee meet in executive session, at least four times during a financial year, mostly at quarterly intervals inter alia to review quarterly financial statements and other items on the agenda. Additional meetings are held, as deemed necessary, to conduct the business. Those members of the Board, who are not able to participate in the Board meetings in-person, generally, participate in the meeting through teleconferencing.

The Business Unit Heads, Chief Financial Officer, Chief People Officer, Chief of Operation, and Chief Planning Officer of the Company attend the Board and Committee meetings upon invitation. The other executives and delivery heads are generally invited to the meetings on a need basis.

In terms of the Regulation 17 of Listing Regulations, the gap between two Board meetings must not exceed one hundred and twenty days; this is strictly followed. The maximum gap between two Board meetings held during the Financial Year 2021-22 was Ninety days i.e. from January 28, 2021 to April 29, 2021. Due to COVID-19 pandemic restrictions and in terms of the MCA Notification (F. No. 1/32/2013-CL-V-Part) dated March 19, 2020, and its extensions from time to time, all the meetings were held through video conferencing/other audio-visual means.

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

During the Financial Year 2021-22, seven meetings of the Board of Directors were held on

- 1\ April 28, 29, & 30, 2021
- 2\ June 10, 2021
- 3\ July 22 & 23, 2021
- 4\ September 20, 2021
- 5\ October 25, 26, & 27, 2021
- 6\ December 28, 2021, and
- 7\ January 19, 20 & 21, 2022

Table 5 below gives the attendance record of the Directors at the Board meetings and at the last Annual General Meeting held on July 21, 2021. In this report, the signs below, wherever they appear, denote the following:

Y - Attended through Video Conferencing; N - Absent from the meeting; C - Attended as Chairperson

Table 5: Attendance of Directors at the Board Meetings and Annual General Meeting (AGM)

Name of the Director	← Board Meetings →							
	April 28, 29, & 30, 2021	June 10, 2021	July 22, & 23, 2021	September 20, 2021	October 25, 26, & 27, 2021	December 28, 2021	January 19, 20 & 21, 2022	AGM held on July 21, 2021
Dr. Anand Deshpande	C	C	C	C	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y	Y	Y	Y	Y
Pradeep Bhargava	Y	Y	Y	Y	Y	Y	Y	Y
Avani Davda*	NA	NA	NA	NA	NA	NA	Y	NA
Guy Eiferman	Y	Y	Y	Y	Y	Y	Y	Y
Dr. Anant Jhingran	Y	N	Y	Y	Y	N	Y	Y
Praveen Kadle	Y	Y	Y	N	Y	Y	Y	Y
Sandeep Kalra	Y	Y	Y	Y	Y	Y	Y	Y
Thomas Kendra	N	Y	Y	Y	Y	Y	Y	Y
Prof. Deepak Phatak	Y	Y	Y	Y	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y	Y	Y	Y	Y

*Appointed as an Additional Director (Independent member) w.e.f. December 28, 2021

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

The Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees and the Directors individually including Independent Directors through an external management consultant who is specialized in Board evaluations. The evaluation was conducted in March and April 2022 and the findings of the evaluation were presented at the meetings of the Nomination and Remuneration Committee and the Board of Directors held in April 2022.

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

- \ To consider holding special sessions at a greater frequency, by rotation, on themes like long-term goals, shifts in technologies, and markets, as part of the Board agenda.

Proposed actions based on the current year's comments:

- \ The Board will increase the frequency of sessions with the Executive Management on strategic discussions such as strategy/people/ technology/markets to guide them.

Previous year's observations (For FY 2020-21) and actions taken are as follows:

- 1\ **Observation:** Improvements have been made in focusing Board discussion on strategic issues. This needs further improvement. This may be due to the new management team that has not adequately interacted with the Board and with the fact that meetings have not been held in person and have been only online.
Action taken: The Board participated on Strategic initiatives.
- 2\ **Observation:** The risks are changing very fast. More work needs to be done to ensure that we are managing risks adequately.
Action taken: The impact assessment of risks in Risk Repository is a regular activity and is being conducted on quarter-to-quarter basis. This activity is now conducted more rigorously.
- 3\ **Observation:** The Investment Committee is a welcome new group which could be leveraged more by the Management.
Action taken: The Investment Committee actively participated in the evaluation and review of the acquisitions and investment proposals made during the year.

2\ Committees of the Board of Directors

As of March 31, 2022, the Company has 7 (Seven) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship and ESG Committee, Corporate Social Responsibility Committee, Executive Committee, and Investment Committee. The Board Committees are represented by a combination of Executive and Independent/Non-Executive Directors. The Chairman of all the Committees is an Independent Director.

As per the Charter of respective Committees, the Committees deliberate on the matters assigned/referred to it by the Board or as mandated by the statutes. Information and data that is important to the Committees to discuss the matter are distributed in writing to the members of the Committees well in advance of the meeting. Recommendations of the Committees are submitted to the Board to decide on the matter requiring Board's decision. In any case, the minutes of all Committee meetings/important Calls of Board or its committees are circulated to the Board members for information/noting.

Due to COVID 19 pandemic restrictions, in terms of Section 173(2) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Amendment Rules, 2021, and in terms of the MCA Notification (F. No. 1/32/2013-CL-V-Part) dated March 19, 2020, and its extensions from time to time, all the meetings of the Committees of the Board were held through video conferencing/other audio-visual means.

A. Audit Committee

Brief Description

The Audit Committee was voluntarily constituted by the Board at its meeting held on April 23, 2004, even before the Company was converted into a public limited company.

The Audit Committee ensures prudent financial and accounting practices, fiscal discipline, and transparency in financial reporting. In terms of one of its important terms of reference, the quarterly financial statements are reviewed by the Audit Committee and recommended to the Board for its adoption.

All the members of the Committee are financially literate whereas the Chairman of the Committee is a financial management expert. Table 6 gives the composition of the Audit Committee of the Board of Directors as of March 31, 2022:

Table 6: Composition of the Audit Committee

Name of the Director	Category
Praveen Kadle	Chairman of the Committee and Independent Director
Roshini Bakshi	Independent Director
Pradeep Bhargava	Independent Director
Avani Davda	Additional Director (Independent member)

In addition to the Audit Committee members, Statutory Auditors, Chief Financial Officer, Chief Planning Officer, Head – Internal Audit, Chief People Officer, Chief of Operations, Chief Administrative Officer, Business Unit Heads, and other executives are invited to the Audit Committee Meetings, on a need basis.

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

Necessary information such as Management Discussion and Analysis of financial performance and results of operations, statement of significant related party transactions submitted by the management, management letters/letters of internal control weaknesses issued by the Statutory Auditors, internal audit reports relating to internal control weaknesses and the terms relating to internal auditors in terms of Regulation 18 of Listing Regulations are reviewed by the Audit Committee.

The Committee considers related party transactions, material modifications thereto and all the material Related Party Transactions of the Company for its approval. The Committee meets Statutory Auditors without the executive management every quarter.

The Committee has the following powers and responsibilities including but not limited to -

- i. To oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- ii. To review, with the management, annual financial statements, and auditor's report before submission to the Board for approval, with particular reference to -
 - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of Clause (5) of Section 134 of the Companies Act, 2013
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with the listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- iii. To review, with the management, the quarterly financial statements and auditor's report before submission to the Board for approval
- iv. To recommend to the Board, the appointment, re-appointment and if required, the replacement or removal of the Statutory Auditor and fixation of audit fees
- v. To grant approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- vi. To discuss with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- vii. To review management letters/letters of internal control weaknesses issued by the Statutory Auditors
- viii. To recommend appointment, removal, and terms of remuneration of the Chief Internal Auditor
- ix. To hold discussion with Internal Auditors on any significant findings and follow up thereon
- x. To review internal audit reports relating to internal control weaknesses

- xi. To review, the management, performance of statutory and internal auditors and adequacy of internal control systems
- xii. To review the adequacy of the internal audit function, if any, including the structure of the internal audit department, ,staffing and seniority of the official heading the department, reporting structure coverage, and frequency of internal audit
- xiii. To review the findings of any internal investigations by the internal auditors in the matters where there is suspected fraud or irregularity or a failure of internal control systems of material nature and reporting the matter to the Board
- xiv. To review management discussion and analysis of financial condition and results of operations
- xv. To review the statement of significant related party transactions (as defined by the Audit Committee), submitted by management
- xvi. Approval or any subsequent modification of transactions of the Company with the related party
- xvii. To review substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends), and creditors
- xviii. To develop a policy on the engagement of Statutory Auditors for non-audit services
- xix. To ensure the compliance with the Statutory Auditors' recommendations
- xx. To meet Internal and Statutory Auditors without the presence of the Company's executive management periodically
- xxi. To confirm the engagement of an Independent valuer for the valuation of shares, whenever called for and verify whether the valuer for valuation has an advisory mandate and had a past association with the Company management
- xxii. To review certificates regarding the compliance of legal and regulatory requirements
- xxiii. To review the functioning of the Whistle Blower mechanism
- xxiv. The Company, the statement of funds utilized for purposes other than those stated in prospectus and making appropriate recommendations to the Board to take up steps in this matter
- xxv. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate
- xxvi. Scrutiny of inter-corporate loans and investments
- xxvii. To carry out any other function as is mentioned in the terms of reference of the Audit Committee and entrusted by the Board
- xxviii. To review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding ₹ 100 Crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances/investments
- xxix. To review the compliance with the provisions of the SEBI Insider Trading Regulations at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively

The Audit Committee is further empowered to do the following:

- i To investigate any activity within terms of reference
- ii To seek information from any employee
- iii To obtain outside legal professional advice and
- iv To secure attendance of outsiders with relevant expertise, if it considers necessary

Meetings and Attendance

4 (Four) meetings of the Audit Committee were held during the Financial Year 2021-22.

Table 7 gives the details of the attendance of the members of the Audit Committee at its meetings held during the Financial Year 2021-22. Further, certain decisions were taken by passing the resolutions by way of circulation and were subsequently noted and taken on record by the Board and the Audit Committee at its next meeting.

Table 7: Details of the Attendance at the Audit Committee Meetings held during the Financial Year 2021-22

Name of the Director	← Audit Committee Meeting →			
	April 28, 2021	July 20, 2021	October 25, 2021	January 19, 2022
Praveen Kadle	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y
Pradeep Bhargava	Y	Y	Y	Y
Avani Davda*	NA	NA	NA	NA

* Inducted as a member of the Committee w.e.f. January 19, 2022.

B. Nomination and Remuneration Committee

Brief Description

The Nomination and Remuneration Committee of the Board was constituted on July 24, 2019. It replaced the erstwhile two committees, namely, the Compensation and Remuneration Committee and Nomination and Governance Committee.

The Chairperson and all members of the Committee are Independent Directors except Mr. Thomas Kendra who is the Non-Executive Non-Independent Director.

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

Table 8 gives the composition of the Nomination and Remuneration Committee of the Board of Directors as of March 31, 2022.

Table 8: Composition of the Nomination and Remuneration Committee

Name of the Director	Category
Pradeep Bhargava	Chairman of the Committee and Independent Director
Guy Eiferman	Independent Director
Thomas Kendra	Non-Executive Non-Independent Director
Prof. Deepak Phatak	Independent Director

The Committee is constituted with powers and responsibilities including but not limited to:

- i. To develop a pool of potential director candidates for consideration in the event of a vacancy on the Board of Directors
- ii. To determine the future requirements for the Board as well as its Committees and make recommendations to the Board for its approval
- iii. To identify, screen, and review individuals qualified to serve as executive directors, non-executive directors and independent directors
- iv. To provide its recommendation to the Board for appointment of CEO, CXO Level Employees, and Senior Management
- v. To evaluate the current composition and governance of the Board of Directors and its Committees and make appropriate recommendations to the Board, whenever necessary
- vi. To review the suitability for continued service as a director of each Board member when his or her term expires and when he or she has a significant change in status such as employment change etc. and shall recommend whether or not the director should be reappointed
- vii. To evaluate and recommend termination of membership of an individual director for cause or other appropriate reasons
- viii. To evaluate and make recommendations to the Board of Directors concerning the appointment of Directors to Board Committees and the Chairman for each of the Board Committees
- ix. To recommend to the Board, candidates for
 - a. Nomination for the re-election of Directors by the Shareholders and
 - b. Any Board vacancies which are to be filled by the Board

- x. To play a consultative role for any appointment at the top management level namely, COO, CMO, CFO, President of Persistent Systems Inc., or appointment requiring Board approval such as Company Secretary
- xi. To carry out annual/periodic performance review of the Board of Directors individually and collectively as well as for its various committees on behalf of/as desired by the Board of Directors
- xii. To review the general compensation policy of the Company (including that of ESOPs) and convey its recommendation to the Board, if any
- xiii. To advise the Board in framing remuneration policy for Key Managerial Personnel, CXO Level Employees and Senior Management of the Company from time to time
- xiv. To make recommendations to the Board about the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment
- xv. To determine and decide the following ESOP related activities:
 - a. To decide the quantum of equity shares/options to be granted under Employee Stock Options Schemes (ESOS), per employee and the total number in aggregate
 - b. To determine at such intervals, as the Nomination and Remuneration Committee considers appropriate, the persons to whom shares or options may be granted
 - c. To determine the exercise period within which the employee should exercise the option and condition in which option will lapse on failure to exercise the option within the exercise period
 - d. To decide the conditions under which shares, or options vested in employees may lapse in case of termination of employment for any reason
 - e. To lay down the procedure for making a fair and reasonable adjustment to the number of shares or options and to the exercise price in case of rights issues, bonus issues and other corporate actions
 - f. To lay down the right of the employee to exercise all the options vested in him at one time or at various points of time within the exercise
 - g. To specify the grant, vest and exercise of shares/options in case of employees who are on long leave
 - h. To construe and interpret the plan and to establish, amend and revoke rules and regulations for its administration
 - i. The Nomination and Remuneration Committee may correct any defect, omission or inconsistency in the plan or any option and/or vary/amend the terms to adjust to the situation that may arise
 - j. To approve transfer of shares in the name of employee at the time of exercise of options by such employee under ESOS
 - k. To lay down the procedure for cashless exercise of options and
 - l. To attend any other responsibility as may be entrusted by the Board

The Nomination and Remuneration Committee is further empowered to:

- i. To conduct or authorize studies of matters within the Committee's scope of responsibility with full access to all books, records, facilities and personnel of the Company
- ii. To hire legal, accounting, financial or other advisors in their best judgement
- iii. To have sole authority to retain or terminate any search firm to be used to identify Director candidates
- iv. To have sole authority to approve the search firm's fees and other retention terms
- v. The Committee may act on its own in identifying potential candidates, inside or outside the Company or may act upon proposals submitted by the Chairman of the Board
- vi. The Committee may consider advice and recommendations from the management, shareholders or others, as it deems appropriate and

- vii. The Company conducts a performance evaluation of the Independent Directors and Board as a whole by an External Management Consultant and the findings of the evaluation are presented at the meeting. Recommendations/Results on the performance of the Directors are then considered by the Committee before the re-appointment of a Director and measures to increase the effectiveness of the Board are considered

Meetings and Attendance

The Nomination and Remuneration Committee generally meets in the first or second quarter of the financial year to recommend the remuneration to be paid to the Managing Director and Executive Director/s of the Company, to advise the Board in framing remuneration policy for its Business Unit Heads, Head – Operations, Key Managerial Personnel and Senior Management of the Company from time to time and to recommend to the Board, the Directors retiring by rotation to be reappointed at the Annual General Meeting. Apart from this, the Nomination and Remuneration Committee meets as and when there is any business to be transacted which has been assigned to it.

3 (Three) meetings of the Nomination and Remuneration Committee were held during the Financial Year 2021-22. Table 9 gives the details of the attendance of the members of the Nomination and Remuneration Committee at its meetings held during the Financial Year 2021-22.

Certain decisions were taken by passing resolutions by way of circulation. The said resolutions were subsequently noted and taken on record by the Board and this Committee at its next meeting.

Table 9: Details of the Attendance at the Nomination and Remuneration Committee Meetings during the Financial Year 2021-22

Name of the Director	←————— Nomination and Remuneration Committee Meeting —————→		
	April 28 & 30, 2021	June 5, 2021	October 1, 2021
Pradeep Bhargava	C	C	C
Guy Eiferman	Y	Y	Y
Thomas Kendra	N	Y	Y
Prof. Deepak Phatak	Y	Y	Y

Remuneration Policy

The Remuneration Policy for Directors, Key Managerial Personnel, Senior Managerial Personnel and other employees of Persistent Systems Limited and its subsidiaries is available on our website, at <https://www.persistent.com/wp-content/uploads/2022/06/Persistent-Systems-Remuneration-Policy.pdf>

- i. The broad remuneration structure of the Executive Directors, Key Managerial Personnel and Senior Managerial Personnel include any of the following components:
- Basic Pay
 - Perquisites and Allowances
 - Commission (Applicable in case of Executive Directors)
 - Long term incentives (such as ESOPs)
 - Retiral benefits
 - Annual Performance Bonus
 - Any other component as may be mandatory in terms of the local statutory payroll norms for any employee

The Variable Components of the Key Managerial Personnel and Senior Managerial Personnel of the Company are as follows:

- Company Performance Bonus (CPB)
 - Based on Company Revenue and
 - Based on Company Profits
- Individual Performance Bonus (IPB)
 - Based on Individual Objectives as set in Performance Management & Health Management system (PHMS)
- Soft Parameters
 - As decided by reporting manager

- ii. All the Non-Executive Directors are entitled to payment of commission at a sum not exceeding 1% per annum of net profits (i.e. ₹ 88.85 Million for FY 2021-22) calculated as per Section 198 of the Companies Act, 2013. One Independent Director has been granted Stock Options before April 1, 2014. He has not exercised any options during the year under report. The Company is in compliance with the statutory requirements w.r.t. payment to the Non-Executive Directors.
- iii. The total managerial remuneration not to exceed 11% of the net profits of the Company (₹ 977.40 Million for FY 2021-22) and the total remuneration to the managerial persons not to exceed 10% of the net profits of the Company (₹ 888.54 Million for FY 2021-22) in accordance with Section 197 of the Act. The Company is in compliance with both these statutory requirements.

Remuneration to the Directors

The Company pays Executive Directors remuneration by way of salary, benefits, perquisites and allowances (fixed component) and performance incentives (variable component). Annual increments are decided by the Nomination and Remuneration Committee of the Board of Directors and are within the range of the remuneration approved by the Members.

Table 10 and Table 11 gives details of remuneration paid to Executive, Non-Executive and Independent Directors of the Company, respectively, in the Financial Years 2020-21 and 2021-22.

Table 10: Remuneration to the Executive Directors[^]

(In ₹ Million)

Name of the Director	Category	Year ended March 31	Salary and allowance	Performance Linked Incentive/ Commission	Company's contribution to provident and superannuation fund	Perquisite and other payments [#]	Total
Dr. Anand Deshpande	Chairman and Managing Director	2022	16.18	12.90	2.86	-	31.94
		2021	12.70	11.32	2.24	-	26.26
Sandeep Kalra	Executive Director and Chief Executive Officer	2022	61.23	37.23	9.16	361.06	468.68
		2021	46.38	14.76	3.55	45.84	110.53
Sunil Sapre	Executive Director and Chief Financial Officer	2022	8.60	6.85	1.51	73.25	90.21
		2021	7.10	6.35	1.25	31.72	46.42
Total		2022	86.01	56.98	13.53	434.31	590.83
		2021	99.84	58.02	9.92	173.93	341.71

[^] Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 888.54 Million (being 10% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).

[#] The value of perquisites represents the amount of perquisites towards exercise of stock options which does not form part of CTC (Cost to Company).

[\] The complete details of the options granted to the Executive Directors of your Company are available on the website of the Company at <https://www.persistent.com/investors>

Service Contracts, Notice Period, Severance Fees

The Company does not have any policy for service contracts, notice period and severance fees or any other payment to the Independent Directors when they leave the Company.

Section 197 of the Act provides that a Director who is not in the whole-time employment of the Company (i.e. Non-Executive Director) may be paid remuneration by way of commission at a sum not exceeding 1% per annum of net profits. In the Financial Year 2021-22, the aggregate commission to all the Non-Executive Directors paid was ₹ 20.831 Million and does not exceed the statutory limit.

Table 11: Remuneration to Non-Executive Directors[^]

(In ₹ Million)

Name of the Director	Category	Year ended March 31	Salary and allowance	Commission*	Sitting fees*	Others	Total
Roshini Bakshi	Independent Director	2022	NA	2.883	1.200	NA	4.083
		2021	NA	1.733	0.744	NA	2.477
Pradeep Bhargava	Independent Director	2022	NA	2.883	1.450	NA	4.333
		2021	NA	1.733	0.912	NA	2.645
Avani Davda**	Additional Director (Independent Member)	2022	NA	0.643	0.150	NA	0.793
		2021	NA	NA	NA	NA	NA
Guy Eiferman	Independent Director	2022	NA	2.883	0.925	NA	3.808
		2021	NA	1.733	0.444	NA	2.177
Dr. Anant Jhingran	Independent Director	2022	NA	2.883	0.650	NA	3.533
		2021	NA	1.733	0.481	NA	2.214
Praveen Kadle	Independent Director	2022	NA	2.887	1.300	NA	4.187
		2021	NA	1.656	0.812	NA	2.468
Thomas Kendra	Non-Executive Non-Independent Director	2022	NA	2.883	0.750	NA	3.633
		2021	NA	1.733	0.344	NA	2.077
Prof. Deepak Phatak	Independent Director	2022	NA	2.883	1.000	NA	3.883
		2021	NA	1.733	0.462	NA	2.195
Total		2022	NA	20.831	7.425	NA	28.256
		2021	NA	12.906	4.837	NA	17.743

[^] Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 88.85 Million (being 1% of net profit of the Company calculated as per Section 198 of the Companies Act, 2013).

* Commission and Sitting fees are excluding service tax/Goods and service tax.

**Appointed as an Additional Director (Independent Member) w.e.f. December 28, 2021.

Independent Directors have been granted Stock Options before April 1, 2014. Out of them, no Independent Director has exercised any option during the year under report and there are no pending stock options 'vested but not exercised' during the last 2 financials year.

In case of in-person meetings, all outstation Directors are provided travel and accommodation for attending the Board and Committee Meetings.

Table 12 gives details of shares held by Independent Directors and Non-Executive Non-Independent Directors as of March 31, 2022.

Table 12: Shares held by Independent Directors and Non-Executive Non-Independent Directors as on March 31, 2022

Name of the Director	Shares held (through exercise of vested stock options)	Shares held (through allotment under a pre-IPO scheme)	Shares held (through market purchase/IPO)	Total Shares held
Roshini Bakshi	Nil	Nil	Nil	Nil
Pradeep Bhargava	12,000*	Nil	Nil	12,000
Avani Davda	Nil	Nil	Nil	Nil
Guy Eiferman	Nil	Nil	Nil	Nil
Dr. Anant Jhingran	Nil	Nil	Nil	Nil
Praveen Kadle	Nil	Nil	Nil	Nil
Thomas Kendra	Nil	Nil	Nil	Nil
Prof. Deepak Phatak	Nil	Nil	Nil	Nil

* ESOPs were granted prior to April 1, 2014.

There is no pecuniary and non-pecuniary relationship between the Independent Directors vis-a-vis the Company except as stated above.

C. Risk Management Committee

Brief Description

The Risk Management Committee of the Board was constituted on April 24, 2017, even before the requirement of forming this Committee was applicable to the Company.

Table 13 gives the composition of the Risk Management Committee of the Board of Directors as of March 31, 2022.

Table 13: Composition of the Risk Management Committee

Name of the Director	Category
Praveen Kadle	Chairman of the Committee and Independent Director
Sandeep Kalra	Executive Director and Chief Executive Officer
Sunil Sapre	Executive Director and Chief Financial Officer
Dr. R. Venkateswaran	Member and Chief Information Officer

The Chairman of the Committee is an Independent Director.

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

Meetings and Attendance

4 (Four) meetings of the Risk Management Committee were held during the Financial Year 2021-22.

Table 14 gives the details of the attendance of the members of the Risk Management Committee at its meetings held during the Financial Year 2021-22.

Table 14: Details of the attendance at the Risk Management Committee meetings held during the Financial Year 2021-22

Name of the Director	← Risk Management Committee Meeting →			
	April 26, 2021	July 20, 2021	October 22, 2021	January 18, 2022
Praveen Kadle	C	C	C	C
Sandeep Kalra	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y
Dr. R. Venkateswaran	Y	Y	Y	Y

The Committee has the following powers and responsibilities including but not limited to:

- i. To review financial and risk management policies
- ii. To review report on compliance of laws and risk management including Cybersecurity, reports issued by Statutory/Internal Auditors; and
- iii. To carry out any other function as is mentioned in the terms of the Risk Management Committee and entrusted by the Board.

D. Stakeholders Relationship and ESG Committee

Brief Description

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

The Company has aim to provide more focus and detailed efforts toward ESG implementation. Considering the same, the Board at its meeting held in January 2022, decided to assign an additional responsibility of overlooking the ESG monitoring-related work at the Company to the Stakeholders Relationship Committee. Accordingly, the name of the Committee has been amended to 'Stakeholders Relationship and ESG Committee' with the following addition in the terms of reference of the Committee:

'To oversee the Environment, Social and Governance (ESG) initiatives at Persistent'

Apart from the above, the Committee specifically looks into the redressal of shareholders' and investors' grievances such as transfer/transmission of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.

The Chairperson of the Committee is an Independent Director.

Table 15 gives the composition of the Stakeholders Relationship and ESG Committee of the Board of Directors as of March 31, 2022.

Table 15: Composition of the Stakeholders Relationship and ESG Committee

Name of the Director	Category
Prof. Deepak Phatak	Chairman of the Committee and Independent Director
Dr. Anand Deshpande	Chairman and Managing Director
Sunil Sapre	Executive Director and Chief Financial Officer

The Company Secretary of the Company is the Secretary of the Committee for the purpose of stakeholders' related matters.

The Committee was constituted with the powers and responsibilities including but not limited to:

- i To supervise and ensure efficient share transfers, share transmission, transposition, etc.
- ii To approve allotment, transfer, transmission, transposition, consolidation, split, name deletion, and issue of duplicate share certificate of equity shares of the Company
- iii. To redress shareholder and depositor complaints like non-receipt of Balance Sheet, non-receipt of declared dividends, etc.
- iv. To review service standards and investor service initiatives undertaken by the Company
- v. To address all matters about Registrar and Share Transfer Agent including appointment of new a Registrar and Share Transfer Agent in place of the existing one
- vi. To address all matters about Depositories for dematerialization of shares of the Company and other matters connected therewith
- vii. To resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of the annual report, non-receipt of declared dividends, and issue of new/duplicate certificates, general meetings, etc.
- viii. To review measures taken for the effective exercise of voting rights by shareholders
- ix. To review adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent
- x. To review the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company and
- xi. To oversee the Environment, Social and Governance (ESG) initiatives at Persistent
- xii. To attend to any other responsibility as may be entrusted by the Board within the terms of reference

Meetings and Attendance

The Committee meets at least once every financial year. 2 (Two) meetings of the Committee were held during the Financial Year 2021-22.

Table 16: Details of the Attendance at the Stakeholders Relationship and ESG Committee Meetings held during the Financial Year 2021-22

Name of the Director	← Stakeholders Relationship and ESG Committee Meeting →	
	April 28, 2021	October 26, 2021
Prof. Deepak Phatak	C	C
Dr. Anand Deshpande	Y	Y
Sunil Sapre	Y	Y

Key Stakeholders of the Company and our Key Initiatives

The Company always strives for the betterment of its stakeholders which include the society, clients, partners, our employees, the shareowners, the Board of Directors, vendors, and even the environment.

Last year, as a part of our effort towards stakeholders' advancement, the Company went one step ahead and presented the list of key stakeholders of the Company and key initiatives taken and practices followed by the Company. The purpose of this was to maintain good relationships and to safeguard the rights and best interest of these stakeholders.

As every stakeholder matters to us, we continued our dedicated efforts in form of various initiatives for our stakeholders. The Company at every meeting of the Stakeholder Relationship and ESG Committee takes an update on initiatives taken towards the Company's stakeholders.

Following are the initiatives that were taken during FY 2021-22:

Key Stakeholders of the Company Key initiatives taken/practices followed during FY 2021-22

Key Stakeholders of the Company	Key initiatives taken/practices followed during FY 2021-22
Board of Directors and the Senior Management as per the Remuneration Policy of the Company	<ul style="list-style-type: none"> \ We provided updates to the Board and its Committees on recent amendments in the legal landscape impacting the Organization and providing information on an ongoing basis which helps in decision-making and adopting various control mechanisms. \ We provided insights on management audits/process improvement initiatives that contribute to revenue growth, cost optimization, and other business objectives. While doing so, we study peer process/practices through reaching out to peer networks and available peer information and identify what can be implemented in the best interest of Persistent. \ We helped train and certify 30 delivery managers and women leaders through our flagship programs during H2 FY22. We have also launched a domain-specific hiring program for Life Sciences and Healthcare domains.
Government Regulatory Authorities/Government bodies/ Chamber of Commerce	<ul style="list-style-type: none"> \ We continued to participate in the surveys conducted by RBI and MCCIA; and provided detailed information about the performance of the Company and forecast for the next quarters. \ We continued our efforts to curtail the procedural delays in the matter of approval by the RBI for Form ESOP and Form FC-GPR relating to the exercising of the ESOPs by Foreign Nationals and NRIs. We approached the concerned department head in the Foreign Exchange Department of the RBI. \ As a result, Form FC - GPRs and Form ESOPs filed by the Company with the RBI are being processed in 2 weeks, which earlier was taking 2 months for processing. In addition to this, we also approached M/s. ESOP Direct, a specialized firm in ESOP management services for making a representation to the RBI. This representation will mention the hardship the Company is facing and the inconvenience to the Foreign employees whose funds are blocked due to delayed RBI approvals. \ We continued to provide the documents/information promptly, as and when asked by Income Tax Authorities and maintained a cordial relationship with all the Governmental/Regulatory authorities.
Our Clients	<ul style="list-style-type: none"> \ We conducted periodic third-party audits on Persistent's integrated management system and also discuss best practices for auditing, risk management, and automation with our clients. \ We are members of the Core Working Group - India forum, supporting and guiding Scaled Agile Inc.'s growth. As a part of this membership, we take various initiatives toward the framework development of our clients and partners. \ We continued to enhance the end-to-end Persistent brand experience for all clients and prospects. We ensured that our brand values and personality come across in our communication to clients.
Our Employees	<ul style="list-style-type: none"> \ Under employee care, we continued with vaccination drives and provided vaccination reimbursement to employees and their core family members. \ We developed a range of content like blogs, case studies, videos, and experiences like face-to-face events, websites, and webinars to increase brand awareness, create a more favorable selling environment and help generate a pipeline for the sales teams. \ We started the 'Meet & Greet' program for various teams in selected locations in India in Q2 FY22. This initiative helped employees to overcome the fear of coming to the office, team get-togethers, and reestablish good communication post pandemic.

Key Stakeholders of the Company Key initiatives taken/practices followed during FY 2021-22

Our Vendors	<ul style="list-style-type: none"> \ We initiated the Recruitment process outsourcing ('RPO') model to nurture select vendors and to bring in more synergy with the business. \ We enabled a partner framework to build a strategic backend supply chain ecosystem. This includes building partnerships with key players like TCSiON, Qspider, AlmaBetter, and NextWave. \ We continued providing Annual scholarships to the children of the staff of our Vendors through Persistent Foundation
Shareowners of the Company	<ul style="list-style-type: none"> \ We communicated through the mail, emails, and SMS with our 443 No. shareholders holding 34,155 equity shares who have not claimed their unclaimed Dividend for the past 7 years. We are also trying to motivate those shareholders to pay attention to the procedural requirement to claim their unclaimed dividend and avoid these shares from getting transferred to IEPF, New Delhi. \ In addition to submission of Quarterly financial results to the Stock Exchanges which is mandatory submission, the Company voluntarily released the Analyst Presentation and press release for past quarters to the exchanges for shareholders' consumption. The Company further voluntarily scheduled an analyst call to address the queries, if any, w.r.t quarterly performance and the way forward.
Society at large	<ul style="list-style-type: none"> \ Through Persistent Foundation, we continue to undertake various projects for the betterment of society. \ Under COVID relief work, through Persistent Foundation, we reached out to 5,085 families and 18,893 individuals. Along with this, support was provided for ventilators, the establishment of COVID care centers, high flow oxygen machines, oxygen concentrators, and vaccination. \ We undertook plantation of 22,266 trees and 37,700 trees were nurtured in the Area of Koyana region in Maharashtra, India. \ We supported 1,000 children in the age group of 2 to 6 years to combat malnutrition and supported 235 facial cleft and pallet surgeries. \ Our Employees contributed 260 volunteering hours and employee contribution was ₹ 1,720,000 under difference drives.

In the coming years, we will ensure to continue to strive for the betterment of our stakeholders by providing them with the best possible services and adapting the best practices which will help to maintain a good harmonious relationship with them and to safeguard their rights and best interest.

Investors' Grievances

During the Financial Year ended March 31, 2022, the Company has attended to investors' grievances expeditiously.

Table 17: The details of the requests/complaints received and disposed off during the year are as under:

Sr. No.	Nature of Request/Complaint	Opening Balance as on April 1, 2021	Received	Attended	Pending as on March 31, 2022
1\	Revalidation of warrants /issue of fresh drafts	0	52	52	0
2\	SCORES	0	0	0	0
3\	BSE/NSE	0	0	0	0

The Members may contact the Company Secretary of the Company for their queries, if any, at the contact details provided in the Shareholders' Information in this report and also available on the Company Website at

<https://www.persistent.com/investors/>

Web-based Query Redressal System

The Company has set up a facility on the Company website to help members of the Company raise their share related queries. The webpage can be accessed at <https://www.persistent.com/investors/#investor-complaints>.

The Company addresses all investors queries and grievances expeditiously.

E. Corporate Social Responsibility (CSR) Committee

Brief Description

In terms of Section 135 of the Act, the Board of Directors at its meeting concluded on April 19, 2014, constituted the Corporate Social Responsibility Committee.

The Chairperson of the Committee is an Independent Director.

The Company is committed to Corporate Social Responsibility and the Board takes on record updates on the CSR activities of Persistent Foundation and the Company. Mrs. Sonali Deshpande as the Chairperson of Persistent Foundation participates in Board Meetings every six-months to share updates and to seek the Board's guidance on proposed activities of the Foundation. Dr. Anand Deshpande, Chairman and Managing Director, Mr. Sunil Sapre, Executive Director and Chief Financial Officer and Mr. Pradeep Bhargava, Independent Director and Chairman of the CSR Committee are trustees of Persistent Foundation and ensure that the Board's guidance is followed by the Foundation.

Mr. Sunil Sapre, Executive Director and Chief Financial Officer of the Company certified that the CSR funds of the Company have been disbursed and utilized during FY 2021-22 in the manner approved by the Board of Directors and the same has been placed before the Board at its April 2022 meeting.

Table 18 gives the composition of the CSR Committee of the Board of Directors as on March 31, 2022.

Table 18: Composition of the CSR Committee

Name of the Director	Category
Pradeep Bhargava	Chairman of the Committee and Independent Director
Dr. Anand Deshpande	Chairman and Managing Director
Prof. Deepak Phatak	Independent Director
Avani Davda	Additional Director (Independent Member)

The Committee is constituted with powers and responsibilities including but not limited to:

- i. To formulate and recommend to the Board a CSR Policy which will define the focus areas and indicate the activities to be undertaken by the Company under CSR domain
- ii. To recommend to the Board necessary amendments, if any, in the CSR Policy from time to time
- iii. To monitor the budget under the CSR activities of the Company and
- iv. To accomplish the various CSR projects of the Company independently or through 'Persistent Foundation' and/or any other eligible NGO/Social Institute, as the case may be

Further, the CSR Committee is empowered to do the following:

- i. To seek information from any employee as considered necessary
- ii. To obtain outside legal professional advice as considered necessary
- iii. To secure attendance of outsiders with relevant expertise and
- iv. To investigate any activity within terms of reference

Meetings

The meeting of the Committee was held on April 28, 2021, to review the CSR activities of the Company being conducted during the Financial Year 2021-22. As per the provisions of the Act, the Company is required to spend towards CSR activities at least 2% of the average net profits of the Company during the three immediately preceding financial years which amounted to ₹ 110.24 Million. The Company spent ₹ 115.53 Million by way of donations to various eligible institutions and has complied with the provisions of the Act. Consequently, the Company is eligible to claim set-off of ₹ 5.29 Million during the Financial Year 2022-23.

Based on the profits of immediately preceding three financial years ending on March 31, 2022, the Committee recommended to the Board of Directors, the amount of ₹ 115.12 Million must be spent towards CSR activities as per Section 135 of the Act for the Financial Year 2022-23.

Table 19 gives details of attendance at the CSR Committee Meeting held during the Financial Year 2021-22.

Table 19: Details of the Attendance at the CSR Committee Meeting during the Financial Year 2021-22

Name of the Director	← CSR Committee Meeting → April 28, 2021
Pradeep Bhargava	C
Dr. Anand Deshpande	Y
Prof. Deepak Phatak	Y
Avani Davda*	NA

* Inducted as the member of the Committee w.e.f. January 19, 2022.

F. Executive Committee

Brief Description

The Executive Committee of the Board was constituted on January 29, 2005. The Executive Committee was constituted to review the implementation of decisions taken by the Board of Directors in between two Board meetings.

The Chairman of the Committee is an Independent Director.

Table 20 gives the composition of the Executive Committee of the Board of Directors as on March 31, 2022.

Table 20: Composition of the Executive Committee

Name of the Director	Category
Pradeep Bhargava	Chairman of the Committee and Independent Director
Roshini Bakshi	Independent Director
Avani Davda	Additional Director (Independent Member)
Praveen Kadle	Independent Director
Dr. Anant Jhingran	Independent Director
Sandeep Kalra	Executive Director and Chief Executive Officer
Sunil Sapre	Executive Director and Chief Financial Officer

The Committee is constituted with powers and responsibilities including but not limited to:

- i. To review and follow up on the action taken on the Board decisions
- ii. To review the operations of the Company in general
- iii. To review the systems followed by the Company
- iv. To examine proposal for investment in real estate
- v. To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board
- vi. To review capital expenditure against the budget
- vii. Report on Corporate Governance
- viii. To authorize opening and closing of bank accounts
- ix. To authorize additions/deletions to the signatories pertaining to banking transactions
- x. To approve investment of surplus funds for an amount not exceeding ₹ 25 Crores as per the policy approved by the Board
- xi. To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products
- xii. To approve donations as per the policy approved by the Board

xiii. To delegate authority to the Company officials to represent the Company at various courts, government authorities and so on and

xiv. To attend to any other responsibility as may be entrusted by the Board to investigate any activity within terms of reference.

Further, the Executive Committee is empowered to do the following:

- a. To seek information from any employee as considered necessary
- b. To obtain outside legal professional advice as considered necessary
- c. To secure attendance of outsiders with relevant expertise and
- d. To investigate any activity within terms of reference

Meetings and Attendance

The Executive Committee meets generally between two board meetings. 4 (Four) meetings of the Executive Committee were held during the Financial Year 2021-22.

Table 21 gives the details of the attendance of the members of the Executive Committee at its meetings held during the Financial Year 2021-22.

Table 21: Details of the Attendance at the Executive Committee Meetings during the Financial Year 2021-22

Name of the Director	Executive Committee Meeting			
	May 24, 2021	August 25, 2021	December 14, 2021	February 22, 2022
Pradeep Bhargava	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y
Avani Davda*	NA	NA	NA	Y
Dr. Anant Jhingran	Y	Y	Y	N
Praveen Kadle	Y	Y	Y	Y
Sandeep Kalra	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y

* Inducted as the member of the Committee w.e.f. January 19, 2022.

3\ Subsidiary Companies

During the Financial Year 2021-22, the Company along with its wholly-owned subsidiary Persistent Systems Inc. and Persistent Systems Germany GmbH have completed two acquisitions. Following are the details of the said acquisitions:

- 1\ Persistent Systems Inc., USA acquired Software Corporation International LLC, USA and its affiliate Fusion360 LLC, USA, on October 5, 2021.
- 2\ Persistent Systems Germany GmbH, Germany a wholly-owned subsidiary of the Company acquired Data Glove IT Solutions Limitada, Costa Rica on March 1, 2022.

Further, the Audit Committee and the Board of Directors review the consolidated financial statements of the Company and its subsidiary companies on a quarterly basis.

The Audit Committee and the Board of Directors review related party transactions entered into by the Company including those with the subsidiary companies.

Details of percentage holding of the Company in the subsidiary companies as on March 31, 2022

Name of the Subsidiary Company	Country of Registration	Holding percentage
Persistent Systems Inc.	USA	100%
Persistent Systems Pte. Ltd.	Singapore	100%
Persistent Systems France S.A.S.	France	100%
Persistent Systems Malaysia Sdn. Bhd.	Malaysia	100%
Persistent Systems Germany GmbH	Germany	100%
Capiot Software Private Limited	India	100%
Persistent Telecom Solutions Inc.	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Aepona Group Limited	Ireland	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Aepona Limited	UK	100% subsidiary of Aepona Group Limited - Step down subsidiary of the Company
Persistent Systems Lanka (Private) Limited	Sri Lanka	100% subsidiary of Aepona Group Limited - Step down subsidiary of the Company
Persistent Systems Israel Ltd.	Israel	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Persistent Systems Mexico S.A. de C.V.	Mexico	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
PARX Werk AG	Switzerland	100% subsidiary of Persistent Systems Germany GmbH - Step down subsidiary of the Company
PARX Consulting GmbH	Germany	100% subsidiary of PARX Werk AG - Step down subsidiary of the Company
Youperience GmbH	Germany	100% subsidiary of Persistent Systems Germany GmbH - Step down subsidiary of the Company
Youperience Ltd.	UK	100% subsidiary of Youperience GmbH - Step down subsidiary of the Company
Capiot Software Inc.	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Capiot Software Pty Ltd	Australia	100% subsidiary of Capiot Software Inc. - Step down subsidiary of the Company
Capiot Software Pte Ltd.	Singapore	100% subsidiary of Capiot Software Inc. - Step down subsidiary of the Company
Persistent Systems S.r.l.	Italy	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Software Corporation International*	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Fusion360 LLC*	USA	100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company
Data Glove IT Solutions Limitada*	Costa Rica	100% subsidiary of Persistent Systems Germany GmbH - Step down subsidiary of the Company

* Acquired during the Financial Year 2021-22.

4\ General Meeting Details

a. The details of the last three years Annual General Meetings are as follows:

Financial Year	Date	Time (IST)	Venue
2018-19 29 th AGM	July 24, 2019	1100 Hrs.	Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016
2019-20 30 th AGM	July 24, 2020	1600 Hrs.	Held through Video Conferencing/Other Audio-Visual Means in terms of the SEBI and MCA circulars
2020-21 31 st AGM	July 21, 2021	1600 Hrs.	Held through Video Conferencing/Other Audio-Visual Means in terms of the SEBI and MCA circulars

b. The details of the Extra-Ordinary General Meeting held are as follows:

Financial Year	Date	Time (IST)	Venue	Resolution
2019-20	September 4, 2019	1500 Hrs.	Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016	Appointment of M/s. Walker Chandiook & Co LLP, Chartered Accountants (Firm Registration No. 001076N/N500013) as the Statutory Auditors of the Company to hold office from the conclusion of this Extra Ordinary General Meeting ('EOGM') up to the conclusion of the 30 th Annual General Meeting of the Company to be held in the calendar year 2020 i.e. on or before September 30, 2020 at the remuneration of ₹ 9.00 Million plus applicable taxes and reimbursement of expenses at actuals incurred in connection with the audit of accounts of the Company for the period starting with quarter ending September 30, 2019 up to and including the quarter ending June 30, 2020.

Apart from the above, there were no Extra-Ordinary General Meetings held during the last three financial years.

c. The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Date of AGM	Sr. No.	Venue
July 24, 2019 29 th AGM	i.	To reappoint Ms. Roshini Bakshi (DIN: 01832163) for the second term of 5 (Five) years as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years for a term up to conclusion of the 34th Annual General Meeting
	ii.	To reappoint Mr. Pradeep Kumar Bhargava (DIN: 00525234) for the second term of 3 (Three) years as an Independent Director of the Company, not liable to retire by rotation, to hold office for 3 (Three) consecutive years for a term up to conclusion of the 32nd Annual General Meeting
	iii.	To reappoint Mr. Prakash Telang (DIN: 00012562) for the second term of 1 (One) year as an Independent Director of the Company, not liable to retire by rotation, to hold office for 1 (One) year for a term up to conclusion of the 30th Annual General Meeting
	iv.	To reappoint Mr. Kiran Umrootkar (DIN: 00326672) for the second term of 1 (One) year as an Independent Director of the Company, not liable to retire by rotation, to hold office for 1 (One) year for a term up to conclusion of the 30th Annual General Meeting
July 24, 2020 30 th AGM	i.	No special resolutions were considered during the 30 th Annual General Meeting held on July 24, 2020.
July 21, 2021 31 st AGM	i.	To approve amendments in the 'Persistent Employee Stock Option Scheme 2014'
	ii.	To Grant employee stock options to the employees of subsidiary company(ies) of the Company under 'Persistent Employee Stock Option Scheme 2014
	iii.	To approve amendments in the 'Persistent Systems Limited – Employee Stock Option Plan 2017'
	iv.	To Grant employee stock options to the employees of subsidiary company(ies) of the Company under 'Persistent Systems Limited – Employee Stock Option Plan 2017'

5\ Resolution Passed by Postal Ballot:

During the Financial Year 2021-22, there were no resolutions passed through the Postal Ballot.

6\ Disclosures

A. Code of Conduct

Pursuant to the requirements of Regulation 17(5)(a) of Listing Regulations, the Company obtains the affirmation of compliance of the Code of Conduct from its Directors and Senior Management on a yearly basis since Financial Year 2005-06. Furthermore, the Company made the Code of Conduct applicable to all its employees and employees of group companies during Financial Year 2021-22.

The Code of Conduct is an annual declaration that helps remind all employees and stakeholders the importance of maintaining highest standards of ethical business conduct for the Company. In terms of the Code of Conduct, Directors and Employees must act within the guidelines of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders and stakeholders.

Further, Directors and Employees must ensure that they do not derive any undue personal benefit because of their position in the Company and because they have access to certain confidential information coming to their knowledge.

It has been affirmed to the Board of Directors that this Code of Conduct has been complied with by all the Board members and all the Employees and a declaration to this effect forms part of this report. The Code of Conduct is uploaded on the website of the Company at [Code of Conduct for Directors and Employees | Persistent Systems.](#)

B. Familiarization Program for the Board of Directors

Pursuant to the requirements of Regulation 25(7) of Listing Regulations, the Company conducts the Familiarization Program for Independent Directors as well as other Directors on the Board about their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc., through various initiatives. The Company also shares the organizational structure and operations on a regular basis. A few initiatives under familiarization program are elaborated at [Familiarization Program at Persistent for Directors.](#)

C. Board Offsite

As part of our annual strategy planning process, the Company organizes an offsite for the Board Members and Senior Executives to deliberate on various topics related to technological overview, global scenario for IT industry, sales strategy, market research, risk overview, succession planning and strategic programs required to achieve the Company's long-term objectives.

This serves a dual purpose of providing a platform for Board Members to bring their expertise to the projects, while also providing an opportunity for them to understand detailed aspects of execution and challenges relating to the business of the Company.

The above are specific mechanisms through which the Board Members are familiarized with the Company culture and operations. Apart from these, there are additional sessions on demand on specific topics.

During the Financial Year 2021-22, there were no offsite due to COVID-19 pandemic restrictions.

D. Whistleblower Policy

The Board of Directors of the Company has adopted a Whistleblower Policy for employees and for the non-employee stakeholders in India and all global locations. The employees are encouraged to report to the Whistleblower Administrator, if they observe any fraudulent financial or other information or conduct that results in the instances of unethical behavior, actual or suspected violation of the Company's Code of Conduct and the Ethics Policy. The Board of Directors has appointed the Chairman of the Audit Committee as the Whistle Blower Administrator.

This policy and practices provide adequate safeguards against victimization of employees who report to the Whistleblower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee. The Whistleblower Policy is uploaded on the website of the Company at [Whistleblower Policy | Persistent Systems](#)

E. Complaints Pertaining to Sexual Harassment

The details of complaints filed, disposed of and pending during every quarter pertaining to sexual harassment are reported to the Board in every meeting and are included in the [Report of the Directors](#).

F. Policy on Material Subsidiary

In terms of Regulation 16 (1) (c) of Listing Regulations, the Policy on Material Subsidiary is framed to determine the Material Subsidiaries of the Company and to provide the governance framework for such subsidiaries. The policy to determine the Material Subsidiaries of the Company is uploaded at [Material Subsidiary Policy | Persistent Systems](#).

G. Disclosures on material significant related party transactions that may have potential conflict with the interests of the Company

During the Financial Year 2021-22, there were no material significant transactions, pecuniary transactions or relationships between the Company and the Promoters, Directors and their relatives and the management that has potential conflict of interest of the Company.

Details of all transactions entered into by the Company with the related parties have been disclosed under “Related Party Transactions” in the Notes to Accounts of the Company which form part of this Annual Report. A policy determining the Related Party Transactions is uploaded on the website of the Company at [Related Party Transactions Policy | Persistent](#).

H. Risk Management and Internal Control Policies adopted by the Company

The [Report on Risk Management](#) and Internal Control Policies adopted by the Company forms separate part of this Annual Report.

I. Adherence to Accounting Standards

The Company follows the Accounting Standards and guidelines prescribed by the Institute of Chartered Accountants of India (ICAI) and notified by the MCA.

J. Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount

Loans and advances are covered under Section 186 of the Act form part of the notes to the financial statements provided in this Annual Report. (Refer notes [7](#), [10](#), [15](#), [16](#), [18](#) and [34](#) of the Standalone Financial Statements).

K. Implementation of Compliance Tool

The Company ensures that adequate tools and appropriate processes are in place for adherence with all the statutory compliances. Compliances applicable to Company globally are monitored and tracked through a web-based tool. In the year 2016, Company implemented the Compliance Tool to report and track the domestic compliances; while the same tool was enhanced and is being used to report and track the global compliances for 11 locations since July 2018. The said Tool is used to record and report the compliances as and when they are due. A detailed report derived from the said tool is placed before the Board and Audit Committee during every quarterly meeting.

Amendments to the existing laws and introduction of new laws are reviewed, updated in the system and the same is monitored by the Company.

L. Data Protection Initiatives

Global Data Protection Regulation (“GDPR”) is the Europe’s new framework that came into force in May 2018. Purpose of GDPR is not only to harmonize data privacy laws across Europe but also to give greater protection and rights to individuals. Applicability of GDPR is not restricted to European companies, but GDPR applies even to companies outside Europe if they process information about European persons’ personal data.

The Company respects the privacy and choices of an individual and is committed to protect the data it processes. The Company implements policies, procedures and systems that follow Privacy by Design principles. With the help of third-party, the Company has assessed alignment of its processes and policies with respect to GDPR requirements and has taken concrete steps to protect rights of individuals under GDPR.

The Company even follows the Data Privacy Laws/principles at the other countries where the Company operates through its offices or has customers.

M. Details of Non-compliance

There were no non-compliances by the Company, no penalties and strictures were imposed on the Company by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets, during the year from April 1, 2021, to March 31, 2022.

The Company has complied and disclosed all the mandatory requirements under the Listing Regulations.

N. Remuneration to the Directors of the Company

Information relating to the remuneration to the Directors during the Financial Year 2021-22 has been provided under the details of the Nomination and Remuneration Committee in this report.

7\ Management Discussion and Analysis

As required by Regulation 34(2)(e) of Listing Regulations, the Management Discussion and Analysis Report is provided elsewhere in the Annual Report.

8\ Corporate Social Responsibility Report

A [Report on the Corporate Social Responsibility \(CSR\)](#) initiatives of the Company has been provided elsewhere in the Annual Report.

9\ Shareholders' Information

A. Means of Communication

The Company constantly communicates to the institutional investors about the operations and financial results of the Company. Besides publishing the abridged financial results in one national and one regional daily newspaper respectively, as per Regulation 46 of the Listing Regulations, the complete audited/limited reviewed financial statements are published on the Company's website (www.persistent.com) at Financial Highlights of Persistent Systems - Quarterly Results under 'Investors' section. The transcripts of call with analysts are also available on the Company's website.

The Company uses a wide array of communication tools including face-to-face, online and offline channels to ensure that information reaches all the stakeholders in their preferred medium.

The table below gives the snapshot of the communication channels used by the Company to communicate with its stakeholders:

Particulars	Board Meetings	Shareholders Meetings	Formal Notices	Website Information	Press/Web Release	E-mails	Annual Reports	Newspaper
Board of Directors	✓	✓	✓	✓	✓	✓	✓	✓
Shareholders	-	✓	✓	✓	✓	-	✓	✓
Employees	-	-	-	✓	✓	✓	✓	✓
Financial Analysts	-	-	-	✓	✓	✓	✓	✓
General Public	-	-	-	✓	✓	-	-	✓
Frequency	Quarterly	Annually	Ongoing	Ongoing	Ongoing	Ongoing	Annually	Ongoing

Details of newspapers where Quarterly Results of the Company were published:

← Publication of Financial Results in Newspapers →					
Publication of the Financial Results for the Quarter ended		June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
English	Date of Publication	July 23, 2021	October 27, 2021	January 21, 2022	April 28, 2022
	Newspapers	The Financial Express (All India editions)	The Financial Express (All India editions)	The Financial Express (All India editions)	The Financial Express (All India editions)
Marathi	Date of Publication	July 23, 2021	October 27, 2021	January 21, 2022	April 28, 2022
	Newspapers	Loksatta (Pune edition)	Loksatta (Pune edition)	Loksatta (Pune edition)	Loksatta (Pune edition)

B. Corporate Identity Number (CIN)

The Corporate Identity Number (CIN), allotted by the Ministry of Corporate Affairs, Government of India is 'L72300PN1990PLC056696'. The Company is registered in the State of Maharashtra, India.

C. General Details of the Company**i. Registered Office**

'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India.

ii. Financial Year of the Company is from 1st April of every year to 31st of March next year.**iii. Forthcoming Annual General Meeting of the Company**

The forthcoming Annual General Meeting of the Company will be held on Tuesday, July 19, 2022, at 1600 hrs. (IST) through hybrid mode i.e. combination of in-person attendance or Video Conferencing/Other Audio-Visual Means as per the convenience of Members.

iv. Book Closure dates: From Wednesday, July 13, 2022, to Tuesday, July 19, 2022 (Both days inclusive)**v. Company Secretary and Compliance Officer of the Company**

Mr. Amit Atre, Company Secretary
 ICSI Membership No.: A20507
 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India.
 Tel.: +91 (20) 6703 0000 Fax: +91 (20) 6703 0008
 E-mail: investors@persistent.com or companysecretary@persistent.com
 Website: www.persistent.com

The Members may communicate investor complaints to the Company Secretary on the above-mentioned co-ordinates.

vi. Dividend Payment Date

The Company had declared an Interim Dividend of ₹ 20 per equity share at its Board meeting held in January 2022 for the Financial Year 2021-22 to those members whose names were appearing in the Register of Members on January 29, 2022 and the payment was made on February 8, 2022.

Your Board recommends payment of a Final Dividend of ₹ 11 per equity share for the Financial Year 2021-22 to those members whose names are appearing in the Register of Members on July 12, 2022. It is proposed to make the payment before August 10, 2022.

Payment of dividend through Electronic mode:

Securities and Exchange Board of India (SEBI) has vide Circular No. CIR/MRD/DP/10/2013 dated March 21, 2013, directed that Listed Companies shall mandatorily make all payments to Investors, including Dividend to shareholders, by using any Reserve Bank of India (RBI) approved electronic mode of payments viz. ECS, LECS (Local ECS), RECS (Regional ECS), NECS (National ECS), NEFT etc.

- 1\ The Company will use the bank details available with Depository Participant for electronic credit of Dividend.
- 2\ In order to receive the dividend without loss of time, all the eligible shareholders holding shares in demat mode are requested to update with their respective Depository Participants their correct Bank Account Number, including 9-digit MICR Code and 11-digit IFSC Code, type of bank account, E-mail ID and mobile no(s).

Shareholders holding shares in physical form may communicate details relating to their Bank Account, 9 digit MICR Code and 11 digit IFSC Code, E-mail ID and mobile no(s) to the Registrar and Share Transfer Agents viz. Link Intime India Private Limited, having address at Block No. 202, Second Floor, Akshay Complex, Off Dhole Patil Road, Pune 411 001, by quoting the reference folio number and attaching a photocopy of the Cheque leaf of their Active Bank account and a self-attested copy of their PAN card.

In terms of the SEBI Notification dated April 20, 2018, in case dividend payment by electronic mode is returned or rejected by the corresponding bank due to certain reasons, the shareholders are required to connect their bank account with the Demat Account. The Company will then process online transfer of unclaimed Dividend to the respective Bank Account of the shareholders.

vii. Unclaimed Dividend

According to the provisions of the Act, the amount in the dividend account remaining unclaimed for a period of 7 (Seven) years from the date of its disbursement, has to be transferred to the Investor Education and Protection Fund (IEPF) maintained by the Government of India.

Following are the details of the unclaimed dividend. If not claimed within the period of 7 (Seven) years, then the same will be transferred to the Investors Education and Protection Fund (IEPF) in accordance with the schedule given below:

Financial Year	Date of declaration of dividend and type of dividend	Total Dividend (In ₹)	Unclaimed Dividend as on March 31, 2022 (In ₹)	Due date for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)	Percentage of unclaimed dividend over Total Dividend
2021-22	January 2022 - Interim	1,528,500,000	340,978	March 7, 2029	0.0223
2020-21	July 2021 – Final	458,550,000	134,860	August 28, 2028	0.0294
2020-21	January 2021 - Interim	1,069,950,000	409,954	March 27, 2028	0.0383
2019-20	March 2020 – 2 nd Interim	229,275,000	178,713	April 15, 2027	0.0779
2019-20	January 2020 – 1 st Interim	687,825,000	327,546	March 5, 2027	0.0476
2018-19	July 2019 – Final	229,275,000	104,901	August 28, 2026	0.0457
2018-19	January 2019 – Interim	640,000,000	297,536	March 1, 2026	0.0464
2017-18	July 2018 – Final	240,000,000	107,889	August 31, 2025	0.0449
2017-18	January 2018 – Interim	560,000,000	234,549	March 4, 2025	0.0418
2016-17	July 2017 – Final	240,000,000	123,675	August 23, 2024	0.0515
2016-17	January 2017 – Interim	480,000,000	250,122	February 26, 2024	0.0521
2015-16	March 2016 – 2 nd Interim	240,000,000	95,994	April 13, 2023	0.0399
2015-16	January 2016 – 1 st Interim	400,000,000	184,405	February 28, 2023	0.0461
2014-15	July 2015 – Final	400,000,000	144,370	August 29, 2022	0.0360
Total		7,403,375,000	2,935,492		0.6199

During the year under report, the Company voluntarily approached the shareholders to help them for claiming their dividend lying unpaid in the Unclaimed Dividend Account. Repeated reminders through email and sms were sent to these shareholders. The actions of the Company have resulted positively. Following is the update on the activities which have helped in achieving a reduction in the shares/dividends that were due for transfer to the IEPF in March 2022:

Out of the total unpaid dividend of ₹ 341,550 for the Financial Year 2014-15, the dividend of ₹ 215,600 was claimed by 4 shareholders. This resulted in the transfer of the remaining ₹ 125,950 to IEPF.

Out of the total 210 shares, 149 shares were claimed by the shareholders, resulting in the transfer of the remaining 61 shares to IEPF.

Additionally, from the other dividend accounts, the dividend of ₹ 383,822 was claimed by the shareholders.

The Company will continue to make efforts so that, the least number of unclaimed shares/dividends could be transferred to IEPF.

The table below shows the details of unclaimed dividend at the beginning of the year and at the end of the year:

Sr. No.	Particulars	As on March 31, 2021	As on March 31, 2022
i	Total Dividend Declared	5,976,325,000	7,403,375,000
ii	Unclaimed Dividend	2,900,548	2,935,492

During the year under report, the Company has transferred the unclaimed and unpaid dividend of ₹ 409,794 (incl. rounded-up and interest amount) to the IEPF Authority. Further, 173 corresponding shares on which the dividend was unclaimed for seven consecutive years were transferred as per the requirement of the IEPF Rules.

viii. Name of Stock Exchanges where the Company has been listed

The Equity Shares of the Company have been listed on the following stock exchanges on April 6, 2010:

Stock Exchange Name and Address	Script Symbol/Code
BSE Limited (BSE) 14 th Floor, P. J. Towers, Dalal Street, Mumbai 400 001	533179
National Stock Exchange of India Limited (NSE) Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051	PERSISTENT

Listing fees for the Financial Year 2021-22 have been paid to both BSE and NSE. The ISIN of the Company for its shares is INE262H01013.

ix. Contact details of Company's intermediaries are as follows:

Registrar and Share Transfer Agent

Link Intime India Private Limited (Unit – Persistent Systems Limited)

CIN: U67190MH1999PTC118368

Contact Person: Mr. Ashok Gupta

Block No. 202, Second Floor,

Akshay Complex, Off Dhole Patil Road, Pune 411 001.

Tel.: +91 (20) 2616 0084, 2616 1629, 2616 3503

E-mail: pune@linkintime.co.in • Website: www.linkintime.co.in

Depositories of the Company

i. National Securities Depository Limited

4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg,

Lower Parel, Mumbai 400 013.

Tel.: +91 (22) 2499 4200 • Fax: +91 (22) 2497 6351

E-mail: info@nsdl.co.in • Website: www.nsdl.co.in

ii. Central Depository Services (India) Limited

Marathon Futurex, A-Wing, 25th floor, N. M. Joshi Marg, Lower Parel, Mumbai 400 013.

Phone: +91 (22) 2302 3333 • Fax: +91 (22) 2300 2035/2036

E-mail: investors@cdslindia.com • Website: www.cdslindia.com

x. Details of bonus shares issued/sub-division of shares since inception are as follows:

Financial Year	1996-97	2002-03	2007-08	2014-15
Bonus Issue	15:1	9:1	5:2	1:1

In the Financial Year 2002-03, one equity share of ₹ 100 was sub-divided into 10 fully paid equity shares of ₹ 10 each.

xi. Legal Proceedings

There are no cases related to disputes over title to shares in which the Company was made a party to any dispute.

xii. Dematerialization of Shares and Liquidity

The Company's Equity Shares have been dematerialized with the Central Depository Services (India) Limited (CDSL) and the National Securities Depository Limited (NSDL). The International Security Identification Number (ISIN) is an identification number for traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN of the Company for its shares is INE262H01013

As on March 31, 2022, 76,057,811 Equity Shares comprising 99.52% of the Company's shares are held in dematerialized form.

xiii. Share Transfer System

SEBI, effective April 1, 2019, barred physical transfer of shares of listed companies and mandated transfers only through demat. However, investors are not barred from holding shares in physical form. We request shareholders whose shares are in physical mode to dematerialize their shares.

For shares transferred in electronic form, after confirmation of sale/purchase transaction from the broker, shareholders should approach the depository participant with a request to debit or credit the account for the transaction. The depository participant will immediately arrange to complete the transaction by updating the account. There is no need for separate communication to register the share transfer with the Company.

xiv. Distribution of Shareholding as on March 31, 2022

Shareholding of shares	Shareholders	Percentage of total	Total shares	Percentage of total
1 - 5,000	175,772	99.6028	7,128,241	9.3271
5,001 - 10,000	237	0.1343	1,707,295	2.2339
10,001 - 20,000	182	0.1031	2,567,847	3.3600
20,001 - 30,000	58	0.0329	1,441,311	1.8859
30,001 - 40,000	42	0.0238	1,443,576	1.8889
40,001 - 50,000	17	0.0096	774,147	1.0129
50,001 - 100,000	71	0.0402	5,141,206	6.7271
100,001 and above	94	0.0533	56,221,377	73.5641
Total	176,473	100	76,425,000	100

xv. Shareholding pattern as on March 31, 2022

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
1\	Promoters	2	22,865,840	228,658,400	29.92
2\	Promoters Group	9	1,026,125	10,261,250	1.33
3\	Institutions				
a\	Mutual Funds	29	17,248,051	172,480,510	22.57
b\	Financial Institutions/Banks	2	425	4,250	0.00
c\	Foreign Portfolio Investors (Corporate)	318	15,308,417	153,084,170	20.03
d\	Foreign Venture Capital Investors	-	-	-	-
e\	Foreign Company	1	366,862	3,668,620	0.49
f\	Alternate Investment Funds	20	460,509	4,605,090	0.60
g\	Insurance Companies	12	2,738,207	27,382,070	3.59
h\	Central Government	-	-	-	-

Sr. No.	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
4\	Non – institutions				
a\	Bodies Corporate	1217	604,359	6,043,590	0.79
b\	Individuals	164,036	12,242,385	122,423,850	16.02
c\	Any other				
i	NRI	4,024	752,878	7,528,780	0.99
ii	Foreign National	11	25,212	252,120	0.03
iii	Trust	7	626	6,260	0.00
iv	Directors/Relatives	4	147,200	1,472,000	0.19
v	Clearing Members	91	71,329	713,290	0.09
vi	Hindu Undivided Families	2,087	165,628	1,656,280	0.22
vii	IEPF	1	891	8,910	0.00
viii	NBFC	3	602	6,020	0.00
5\	Employee Benefit Trust [under SEBI(Share based Employee Benefit Regulations, 2014)]	1	2,399,454	23,994,540	3.14
	Total	171,875	76,425,000	764,250,000	100

The No. of Shareholders are clubbed on the basis of PAN registered with the demat account.

xvi. Shareholders (other than Promoters) holding more than 1% of the share capital as on March 31, 2022

Sr. No.	Name of Shareholder	No. of Shares	Percentage holding
1\	PSPL ESOP Management Trust	2,399,454	3.1396
2\	HDFC Trustee Company Ltd - A/C Hdfc Mid - Cap opportunities Fund	1,830,000	2.3945
3\	Kotak Emerging Equity Scheme	1,805,257	2.3621
4\	Shridhar Bhalchandra Shukla	1,101,296	1.4410
5\	Kotak Funds - India Midcap Fund	985,526	1.2895
6\	Ashutosh Vinayak Joshi	977,395	1.2789
7\	Axis Mutual Fund Trustee Limited A/C Axis Mutual Fund A/C Axis Midcap Fund	916,681	1.1995
	Total	10,015,609	13.1051

* Shares of PSPL ESOP Management Trust are held in the name of its trustees.

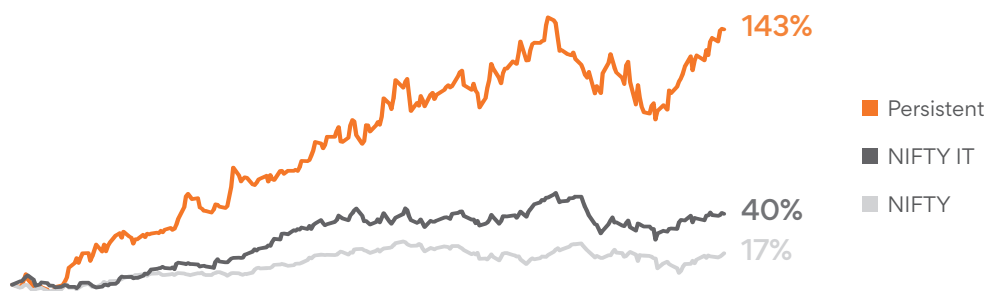
xvii. Market Price Data

The equity shares of the Company were listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) on April 6, 2010. Accordingly, the highest traded price and the lowest traded price and total volume for the period from April 1, 2021, to March 31, 2022, on a monthly basis are as below:

Month ended	BSE			NSE		
	High (₹)	Low (₹)	Total Volume (No.)	High (₹)	Low (₹)	Total Volume (No.)
Apr-21	2,184.60	1,858.00	216,361	2,184.90	1,857.60	3,859,483
May-21	2,595.00	1,967.95	276,595	2,568.00	1,986.45	3,857,841
Jun-21	2,990.95	2,395.00	220,021	2,988.00	2,395.00	3,557,572
Jul-21	3,295.00	2,726.85	443,921	3,298.00	2,725.05	6,425,036
Aug-21	3,352.75	2,982.50	409,626	3,358.85	2,981.90	5,050,602
Sep-21	3,838.00	3,310.05	703,146	3,838.75	3,310.00	5,277,330
Oct-21	4,389.95	3,605.30	443,773	4,390.00	3,600.00	8,324,102
Nov-21	4,441.55	3,738.70	200,400	4,439.85	3,750.00	4,244,367
Dec-21	4,919.80	4,109.05	373,764	4,925.00	4,110.00	8,138,152
Jan-22	4,986.85	3,805.85	384,627	4,987.50	3,800.05	7,352,462
Feb-22	4,544.00	3,648.95	307,856	4,542.05	3,651.05	5,364,192
Mar-22	4,874.95	3,875.10	252,647	4,875.00	3,875.00	7,231,213

(Source: www.bseindia.com and www.nseindia.com)

Graphical presentation of movement of the Company's stock price as compared to Nifty and Sensex from April 1, 2021, to March 31, 2022, is as follows:



xviii. American Depository Receipts/Global Depository Receipts/Warrants

As on March 31, 2022, the Company has no American Depository Receipts/Global Depository Receipts/Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the Financial Year 2022-23.

xix. Plant Locations

The Company is in software business and does not require manufacturing plants. However, it has software development centers/offices in India and abroad. The addresses of global development centers/offices of the Company are given elsewhere in the Annual Report.

xx. Calendar for declaring the financial statements for the quarters in the Financial Year 2022-23 (tentative, subject to change)

Quarter Ending	Tentative dates of the Board Meetings
June 30, 2022	July 20 and 21, 2022
September 30, 2022	October 18 and 19, 2022
December 31, 2022	January 17 and 18, 2023
March 31, 2023	April 25 and 26, 2023

11\ ESOP Schemes of the Company

The status of various ESOP schemes as on March 31, 2022 is shown in the following table:

Scheme		i	ii	iii	iv	v	vi	vii	viii	ix	x	xi	xii	xiii	xiv	Total
Granted	a	4,560,500	753,200	2,533,300	6,958,250	1,890,525	1,216,250	1,784,975	42,000	1,374,462	3,062,272	1,614,200	67,300	4,913,338	80,000	30,850,572
Vested	b	3,220,858	477,085	1,695,537	4,705,452	1,333,722	785,750	792,455	28,000	909,714	2,206,617	315,475	52,450	806,875	-	17,329,990
Exercised	c	3,220,858	477,085	1,587,278	4,459,154	1,283,841	785,750	792,314	28,000	794,003	2,206,617	315,475	52,450	554,411	-	16,557,236
Vested but not exercised (b - c)	d	-	-	108,259	246,298	49,881	-	141	-	115,711	-	-	-	252,464	-	772,754
Lapsed	e	1,339,642	276,115	837,763	2,252,798	556,803	430,500	992,520	14,000	464,748	855,655	786,975	14,850	978,803	80,000	9,881,172
Not Vested (a - c - d - e)	f	-	-	-	-	-	-	-	-	-	-	511,750	-	3,127,660	-	3,639,410
Total Outstanding (d + f)	g	-	-	108,259	246,298	49,881	-	141	-	115,711	-	511,750	-	3,380,124	-	4,412,164
Weighted average remaining contractual life		-	Note	-	Note	1.73	Note	-	1.73	-	1.24	-	4.58	-	3.86	-
Weighted average fair value of options granted (in ₹)		4.69	19.55	26.12	37.38	24.64	25.06	36.97	48.21	54.74	202.70	10.00	10.00	1,754.24	-	-

Note: No Contractual life is defined in the scheme

12\ CEO and CFO Certification

As required by Regulation 17(8) of Listing Regulations, [the CEO and CFO certification](#) is provided in this Annual Report.

13\ Corporate Governance Handbook

The Company has proactively and voluntarily prepared the Corporate Governance Handbook encompassing set of guidelines and policies with respect to composition of the Board of Directors and Committees of the Board, meetings of the Board of Directors and Committees of the Board, Managerial Remuneration, Code of Conduct, Whistle Blower Policy, Risk Management Policy, Internal Control Procedures etc., being adhered to by the Company. The Corporate Governance Handbook is updated on an annual basis at <https://www.persistent.com/investors/corporate-governance/>

14\ Ethics Policy

The Company has continued to proactively and voluntarily implement the Ethics Policy in the Company. The objective of this policy is to explain guiding principles of Persistent's Ethics Policy (for benefit of employees and all other stakeholders like customers, vendors and investors) and to establish a framework for administration. The working of the Ethics Policy is monitored by the Ethics Committee chaired by an Independent Director/Senior Officer nominated by the Board of Directors. <https://www.persistent.com/ethical-practices-at-persistent-systems/ethics-policy/>

15\ Fraud Risk Management Policy

The Company has proactively and voluntarily implemented the Fraud Risk Management Policy in the Company. The objective of this policy is to protect the brand, reputation and assets of the Company from loss or damage resulting from any incidents of fraud or misconduct by employees or other stakeholders of the Company.

<https://www.persistent.com/ethical-practices-at-persistent-systems/fraud-risk-management-policy/>

16\ Secretarial Standards

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

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

17\ Corporate Governance Voluntary Guidelines, 2009

The Company follows the Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs.

18\ Compliance with the Discretionary Requirements

The Company has also ensured the implementation of non-mandatory items such as:

- \ Unmodified Audit opinions/reporting
- \ The Head of the Internal Audit Team reporting directly to the Audit Committee

19\ Particulars of Total Fees paid to the Statutory Auditors

Particulars of total fees paid to the Statutory Auditors form part of the [Note no. 39](#) of the Consolidated Financial Statements provided in this Annual Report.

20\ Vendor Code of Conduct

In line with the best international governance practices, the Company has prepared the Vendor Code of Conduct that must be executed by all the vendors prior to providing their services to the Company. This Code is explicit about the provisions seeking favors and bribes and requires the vendors of the Company to follow the relevant legal and regulatory compliances applicable to them while working with the Company. They must follow acceptable business conduct while doing business with or on behalf of the Company. <https://www.persistent.com/investors/corporate-governance/ethical-practices-at-persistent-systems/vendor-code-of-conduct/>

21\ Best Corporate Governance Practices

a. Investors Day

Annual Investor Day is a complimentary one-day event to inform retail as well as institutional investors on the Company's road map ahead. The Company's future plans, business insights are conveyed to the Investor Community as a whole for better understanding of the Company's business model, revenue/growth model and opportunities for the Company and the IT sector as a whole in the times to come.

During the Financial Year 2021-22, no Investor Day was organized due to COVID-19 Pandemic restrictions.

b. Investors Website

Pursuant to the requirements of the Act and the SEBI Listing Regulations, the Company has revamped its Investor relations website for providing all the necessary information required by the various stakeholders. Share price movement chart/data, financials of the Company and all press releases are uploaded on the website of the Company at <https://www.persistent.com/investors/> for the easy access and analysis of the investors.

c. Investor Calls

The Company organizes Investor Calls at regular intervals after the announcement of the quarterly results. In the call, the Executive Directors and the Senior Management of the Company shares information about the Company's performance for the quarter and answer the investor queries.

22\ Other Matters

Shareholders holding shares in physical form are requested to notify to Link Intime India Private Limited, Registrar and Share Transfer Agent about any change in their address and Bank Account details under the signature of sole/first joint holder. Beneficial owners of shares in demat form are requested to send their instructions regarding change of name, change of address, bank details, nomination, power of attorney, if any, etc., directly to their Depository Participants (DP) as the same are maintained by the respective DPs.

Non-resident shareholders are requested to notify to Link Intime India Private Limited at the earliest on the following:

- a\ Change in their residential status on return to India for permanent establishment;
- b\ Particulars of their NRE Bank Account with a bank in India, if not furnished earlier; and
- c\ E-mail address, if any.

23\ Nomination in Respect of Shares

Section 72 of the Act provides facility for making nominations by Members in respect of their holding of shares. Such nomination greatly facilitates transmission of shares from the deceased Member to his/her nominee without being required to go through the process of obtaining Succession Certificates/Probate of the Will, etc. It would, therefore, be in the best interest of the Members holding shares as a sole holder to make such nomination. Members holding shares in physical mode are advised to write to the Registrar and Share Transfer Agent of the Company for making nomination. Members holding shares in demat form are advised to contact their DP for making nominations. Members are further requested to quote their E-mail IDs, Telephone/Fax numbers for prompt reply to their communication.

Chief Executive Officer and Chief Financial Officer Certification

We, to the best of our knowledge and belief, certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
- B. There are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, and we have
 - i. Designed such disclosures controls and procedures or caused such internal control over financial reporting to be designed under our supervision to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared
 - ii. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with the Generally Accepted Accounting Principles (GAAP) in India
 - iii. Evaluated the effectiveness of the Company's disclosure, control and procedures
 - iv. Disclosed in this report, changes, if any, in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting
- D. We have indicated to the Statutory Auditors and the Audit Committee
 - i. significant changes in internal control over financial reporting during the year
 - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements and
 - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting
 - iv. Any deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and have confirmed that there have been no material weaknesses in internal control over financial reporting including any corrective actions with regard to deficiencies
- E. We affirm that we have not denied any personnel access to the Audit Committee of the Company (in respect of matters involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
- F. We further declare that all Board members and senior management personnel have affirmed compliance with the Code of Conduct and Ethics for the year covered by this report.

For and on behalf of the Board of Directors

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Pune
June 7, 2022

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Pune
June 7, 2022

Corporate Governance Compliance Certificate

To,

The Members of Persistent Systems Limited

I have examined all the relevant records of Persistent Systems Limited (the Company) for the year ended 31st March 2022, for the purpose of certifying compliance of the conditions of Corporate Governance as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 17 to 27, Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Listing Regulations for the period 1st April 2021 to 31st March 2022.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to procedure and implementation process adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. The certificate is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with all the mandatory conditions of Corporate Governance as stipulated in the said Listing Regulations, as applicable.

For PVS and Associates
Company Secretaries

Pallavi Salunke
Proprietor
FCS: 5640
C.P. No.: 4453

UDIN: FO05640D000472205

Pune, June 7, 2022

Certificate of Non-disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of Persistent Systems Limited
 'Bhageerath', 402 Senapati Bapat Road,
 Pune 411 016

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Persistent Systems Limited having CIN L72300PN1990PLC056696 and having registered office at 'Bhageerath', 402 Senapati Bapat Road, Pune, Maharashtra 411016 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of the Director	DIN	Date of appointment in the Company
1\	Dr. Anand Deshpande	00005721	19/10/1990
2\	Ms. Roshini Bakshi	01832163	26/07/2014
3\	Mr. Pradeep Bhargava	00525234	26/04/2012
4\	Ms. Avani Davda	07504739	28/12/2021
5\	Mr. Guy Eiferman	08101854	24/04/2018
6\	Dr. Anant Jhingran	05116722	21/11/2017
7\	Mr. Praveen Kadle	00016814	23/04/2020
8\	Mr. Sandeep Kalra	02506494	11/06/2019
9\	Mr. Thomas Kendra	07406678	22/01/2016
10\	Prof. Deepak Phatak	00046205	24/04/2018
11\	Mr. Sunil Sapre	06475949	27/01/2021

Ensuring the eligibility of for the appointment/continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For PVS and Associates
 Company Secretaries

Pallavi Salunke
 Proprietor
 FCS: 5640
 C.P. No.: 4453

Pune, June 7, 2022

UDIN: F005640D000472150

Business Responsibility Report

Section A: General Information about the Company

1\	Corporate Identity Number (CIN) of the Company	L72300PN1990PLC056696																					
2\	Name of the Company	Persistent Systems Limited																					
3\	Registered Office address	'Bhageerath', 402 Senapati Bapat Road, Pune 411 016																					
4\	Website	www.persistent.com																					
5\	E-mail ID	info@persistent.com																					
6\	Financial Year reported	April 1, 2021 to March 31, 2022																					
7\	Sector(s) that the Company is engaged in (industrial activity code-wise)	Computer programming, Consultancy services, Software enabled product engineering services, designing and R&D services (620)																					
8\	List three key products/services that the Company manufactures/provides (as in balance sheet)	a. Software enabled product engineering and designing and R&D services b. Computer programming and consulting services c. IP products																					
9\	Total number of locations where business activity is undertaken by the Company	<p>i. Number of International Locations –</p> <table border="1"> <thead> <tr> <th>Sr. No.</th> <th>Continent</th> <th>Country</th> </tr> </thead> <tbody> <tr> <td>1\</td> <td>Africa</td> <td>South Africa</td> </tr> <tr> <td>2\</td> <td>Asia</td> <td>a. Japan b. Malaysia c. Singapore d. Sri Lanka</td> </tr> <tr> <td>3\</td> <td>Australia</td> <td>Australia</td> </tr> <tr> <td>4\</td> <td>Europe</td> <td>a. United Kingdom b. France c. Germany d. Ireland e. The Netherlands f. Switzerland g. Italy</td> </tr> <tr> <td>5\</td> <td>North America</td> <td>a. Canada b. Mexico c. USA</td> </tr> <tr> <td>6\</td> <td>Central America</td> <td>a. Costa Rica</td> </tr> </tbody> </table> <p>ii. Number of National (India) Locations –</p> <p>a. Pune, Maharashtra b. Mumbai, Maharashtra c. Nagpur, Maharashtra d. Hyderabad, Telangana e. Bengaluru, Karnataka f. Verna, Goa g. Noida, Uttar Pradesh h. Gurugram, Haryana</p>	Sr. No.	Continent	Country	1\	Africa	South Africa	2\	Asia	a. Japan b. Malaysia c. Singapore d. Sri Lanka	3\	Australia	Australia	4\	Europe	a. United Kingdom b. France c. Germany d. Ireland e. The Netherlands f. Switzerland g. Italy	5\	North America	a. Canada b. Mexico c. USA	6\	Central America	a. Costa Rica
Sr. No.	Continent	Country																					
1\	Africa	South Africa																					
2\	Asia	a. Japan b. Malaysia c. Singapore d. Sri Lanka																					
3\	Australia	Australia																					
4\	Europe	a. United Kingdom b. France c. Germany d. Ireland e. The Netherlands f. Switzerland g. Italy																					
5\	North America	a. Canada b. Mexico c. USA																					
6\	Central America	a. Costa Rica																					
10\	Markets served by the Company	Company provides its services in India as well as abroad																					

Section B: Financial Details of the Company as on March 31, 2022 (Audited Financials)

1\	Paid up Capital	₹ 764.25 Million
2\	Total Turnover (Standalone)	₹ 35,754.80 Million for the year ended March 31, 2022
3\	Total profit after taxes (Standalone)	₹ 6,858.66 Million for the year ended March 31, 2022
4\	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2.0960% (₹ 115.53 Million for the year ended March 31, 2022)
5\	List of activities in which expenditure in 4 above has been incurred	a. Health b. Education c. Community Development d. Assistance in natural calamities (currently COVID-19 pandemic)

Section C: Other Details

1\	Does the Company have any Subsidiary Company/Companies?	Yes, the Company has the following subsidiaries - 1\ Persistent Systems Inc., USA (Wholly owned subsidiary) 2\ Persistent Systems Pte. Ltd., Singapore (Wholly owned subsidiary) 3\ Persistent Systems France S.A.S., France (Wholly owned subsidiary) 4\ Persistent Systems Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary) 5\ Persistent Systems Germany GmbH, Germany (Wholly Owned Subsidiary) 6\ Capiot Software Private Limited, India (Wholly owned subsidiary) 7\ Persistent Telecom Solutions Inc., USA (Subsidiary of Persistent Systems Inc.) 8\ Persistent Systems Israel Ltd., Israel (Subsidiary of Persistent Systems Inc.) 9\ Persistent Systems Mexico S.A. de C.V., Mexico (Subsidiary of Persistent Systems Inc.) 10\ Aepona Group Limited, Ireland (Subsidiary of Persistent Systems Inc.) 11\ Aepona Limited, UK (Subsidiary of Aepona Group Limited) 12\ Persistent Systems Lanka (Private) Limited, Sri Lanka (Subsidiary of Aepona Group Limited) 13\ Persistent Systems S.r.l., Italy (Subsidiary of Persistent Systems Inc.) 14\ Capiot Software Inc., USA (Subsidiary of Persistent Systems Inc.) 15\ Capiot Software Pte. Ltd, Singapore (Subsidiary of Capiot Software Inc.) 16\ Capiot Software Pty Ltd, Australia (Subsidiary of Capiot Software Inc.) 17\ PARX Werk AG, Switzerland (Subsidiary of Persistent Systems Germany GmbH) 18\ PARX Consulting GmbH, Germany (Subsidiary of PARX Werk AG) 19\ Youperience GmbH, Germany (Subsidiary of Persistent Systems Germany GmbH) 20\ Youperience Limited, UK (Subsidiary of Youperience GmbH) 21\ Software Corporation International, USA* (Subsidiary of Persistent Systems Inc.) 22\ Fusion360 LLC, USA* (Subsidiary of Persistent Systems Inc.) 23\ Data Glove IT Solutions Limitada, Costa Rica* (Subsidiary of Persistent Systems Germany GmbH)
2\	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(ies)	Yes. All the subsidiary companies participate in business responsibility initiatives of the parent Company. General guidelines are Company-wide and they are customized for local conditions by the subsidiaries.
3\	Do any other entity/entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	Yes. Less than 30%

* Acquired/Incorporated during the year 2021-22

Section D: Business Responsibility (BR) Information**1\ Details of Director/Directors responsible for BR**

a. Details of the Director/Directors responsible for implementation of the BR policy/policies

- i. DIN: 00005721
- ii. Name: Dr. Anand Deshpande
- iii. Designation: Chairman and Managing Director

b. Details of the BR Head

- i. DIN 00005721
- ii. Name: Dr. Anand Deshpande
- iii. Designation: Chairman and Managing Director
- iv. Telephone No. : + 91 (20) 6703 0000
- v. E-mail ID: corpsec@persistent.com

2\ Principle-wise (as per NVGs) BR Policy/Policies**List of principles for the ready reference:**

P1	Policy relating ethics, bribery and corruption
P2	Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Business should promote the well-being of all employees
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Businesses should respect and promote Human Rights
P6	Business should respect, protect and make efforts to restore the environment
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Businesses should support inclusive growth and equitable development
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1\	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2\	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3\	Does the policy conform to any national/international standards? If yes, specify? (50 words) The Company has prepared these policies after reviewing the international and industry best practices and has discussed internally in detail before its implementation. The Company is confident that this policy is of international standards and is open for amendments as and when felt necessary.	Y	Y	Y	Y	Y	Y	Y	Y	Y
4\	Has the policy being approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

These policies have been signed by the Managing Director.

Sr. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
5\	Does the Company have a specified committee of the Board/Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6\	Indicate the link for the policy to be viewed online?	The Policies are available on the website of the company at www.persistent.com								
7\	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8\	Does the Company have in-house structure to implement the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9\	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10\	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	N	Y	Y	Y	N	Y	Y	N

3\ Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.
 - \ Within 3 months
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?
 - \ The Company publishes its Annual Report which contains the Report on Business Responsibility and it is available on the Company website i.e. <https://www.persistent.com/investors/financial-results-and-reports/annual-reports/annual-report-2022/>

Section E: Principle-wise performance

Principle 1

Policy relating ethics, bribery and corruption

1\ Does the policy relating to ethics, bribery and corruption cover only the Company?

All companies under Persistent Group are covered under the policy relating to ethics, bribery and corruption.

The Ethics Policy of the Company is available on the website of the Company at the following link:

<https://www.persistent.com/ethical-practices-at-persistent-systems/ethics-policy/>

The Anti-Corruption Policy of the Company is available at the following link:

<https://www.persistent.com/ethical-practices-at-persistent-systems/anti-corruption-policy/>

These policies being in the public domain are available to all our suppliers, vendors and partners and we expect them to abide by them when dealing with Persistent Systems. In addition, the vendor code of conduct, which has the essence of the same is signed by all vendors and suppliers at the time of their registration with us.

2\ Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, all companies forming part of the Persistent group are covered under the policy. The Company has a separate Code of Conduct for its Vendors/Suppliers/Contractors/NGOs wherein these principles are specifically covered for them.

3\ How many stakeholder complaints have been received in the past Financial Year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words.

During the Financial Year 2021-22, the Company has not received any complaint from its stakeholders apart from the employee complaints which are already mentioned in this report [elsewhere](#).

The Company has adopted a broader definition of stakeholders to explicitly include the society, clients, partners, suppliers, employees and their families, shareholders, and environment.

Code of Conduct

The Company's Code of Conduct (also referred to as the 'Code') outlines its commitment to highest levels of ethical standards and compliance. The Company's Code is based on its core values and clearly defines the ethics and compliance expectations for everyone who works for the Company. The Code includes sections on operating safely, responsibly and reliably; its people; its business partners; the Governments and communities the Company works with and its assets and financial integrity. The Code takes into account key points from the Company's internal standards related to anti-bribery and corruption, anti-money laundering, competition and anti-trust law, confidentiality of information, insider trading, dealing with internal and external customers, protection of assets and trade sanctions. The Company conducts due diligence on all its vendors and clients in accordance with these policies.

The Vendor Code of Conduct is available on the Company's website at the following link:

<https://www.persistent.com/ethical-practices-at-persistent-systems/vendor-code-of-conduct/>

Whom the Code of Conduct applies to

The Code applies to every employee of the Company and its subsidiaries and a separate Vendors' Code of Conduct is extended to all its contractors and business partners. Where feasible, the Company seeks a contractual commitment from its contractors and business partners to comply and work in line with the Code. Where the Company has the right to do so, it may consider terminating contracts where a contractor has not complied with the obligations or not renewing a contract where a contractor has acted in a manner that is not consistent with the Company's values or the Code. The Company rigorously follows ethical business decisions, ensuring the actions of all its employees, vendors, business partners and clients are consistent with the law.

The Company gives attention to fostering fair business practices while working with the internal and external stakeholders. Further, the Company is committed to creating an ethical and sustainable business environment. This commitment is reflected through various company policies and practices being observed by the respective stakeholders of the Company.

Certifying the Code

All employees reaffirm their commitment to the Code of Conduct by signing an undertaking when they join and annually. It is embedded in the annual performance contract of all employees. It is mandatory for employees to comply with the Code and we have created an environment where people can confidently raise concerns without fear of reprisal. The compliance with this Code by each employee is being monitored by the Company on a regular basis.

Fostering a 'speak up' Culture

The Company is committed to providing an open environment where employees, contractors and other stakeholders are comfortable speaking up whenever they have a question or concerns about our Code of Conduct or are of the opinion that laws, regulations or the Code, may have been breached. All stakeholders are encouraged to raise concerns with the Company's management team or through the whistleblower mechanisms set up for this purpose.

The Company has adopted a Policy for Prevention of Harassment at the workplace and the Internal Complaints Committee is duly constituted. During the year, your Company has received four complaints of sexual harassment and one complaint of harassment of non-sexual nature, which were heard by the Committee as per the guidelines and were resolved during the year under the report.

The Policy is available at <https://www.persistent.com/ethical-practices-at-persistent-systems/anti-harassment-policy/>

Also, the Company conducts an internal survey for obtaining feedback from the employees about the work culture in the Company, in the department and the inter se relationship between the superiors and subordinates.

Principle 2

Business should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

1\ List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company is in the business of software development services and products. Hence, these products do not attract social or environmental concerns, risks and/or opportunities.

2\ For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Not Applicable

b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Your Company believes that conservation of energy is essential and as a responsible corporate citizen, your Company encourages all employees, vendors and other stakeholders to act on ensuring reduced usage of energy on a perpetual basis. Your Company has put in place various energy saving devices, techniques and systems, which help in conserving energy and has resulted into a significant savings in the energy cost as follows:

- \ Upgradation of ACs:
 - ACs of 1000 TR capacity in a 2600+ seating capacity building which were based on R-22 gas were replaced with energy efficient Inverter based ACs with energy efficient & environment friendly R-410 gas system. (15 % reduction in electricity consumption of air conditioning)
 - Ductable ACs 80 TR (of which building/facility?) which were based on R-22 gas were replaced with energy efficient inverter based ACs with environment friendly R-32 gas. (12 % reduction in electricity consumption of air conditioning)
- \ Replaced old chiller system in the corporate office building by a combination of high efficiency (lesser energy and water consumption) chiller system & by high efficiency VRV system.
- \ Regulated and optimized schedules for workings of Lifts, Vending machines, Ventilation systems, Water coolers etc. (Shut off at nights/off working hours except bare minimum required).
- \ AC Discipline: No cool air leakages from each air-conditioned area.
- \ AC optimization: In server rooms and data centers, we have optimized AC utilization by removing unwanted heat loads, space optimization, reorganizing inlet and out flow and wall insulation
- \ Optimized running hours of air-conditioned systems: Temperature set points are altered based on working time, occupancy, and seasonal aspects. (e.g., In winter, night hrs., weekends etc.)
- \ Conference rooms and common area ACs are set to minimum temperature of 24 C.
- \ Ozone system: Integrated with air conditioning for energy saving & indoor air quality improvement resulted in energy saving of ~21 %.
- \ Cold aisle containment in Data Centre: Resulted in a saving of ~18% Power consumption of Data Centre AC.
- \ VFDs installed for all fresh air AHU systems.
- \ Energy saving measures are taken right from design stage like double wall construction, low-e glass for facades and windows with DGUs, maximum use of natural light and ventilation, underdeck insulation, etc.
- \ Replaced CFLs by LED lamps: A total of 9,365 CFL based light fittings were replaced by LED lamps - indoor, outdoor & all common areas such as parking, lobbies, toilets etc. in our facilities.
- \ Proactively controlled smart lighting with sensors & timers /sequential timers/occupancy/motion sensors.
- \ Upgradation to high efficiency modular online UPS systems to reduce losses & have flexibility for future growth. ~18% energy saving achieved.
- \ Usage of thin client in place of CPU for training rooms and some of the projects.
- \ 100% change over to laptops from desktops to reduce the energy consumption and also enabling work from home, thus reducing occupancy in our office and thereby optimizing power consumption on ACs and office network equipment
- \ Active harmonic filter panel for automatic power factor & harmonics control in electrical system, to improve power quality and reduce losses.

Further details on energy conservation and creation of alternate energy sources are provided under Principle 6 — point no. 2 below.

3\ Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words.

The Company is in the business of software development. The majority of procurement is of the material required for day-to-day operations. The Company has included sustainability requirements in the Procurement Policy and prefers environment friendly products during procurement. In terms of percentage, it is more than 50%.

4\ Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company recognizes the contribution of MSMEs to the economy and is committed to supporting and strengthening this segment of the economy. Therefore, the Company works with the MSMEs and local vendors while procuring material for its operations and gives motivation to their business. The Company also guides its MSME vendors on improving their technical capabilities and strengthen them on improving quality and increasing productivity. We take special care in paying MSMEs on priority, well in time. We provide opportunities to local vendors especially for manpower-based services like housekeeping, security, maintenance, gardening, catering etc. We also proactively help/guide MSMEs working with us to meet various compliances including labour norms and availing Government benefit schemes like PMPRY and ABRY.

During the pandemic, the Company through its CSR wing, Persistent Foundation (the 'Foundation') has approached the community in its immediate vicinity and has initiated health projects and community development projects. The Foundation has also concentrated on the education facilities to be extended to the nearby Government schools. The consolidated effect of the above has benefited the local and small vendors to improve their capacity and capability.

5\ Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words.

- a. All waste papers are shredded and disposed off to a scrap vendor who collects them for recycling from the Company's offices in India.
- b. The Company uses the treated water from toilets/washrooms to water its plants/lawns/gardens. Sewage Treatment Plants have been installed and commissioned at the Company's Pune, Nagpur and Goa Facilities for this purpose.
- c. The Company discourages employees from use of plastic bags.
- d. E-waste and hazardous waste is handed over only to authorized agency approved by State Pollution Control Board. Employees are also encouraged to deposit their personal E-waste at all our Company facilities for disposal, the same way.

The Company is in the business of software development. Hence, there are no significant products to be recycled. However, with the above-mentioned measures, the Company ensures recycling of more than 75% of the waste.

Principle 3

Business should promote the wellbeing of all employees

- 1\ Please indicate the total number of employees (including trainees and associates) as on March 31, 2022 – 18,599 (consolidated)
- 2\ Please indicate the total number of employees hired on temporary/contractual/casual basis – 541
- 3\ Please indicate the number of permanent women employees – 4,772
- 4\ Please indicate the number of permanent employees with disabilities – 17
- 5\ Do you have an employee association that is recognized by Management? – No
- 6\ What percentage of your permanent employees are members of this recognized employee association? – Not Applicable
- 7\ Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last Financial Year and pending, as on the end of the Financial Year

Sr. No.	Category	No. of complaints filed during the Financial Year 2021-22	No. of complaints pending as on end of the Financial Year 2021-22
1\	Child labour/forced labour/involuntary labour	Nil	Nil
2\	Sexual harassment	4	Nil
3\	Discriminatory employment	Nil	Nil

8\ What percentage of your under mentioned employees were given safety and skill up-gradation training in the last year?

- a. Permanent Employees – 100%
- b. Permanent Women Employees – 100%
- c. Casual/Temporary/Contractual Employees – 100%
- d. Employees with Disabilities – 100%

Currently, 100% trainings and assessments are being offered in virtual classroom mode under ‘Learn from Home’. The Company offers Anytime Anywhere learning through its e-learning courses ‘selfie shots.’

The Company’s approach to managing its core asset i.e. its people; is founded on the following beliefs:

- a. People’s safety is our first priority
- b. The Company grows best by growing its own people
- c. Our people have potential – we need enable them to develop it
- d. Diversity matters – so does inclusion
- e. We need the best talent – and must meet the expectations of the best talent.

We are well-known for our progressive and employee-friendly policies. We constantly review our policies and benchmark them against the best in class to ensure that the Company’s agenda on employee well-being and engagement is serviced effectively.

The Company covered 70% of employees through at least one training this year. The Company trained about 1500+ campus hires in the Graduate Engineers with Multidimensional Skills (GEMS). We covered an average of 44 learning hours per employee,

There is a special effort made to include employees in the policy-making process. A group called ‘Policy Council’ was constituted which has been meeting regularly to examine the various policies and processes in the organization, especially policies impacting employees and their day-to-day functions. The council has proposed several simplification and modifications to policies which have also ensured improved engagement levels and ownership among employees.

The Company provides annual preventive health checks for all employees.

Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

- 1\ **Has the company mapped its internal and external stakeholders? - Yes**
- 2\ **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders - Yes**
- 3\ **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so –**

The Company through the Foundation, CSR wing of the Company has undertaken several programs to indulge with the disadvantaged, vulnerable and marginalized stakeholders. During the Financial Year, the following hallmark projects were implemented by the Foundation under 4 (four) focus areas:

- a. Education
- b. Health
- c. Community Development
- d. Assistance in Natural Calamities (Currently COVID-19 pandemic)

In addition, the Company also through the Foundation did substantial COVID relief work. 2nd wave of Covid was a bad hit and along with its partner organizations and hospitals, the Foundation continued the work. The focus of covid relief work this year was more on creating infrastructure and addressing the impacts of covid on livelihood and education. The Foundation was able to reach out to 5,594 families, 54,268 individuals and 13 hospitals.

For more details on our work with communities, refer to the [Page No. 41 to 44](#) of the Annual Report giving details of the work carried out by the Foundation.

Principle 5

Businesses should respect and promote Human Rights

1\ Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The Company is committed to practices that result in inclusion of all employees and that advance equal employment for qualified and deserving individuals. The Company encourages the spirit of trust, teamwork and mutuality in employees and expects them to work in collaboration with objectivity, self respect and human dignity.

The Ethics Policy of the Company provides for the above objective. The Policy extends to the Persistent Group and its contractors

The Company also has Anti Human Trafficking Policy. The same is available on the website of the Company at the following link: <https://www.persistent.com/ethical-practices-at-persistent-systems/anti-human-trafficking-policy/>

2\ How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?

During the year, the Company did not receive any complaint from the stakeholders.

Principle 6

Business should respect, protect and make efforts to restore the environment

1\ Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others -

The policy related to Principle 6 extends to the Group.

The Company has a separate policy on Environment, Health and Safety which is available on the website of the Company at the following link:

<https://www.persistent.com/ethical-practices-at-persistent-systems/environment-health-and-safety-policy/>

2\ Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Renewable Energy Initiatives undertaken by the Company-

Roof Top Solar Plant Projects

Sr. No.	Roof Top Solar Plant Location	Capacity	Annual Generation (kWh) Unit in FY 2021-22	Remarks
1\	AR-PG Facility, Pune	320 kWp	4,59,772	Persistent Facility
2\	Hinjewadi Facility, Pune	276 kWp	3,82,363	Persistent Facility
3\	Nagpur Facility	207 kWp	2,68,627	Persistent Facility
4\	Pune Railway Station, Pune	160 kWp	1,87,243	Through CSR activity
5\	Nampally Railway Station, Hyderabad	228 kWp	2,69,287	Through CSR activity
6\	Tarachand Hospital, Pune	63 kWp	64,941	Through CSR activity
7\	Swa-Roop Wardhinee (NGO)	8 kWp	11,680	Through CSR activity
	Total	1,262 kWp	1,643,913	

Windmill Projects

Sr. No.	Windmill Location	Capacity	Annual Generation (kWh) Unit in FY2021-22	Remarks
1\	Windmill at Nandurbar	2.1 MW	3,493,724	Owned by Persistent
2\	Windmill at Jath	2.1 MW	2,225,264	Owned by Persistent
	Total	4.2 MW	5,718,988	

Water Management Initiatives

- \ Prevention of overflow from overhead tanks using auto level control system
- \ Special nozzles/aerators installed to reduce water flow at water taps.
- \ “No leaky tap” policy – leaky tap/pipe is repaired within 2 hours (immediately in cases)
- \ Monitoring water meter readings, twice every day, to detect overuse/ excessive leakage.
- \ STP output water is recycled for gardening at our Pune, Nagpur & Goa facilities. Around 23,180 KLD (i.e.,34%) of recycled water gets reused for gardening & flushing for toilets.
- \ Addition to above we have installed a 25 KLD STP plant at our ‘Bhageerath’, Pune location in September 2021, it will help to save more water.
- \ Experimenting use of “Kalki” (a 100% natural and indigenous multifactorial bio culture) - It boosts to MBBR-(Moving Bed Bacterial Reactor) media like antibiotics instead of chemical dosing for STP recycling process and is seen to purify the air as well while reducing the foul smell normally observed around STPs.
- \ Infrastructure and system installed for collection of natural underground spring water leakages/seepages and recycling it for non-drinking and gardening use, to reduce consumption of treated water.
- \ Ground water recharging with rainwater harvesting system in Hinjawadi-Pune, Nagpur & Goa facility.
- \ Frequent awareness campaigns run for encouraging employees to save water in office & at home.
- \ Society awareness related to sustainability through our CSR activity.

Waste Management Initiatives

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

The Waste Management initiatives are as follows: -

- \ E-waste & hazardous waste is handed over only to authorized agency approved by State Pollution Control Board. Employees are also encouraged to deposit their personal E-waste at all our company facilities for disposal, the same way.
- \ Started an initiative of refurbishing old end-of-life (EOL) laptops and donating them to needy NGOs/ educational institutes thereby creating employment and achieving recycling than scrapping them as E waste.
- \ Minimized plastic bags to almost zero and encouraged cloth or paper bags instead; Persistent organizes “No Plastic Days” to promote awareness of using plastic.
- \ ‘ZERO PLATE WASTAGE’ week is observed twice in a year & done regular awareness through email & posters.
- \ Almost paperless office with all work done on email/soft copies except where statutorily mandated or required by govt. rules/procedures.
- \ Both side printing set as default mode and to reduce paper consumption.
- \ All waste papers are shredded and recycled through a vendor partner.

- \ All garden waste is treated in compost pit to get organic fertilizer.
- \ Dry garbage is collected on daily basis by “Swachh” an NGO appointed by PMC.
- \ No Tobacco/ No smoking policy in our entire organization.
- \ Single use plastic water bottles banned plastic spoons/ plates/ crockery also banned.

Tree Plantation

- \ Persistent started Tree Plantation through CSR and Employee engagement activity. We planted a total of 20,266 trees and nurtured 23,500 trees till December 2021
- \ In the Current FY, planted 57,700+ trees in Koyana – Chandalo Corridor of Sahyadri ranges in Maharashtra (September 2021) on 105 acres. This is the single largest such project in Maharashtra, in one monsoon.

3\ Does the company identify and assess potential environmental risks? - Yes. Through the mechanism set under ISO 14001:2015 and ISO 14064:2018, which is audited by third-party auditors on an annual basis.

4\ Does the company have any project related to Clean Development Mechanism?

- a. Rooftop Solar and Wind projects as mentioned in Point no. 2 above.
- b. Additionally, the Company has installed the following solar power plants through CSR activity as a part of its Clean Development Mechanism:
 - \ Pune Railway Station 160 KW
 - \ Hyderabad Railway Station 229 KW
 - \ Tarachand Hospital 64.5 KW
 - \ Swa-Roop Wardhinee (NGO) 8 KW

Since these are voluntary initiatives of the Company and are not compulsorily applicable under any applicable laws, the Company has not filed any environmental compliance report for the above projects.

5\ Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.

Please refer answer to point no. 2 and 4 above.

6\ Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?

Yes. Since the Company is in the business of software development services and products. However, minimal/negligible emissions and waste do get generated through support services like diesel generators and from the disposal of out-of-use computer hardware, repair/replacement of equipment and facility. All these are handled/maintained well within prescribed limits, in accordance with the CPCB/SPCB norms and we obtain necessary permissions like CTO, on an annual basis.

7\ Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1\ Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

Yes, the Company is a member of the following trade and chamber or associations -

- a. National Association for Software and Services Companies (NASSCOM)
- b. Confederation of Indian Industry (CII)
- c. Mahratta Chamber of Commerce Industries and Agriculture (MCCIA)
- d. Indo-German Chamber of Commerce (IGCC)
- e. Software Exporters Association of Pune (SEAP)
- f. Hinjawadi Industries Association, Pune (HIA)

2\ Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Persistent Systems Limited has participated in consultations on the following areas -

- a. Governance and Administration
- b. Inclusive development policies
- c. Sustainable business principles
- d. Corporate Social Responsibility

Principle 8

Businesses should support inclusive growth and equitable development

1\ Does the company have specified programs/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Please refer the answer to Question No. 3 of Principle No. 4 in this report.

2\ Are the programs/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Yes, Persistent Foundation, the Company's CSR Wing undertakes these activities.

3\ Have you done any impact assessment of your initiative?

Assessment of the initiatives of the Company is done through quarterly Board of Trustees' meeting of Persistent Foundation. The Company publishes the activities of Persistent Foundation throughout the year in the Annual Report of the Company.

Also, the Foundation team internally undertakes impact assessment of each project.

4\ What is your Company's direct contribution to community development projects – Amount in ₹ and the details of the projects undertaken

- a. For the Financial Year 2021-22: ₹ 115.35 Million to Persistent Foundation and ₹ 0.18 Million to other NGOs.
- b. Please refer the report on the activities of Persistent Foundation for the details of the projects undertaken during the Financial Year 2021-22.

5\ Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes, initiatives conducted are assessed through outcomes achieved and overall impact on the society as a whole.

Assessment is mainly done through the following:

Weekly review meetings of Persistent Foundation, Quarterly Board of Trustees' meetings, periodical monitoring the activities of the Foundation by the Corporate Social Responsibility Committee and the Board of Directors of the Company, follow-up field visits, giving an opportunity to the beneficiaries to speak at the Persistent Foundation Annual Day, telephonic and email communications with the external parties.

The Company has engaged skilled employees from Human Resources, Corporate Secretarial and Finance teams who have domain knowledge to monitor the CSR activities i.e. activities of Persistent Foundation. The Foundation staff looks after the execution of the Projects of the Company on the CSR front.

Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

1\ What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?

The customer complaints are technology-specific and are resolved at the delivery of the software and before contract closure. There are no customer complaints that are material in nature and giving rise to the litigations.

2\ Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)

Since, the Company is in the business of software development services and products, this requirement does not strictly apply to the Company. The Company makes necessary disclosures about the software products being developed for its clients as per its contractual obligations.

3\ Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.

There is no anti-competitive behavior, abuse of dominant position or unfair trade practices case pending against the Company.

4\ Did your Company carry out any consumer survey/consumer satisfaction trends?

The Company is conducting engagement level as well as relationship level survey. To maintain the objectivity, Delivery Excellence team conducts engagement level survey. Company has engaged third party to conduct relationship level survey.

The Company also obtains Customer Feedback. Some of the customer speaks are available on the website of the Company at the following link: <https://www.persistent.com/client-success/>

Management Discussion and Analysis

Market Overview

Although new COVID variants emerged in 2021, the global economy witnessed a strong recovery with International Monetary Fund (IMF) projecting a global growth of 6.1%. Widespread vaccine availability led to a gradual withdrawal of pandemic-induced restrictions across the world and markets bounced back as consumer demand surged. The pandemic rapidly changed customer behavior resulting in an accelerated adoption of digital and cloud technologies and forcing businesses to increase operational agility, personalize customer experiences and redefine cost structures. Digital adoption has fast-tracked dramatically, creating a world in which software is increasingly everywhere — not just in products and services, but at the core of virtually every experience. Especially the experience of business. Consequently, technology investments increased across industries to \$4.2 trillion in 2021.

However, after a period of rapid growth, the market has now started to show signs of slowdown due to several factors. Rising inflation in the US — highest in 40 years — is adding to the wages along with associated component costs, thereby putting pressure on the margins. To curb inflation, the Federal Reserve has increased interest rates, and this is sure to have a long-lasting impact on corporate spending. Add to that supply chain constraints and a shortage of skilled resource - a fallout of the changing priorities of today's workforce.

Company Overview

Over the last 32 years Persistent Systems Limited has grown to be a leading Digital Engineering and Enterprise Modernization co-innovation partner for high performing organizations across industries. We have helped both the disruptors and the disrupted navigate sweeping transformation — among them, some of the most innovative organizations in the world.

We are delighted to report yet another year of growth across all of our critical business metrics. With 35.2% (Y-o-Y) growth on \$765.59 Million in FY revenue — 9% sequential quarterly growth for all four quarters, this has been a banner year for us. Our ongoing operational discipline also helped us continue to improve our Earnings Before Interest and Taxes (EBIT) margin, ending +56.1% Y-o-Y. This performance resulted in market-leading growth in our stock, as we delivered an over 143% return and a market capitalization of \$4.3 Billion at year end.

Expanding on our core strengths, we announced five acquisitions - Data Glove, SCI, Shree Partners, Sureline and MediaAgility — to bolster our capabilities in key hyperscaler domains across AWS, Google, IBM, Microsoft, and Salesforce, an integral part of our long-term strategy.

Our Digital Engineering expertise, industry solutions and delivery excellence continue to be recognized by the analyst and advisor community. For the ninth year in a row, we are a leader in the Zinnov Zones™ Engineering Research and Development Services ratings, and we made it to the Constellation Shortlist™ for Innovation Services and Engineering for the fourth consecutive time. We also built on our five 2020 ISG Star of Excellence Awards, with four more awards in 2021 for the Analytics, Salesforce, Intelligent Automation and Manufacturing categories.

Ever since our inception, we have been committed to maintaining the highest standards of ethics and integrity and believe that we must be socially responsible and accountable for our actions. We continued to expand on our longstanding commitment to various Environmental, Social, and Governance (ESG) initiatives that are not only positively impacting our environment and governance, but also numerous social programs that support community development, health, and education. We are committed to Net-Zero greenhouse gas (GHG) emissions by 2030 and are dedicated to working with our people, clients, partners, and communities to build a more equitable, sustainable and healthier world through the application of technology and engineering.

Opportunities & Challenges

A lot has changed in the past two years, as digital acceleration has forced significant change in business models, operations, and customer experiences — all of which are now fully enabled by software innovation. There is no type or aspect of business today that isn't being transformed by software. If your business is software, you are continuously improving products and platforms to drive competitive advantage. If your business was born on software, you need to innovate and disrupt, or you will inevitably be disrupted. If your business is being transformed by software, you need to reinvent your enterprise to meet new customer expectations.

Such opportunities demand industry leaders to invest in comprehensive engineering expertise that combines traditional software and product know-how with broader business and emerging-technologies acumen. Simply put, holistic investment in Digital Engineering expertise and critical innovation capabilities like design thinking separates leaders from laggards.

In addition to the immense and growing engineering skills gap slowing down enterprises everywhere, this expertise simply can't exist within most organizations at the scale and with the scalability needed to quickly respond to change. Given this complexity, all organizations will benefit from outside Digital Engineering expertise to some degree, especially when the experts also have a deep, first-hand understanding of their clients' businesses and expansive partner and technology ecosystems to draw on.

To compete in this environment, all enterprises need partners that can provide and rapidly scale proven software Digital Engineering expertise to drive ongoing platform innovation — requiring broad skills in software engineering, cloud, data and automation, as well as industry knowledge.

Business Strategy

Underpinning our business growth is a new digital reality that emerged for our clients during the pandemic. Today, virtually every experience in our lives is software-driven and cloud-enabled. In this new competitive environment, our differentiated Digital Engineering expertise and trusted delivery have become essential components to our clients' success.

We combine strong technical expertise and extensive knowledge of the full software product lifecycle with deep industry experience to help our clients address the opportunities and challenges accelerated by the cloud-enabled, software-driven world. Our design-led digital engineering excellence along with a platform mindset and a unique boutique mentality have given us a unique edge in today's market conditions. Hundreds of proven frameworks and accelerators, plus a wealth of intellectual property — strengthened by our vast partner ecosystem — are fueling the successes of many of the world's leading organizations.

Further, recognizing that the cloud is increasingly at the epicenter of our client's digital transformation journey, we have invested significantly in bolstering our skills to build an enviable cloud portfolio that surpasses many of our peers. We've fortified our relationships with all the leading hyperscalers and are partnering with them to build both horizontal and vertical solutions in line with their strategies.

We continue to set the standard when it comes to fast, flexible service delivery — committing to outcomes and making them happen no matter how complex the client needs or requirements. As a truly global company with local presence in 18 countries, we're always right where our clients need us, ensuring a bespoke experience for every organization we work with.

Talent Management

We have been growing at an incredible pace over the last four quarters. We strengthened our leadership team to fuel the next wave of growth and added more than 4,900 new team members to the Persistent family, resulting in a 36% growth as compared to the previous year. We recruit diverse, world-class talent from around the world, immerse them in a culture of innovation and grow their expertise not only in software, but also in platform development, enterprise integration and ecosystem technologies.

With our strong belief in upgrading the skill quotient of our teams, Persistent University has successfully trained 11,000 team members on various skills to contribute to their career growth. Our investments in platforms, tools, and training are focused on strengthening the capabilities of our teams. This year marked the 10th edition of our iconic Annual Global Hackathon – Semicolons. Held virtually, 288 participants from 5 countries and over 42 cities participated in the event that challenged them to collaborate, innovate and deliver modern digital solutions with transformative potential for 56 problem statements using state-of-the-art tools.

We have adopted the hybrid working model and have allowed new people engagement norms to emerge. We believe that it is not about work-life balance or work-life integration anymore. It is about Work-life Harmony. Realizing that one size does not fit all, our wellbeing initiative, MyLifeAtPersistent, creates multiple avenues for our people to unleash their potential by taking control of their personal health and wellbeing – physical, emotional, social, and financial.

We promote long-term employee commitment through one of the most inclusive employee stock ownership plans in the global IT services Industry, enabling 80% of our people to benefit from the company's success as shareholders.

Internal Audit & Control

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Companies Act, 2013. [The CEO and CFO certification](#) provided under Report on Corporate Governance section of Annual report discusses the adequacy and procedure of internal control over financial reporting.

We have an in-house internal audit team of experts with professional qualifications and certifications in audit related areas. Audit areas which require industry-specific expertise are co-sourced/outsourced to consulting experts, as and when deemed necessary in line with the audit plan.

The head of internal audit team reports to the Chairman of the Audit Committee and is a permanent invitee to the quarterly meetings of the Audit Committee and the Risk Management Committee. Findings of the internal audits are presented to the Audit Committee at its quarterly meetings.

An extensive program of internal audits and management reviews supplements the process of internal financial control framework. The function provides an independent, objective assessment of operations and suggestions to improve Business Units operations. The audits are carried out throughout the year and are based on an internal audit plan that is reviewed and approved by the Audit Committee every quarter. In line with industry practices and regulatory requirements, the internal audit function covers mandatory areas such as review of Internal Financial Controls, Business and Financial operations and Regulatory Compliances.

Financial Analysis

The following discussion is based on the audited consolidated financial statements of Persistent Systems Limited, and its following subsidiaries and step-down subsidiaries:

- 1\ Persistent Systems Inc.
- 2\ Persistent Systems Pte. Ltd.
- 3\ Persistent Systems France SAS
- 4\ Persistent Systems Malaysia Sdn. Bhd.
- 5\ Persistent Systems Germany GmbH
- 6\ Capiot Software Private Limited
- 7\ Persistent Telecom Solutions Inc. (step-down subsidiary)
- 8\ Aepona Limited (step-down subsidiary)
- 9\ Persistent Systems Lanka (Private) Limited (step-down subsidiary)
- 10\ Aepona Group Limited (step-down subsidiary)
- 11\ Persistent Systems Mexico S.A. de C.V. (step-down subsidiary)
- 12\ Persistent Systems Israel Ltd. (step-down subsidiary)
- 13\ PARX Werk AG (step-down subsidiary)
- 14\ PARX Consulting GmbH (step-down subsidiary)

- 15\ Youperience GmbH (step-down subsidiary)
- 16\ Youperience Limited (step-down subsidiary)
- 17\ Capiot Software Inc. (step-down subsidiary)
- 18\ Capiot Software Pty Limited (step-down subsidiary)
- 19\ Capiot Software Pte Limited (step-down subsidiary)
- 20\Persistent Systems S.R.L. (step-down subsidiary)
- 21\ Software Corporation International (step-down subsidiary)
- 22\ SCI Fusion360 LLC (step-down subsidiary)
- 23\ Data Glove IT Solutions Limitada (step-down subsidiary)

In this report, Persistent Systems and its subsidiaries and step-down subsidiaries collectively have been referred to as “the Company”, reflecting the financial position in the consolidated financial statements. The Financial Year 2021-22 has been referred to as “the year” and the Financial Year 2020-21 has been referred to as “the previous year”.

The consolidated financial statements have been prepared in accordance with Ind-AS.

Financial Position and Results of Operations

Persistent Systems Limited was listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) on April 6, 2010.

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

Financial performance summary

Particulars	Unit	Financial Year 2021-22	% to revenue	Financial Year 2020-21	% to revenue	Growth
Revenue	₹ Million	57,107.46		41,878.88		36.36%
Revenue	\$ Million	765.59		566.08		35.24%
Earnings before interest, depreciation, amortisation and taxes	₹ Million	9,581.71	16.78%	6,830.15	16.31%	40.29%
Profit Before Tax	₹ Million	9,242.79	16.18%	6,094.43	14.55%	51.66%
Profit After Tax	₹ Million	6,903.86	12.09%	4,506.77	10.76%	53.19%
Earnings Per Share (EPS) (Basic and Diluted)	₹	90.34		58.97		53.19%

Share Capital

The authorized share capital of the Company as at March 31, 2022 was ₹ 2,000.00 Million divided into 200 Million equity shares of ₹ 10 each. The paid-up share capital as at March 31, 2022 was ₹ 764.25 Million divided into 76.425 Million equity shares of ₹ 10 each. (Previous year ₹ 764.25 Million divided into 76.425 Million equity shares of ₹ 10 each). There were no changes in the authorized and paid up share capital during the year.

Other Equity

The Other Equity as at March 31, 2022 stood at ₹ 32,917.95 Million as against ₹ 27,192.41 Million as at March 31, 2021, showing a growth of 21.06%. The details of Other Equity are as below:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
General Reserve	17,376.65	14,356.53
Share Options Outstanding Reserve	1,144.84	470.70
Gain on bargain purchases	57.80	57.31
Capital redemption reserve	35.75	35.75
Retained Earnings	13,553.90	11,564.42
Effective portion of cash flow hedges	41.80	139.45
Exchange differences on translating the financial statements of foreign operations	707.21	568.25
Total	32,917.95	27,192.41

General Reserve

During the Financial Year 2021-22, the Company transferred ₹ 2,743.46 Million out of the profits of the year to General Reserve in accordance with the Company's Policy of Transfer of Profits to General Reserve. Further, there has been transfer of ₹ 276.84 Million from Share Options Outstanding Reserve on exercise/expiry of stock options by the employees. The balance in General Reserve stood at ₹ 17,376.65 Million as at March 31, 2022 as against ₹ 14,356.53 Million as at March 31, 2021.

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Share Options Outstanding Reserve

In accordance with Ind AS 102 – "Share Based Payments," the cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognized as employee compensation cost over the vesting period following graded vesting method.

The amount of stock options outstanding as at March 31, 2022 was ₹ 1,144.84 Million for 0.78 Million options exercisable as on that date (The corresponding amount in stock options outstanding account as on March 31, 2021 was ₹ 470.70 Million for 0.75 Million options exercisable as on that date). The increase in the liability represents fair value of options granted (including Restricted Stock Units) during the year to the employees. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Gain on Bargain Purchases

As per Ind AS 103- "Business Combinations," if the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized as Gain on bargain purchases under other comprehensive income. The Company has carried out the fair valuation of all identifiable assets, liabilities and contingent liabilities acquired under the business acquisitions after the date of transition to Ind AS (i.e. April 1, 2015). Based on this, the Gain on bargain purchases stood at ₹ 57.80 Million as at March 31, 2022 as compared to ₹ 57.31 Million as at March 31, 2021.

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Capital Redemption Reserve

Capital redemption reserve represents the nominal value of the shares bought back; and is created and to be utilised in accordance with Section 69 of the Companies Act, 2013. The Capital redemption reserve was unchanged and stood at ₹ 35.75 Million as at March 31, 2022 and March 31, 2021. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Retained Earnings

The balance retained in the Statement of Profit and Loss as at March 31, 2022 is ₹ 13,553.90 Million, after appropriation towards dividend of ₹ 1,987.05 Million and transfer to General Reserve of ₹ 2,743.46 Million.

The details of changes in Retained Earnings are as follows:

(In ₹ Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Opening balance	11,564.42	10,087.74
Net profit for the year	6,903.86	4,506.77
Other comprehensive income for the year (Remeasurements of defined benefit schemes)	(183.87)	10.25
Dividend	(1,987.05)	(1,069.95)
Transfer to general reserve	(2,743.46)	(2,020.34)
Transfer from/(to) Special Economic Zone re-investment Reserve	0	49.95
Closing balance	13,553.90	11,564.42

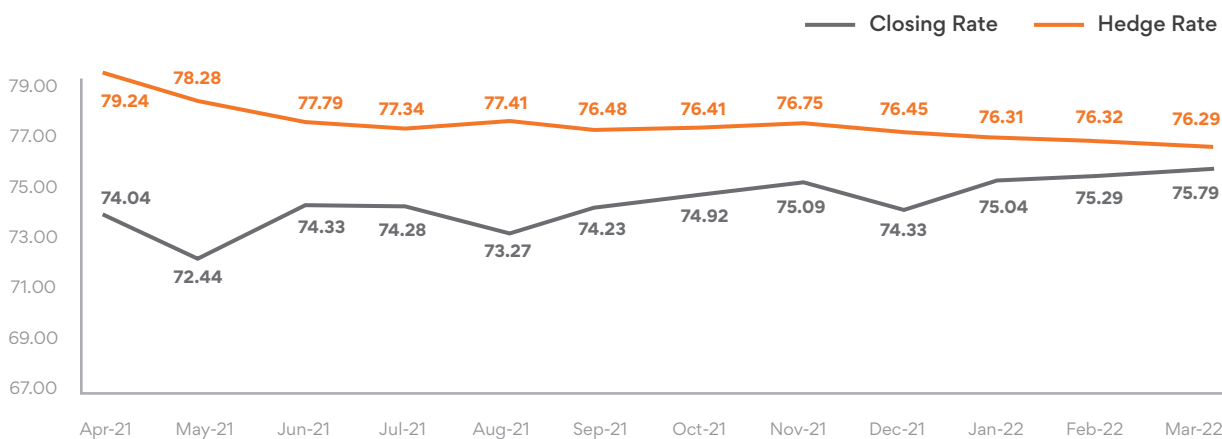
Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

Effective Portion of Cash Flow Hedges

The Company derives a substantial part of its revenues in foreign currency while a major part of its expenses is incurred in Indian Rupees. This exposes the Company to the risk of loss due to fluctuations in foreign currency rates.

The following chart shows movement of monthly spot and forward rates of the Rupee against the USD in Financial year 2021-22, indicating the volatility that the currency faced throughout the year:

₹/\$ Currency Movement



The Company minimizes the foreign currency fluctuation risk as per Company’s Foreign Exchange Risk Management Policy. The Company holds plain vanilla forward contracts against expected future receivables in USD to hedge the risk of changes in exchange rates.

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

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

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

Accordingly, the Hedge Reserve (net of tax effects) as at March 31, 2022 stood at a credit balance of ₹ 41.80 Million as against a debit balance of ₹ 139.45 Million as at March 31, 2021. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

Exchange Differences on Translating the Financial Statements of Foreign Operations

While consolidating the financial statements of subsidiaries (including step down subsidiaries) with the financial statements of the Parent Company, the assets and liabilities are stated in Indian Rupees by applying the closing exchange rates, equity is stated in Indian Rupees by applying the historical exchange rates and income and expenditure are stated in Indian Rupees by applying the average exchange rates. This creates exchange difference on consolidation which is accumulated under foreign currency translation reserve.

The balance in the foreign currency translation reserve was ₹ 707.21 Million as at March 31, 2022 as against ₹ 568.25 Million as at March 31, 2021. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

Non-current Assets (other than non-current financial assets)

The Non-current assets (other than non-current financial assets) as at March 31, 2022 stood at ₹ 16,406.93 Million as against ₹ 4,691.23 Million as at March 31, 2021. The details are as below:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment	2,917.67	2,401.40
Capital work-in-progress	1,071.20	121.81
Right of use assets	1,358.21	852.58
Goodwill	2,790.22	85.94
Other Intangible assets	8,269.63	1,229.50
Total	16,406.93	4,691.23

Property, Plant and Equipment

The gross block of Property, Plant and Equipment amounted to ₹ 8,970.12 Million as at March 31, 2022 as against ₹ 7,884.71 Million as at March 31, 2021. The increase is primarily because of acquisition of computers during the year. The company procured additional computers/hardware worth ₹ 1,068.37 Million for the growing business needs.

Capital Work-in-progress

Capital work-in-progress (Capital WIP) stood at ₹ 1,071.20 Million as at March 31, 2022 as against ₹ 121.81 Million as at March 31, 2021. The increase is primarily on addition of an under-construction office building.

Right of Use Assets

The gross block of Right of use asset stood at ₹ 1,879.25 Million as at March 31, 2022 as against ₹ 1,245.63 Million as at March 31, 2021. Net additions of ₹ 630.06 Million have been made towards renewals/ additions of leased office premises after surrendering few of the premises.

Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired Company. The Goodwill as at March 31, 2022 was ₹ 2,790.22 Million as against ₹ 85.94 Million as at March 31, 2021. The increase is due to amounts recognised on business acquisitions made during the year

Other Intangible Assets

The gross block of intangible fixed assets amounted to ₹ 16,541.28 Million as at March 31, 2022 as against 8,657.70 Million as at March 31, 2021. The additions mainly pertain to software and acquired contractual rights, including those acquired through business combinations.

Please refer note no. 6.5 and note no. 44 of the consolidated financial statements for details.

Non-current Financial Assets

The non-current financial assets at March 31, 2022 were ₹ 7,740.46 Million as against ₹ 3,781.79 Million as at March 31, 2021. The details of non-current financial assets are as follows:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments	3,877.72	3,621.27
Loans	3,522.00	-
Other non-current financial assets	340.74	160.52
Total	7,740.46	3,781.79

Non-current Financial Assets: Investments

The total non-current investments as on March 31, 2022 stood at ₹ 3,877.72 Million as against ₹ 3,621.27 Million in the previous year. The net increase in non-current investments is mainly due increase in investment in bonds and an investment in shares of Monument Bank, UK net of write-off of investment in Cazena Inc. Please refer Note 7 of the consolidated financials for details.

Non-current Financial Assets: Loans

The non-current loans as at March 31, 2022 were ₹ 3,522.00 Million as compared to Nil as at March 31, 2021. The increase is on account of loan given during the year to Persistent ESOP trust to be utilised for funding the ESOP Schemes of the Group.

Please refer [Note 8](#) of the consolidated financials for details.

Other Non-current Financial Assets

Other non-current financial assets consist of the non-current deposits with banks and the financial institutions including interest accrued on these deposits.

The Company has fully provided for the deposits of ₹ 130.00 Million with IL&FS Ltd and ₹ 300.00 Million with IL&FS Financial Services Ltd.

During the year, the Company has invested ₹ 100.00 Million in the deposits of HDFC Limited.

Please refer [Note 9](#) of the consolidated financials for details.

Deferred Tax Assets and Deferred Tax Liabilities

The net deferred tax assets on March 31, 2022 amounted to ₹ 1,122.72 Million as against ₹ 1,037.57 Million as on March 31, 2021.

The net increase is mainly due to changes in timing differences in book value and tax base value of block of Property, Plant and Equipment, employee benefits and other timing differences.

Please refer [Note 10](#) of the consolidated financials for component-wise details of deferred tax balances.

Other Non-current Assets

Other non-current assets include capital advance and Prepayments. The amount of Other non-current assets was ₹ 531.61 Million as at March 31, 2022 as against 441.52 Million as at March 31, 2021.

The increase is mainly due to increase in advances recoverable in cash or kind. Please refer [Note 11](#) of the consolidated financials for details.

Current Financial Assets

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments	4,346.91	6,374.95
Trade receivables (net)	9,484.29	5,708.97
Cash and cash equivalents	2,977.99	2,419.30
Other bank balances	6,166.59	7,389.70
Loans	16.10	21.79
Other current financial assets	3,214.90	2,516.70
Total	26,206.78	24,431.41

Current Investments

As per the Investment Policy approved by the Board of Directors, the Company invests its surplus funds in liquid and debt schemes and fixed maturity plans of some reputed mutual funds with a focus on capital preservation, liquidity and optimization of returns.

Investment in mutual funds classified under current investments stood at ₹ 4,346.91 Million as at March 31, 2022 as compared to at ₹ 6,374.95 Million as at March 31, 2021.

Trade Receivables

Trade receivables (net of provision for doubtful debts) amounted to ₹ 9,484.29 Million as at March 31, 2022 as against ₹ 5,708.97 Million as at March 31, 2021.

The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the historical payment track record of customers. Further, the policy incorporates the provisioning of all customer balances which are overdue for a period of more than 180 days.

Provision for doubtful debts stood at ₹ 165.78 Million as at March 31, 2022 as against ₹ 271.64 Million as at March 31, 2021. Please refer [Note 13](#) of the consolidated financials for details.

DSO as at March 31, 2022 was at 59 days as against 55 days as at March 31, 2021.

Cash and Cash Equivalents

Cash and cash equivalents include bank balances and cash on hand. Cash and cash equivalents increased to ₹ 2,977.99 Million as at March 31, 2022 from ₹ 2,419.30 Million as at March 31, 2021.

Other Bank Balances

Deposits with banks having maturity of more than twelve months from the balance sheet date including interest thereon and the balances on unpaid dividend accounts are considered under other bank balances. These deposits amounted to ₹ 6,166.59 Million as at March 31, 2022 as compared to ₹ 7,389.70 Million as at March 31, 2021. The balances on unpaid dividend accounts was ₹ 2.94 Million as at March 31, 2022 as against ₹ 3.00 Million as at March 31, 2021. Please refer [Note 15](#) of the consolidated financials for details.

Loans

The amount of current loans as at March 31, 2022 was ₹ 16.10 Million as against ₹ 21.79 Million as at March 31, 2021. Please refer [Note 16](#) of the consolidated financials for details.

Other Current Financial Assets

Other current financial assets were ₹ 3,214.90 Million as at March 31, 2022 as compared to ₹ 2,516.70 Million as at March 31, 2021. Following are the components of other current financial assets:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Forward contracts receivable	84.59	294.46
Security deposits	-	49.47
Unbilled revenue	3,130.31	2,172.77
Total	3,214.90	2,516.70

The amount of forward contracts receivable represented favourable position (i.e. Mark To Market gain) as at the Balance Sheet date in respect of the forward contracts entered by Company. Unbilled revenue represents revenue recognized in relation to work done until the Balance Sheet date for which billing has not taken place. Please refer [Note 17](#) of the consolidated financials for details.

Other Current Assets (other than financial assets)

Other Current assets other than financial assets include following:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax assets (net)	179.57	188.00
Other current assets	1,952.90	2,083.72
Total	2,132.47	2,271.72

Other current assets include advances recoverable in cash or kind within period of twelve months from the Balance Sheet date and VAT receivable, Service Tax and GST receivable.

Current ratio was 1.99 as at March 31, 2022 as against 3.47 as at March 31, 2021.

Non-current Liabilities

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
Borrowings (non-current portion)	2,800.79	44.27
Lease liabilities	1,114.29	716.17
Provisions	245.54	240.94
Other financial liabilities	2,088.60	-
Total	6,249.22	1,001.38

Non-current Financial Liabilities- Borrowings

Under the scheme of NMITLI (New Millennium India Technology Leadership Initiative), the Company has undertaken a project on the 'System based Computational Model of Skin'. As a part of this scheme, Council for Scientific and Industrial Research (CSIR) has granted a financial help in the form of a loan at a nominal rate of interest of 3% p.a. Based on the project costs, an amount of ₹ 40.71 Million had been sanctioned as a long-term loan. The loan is repayable in ten equal annual instalments commencing from October 2015. Loan amount outstanding under this scheme amounted to ₹ 5.55 Million as on March 31, 2022 as against ₹ 7.39 Million as on March 31, 2021.

Under the COVID-19 scheme for medium and small scale industries by the Government of Switzerland, the step-down subsidiary company has received an interest free loan in March 2020, for a term of 5 years for an amount of CHF 500,000, equivalent to ₹ 37.54 Million as on March 31, 2022, (Previous year: 38.73 ₹ Million).

The Company has obtained the loans from HSBC for funding the business acquisitions of SCI Fusion and Data Glove (refer [note 44](#) of Consolidated financial statements for details related to business combinations). The Parent Company has provided a Letter of Comfort to the Lender.

Following are the key terms of loans:

Repayment terms	₹ Million	Interest rate
Loan 1: Repayable over a period of 3 years in equal instalments commencing from November 2021	1,629.53	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from April 2022	2,652.65	SOFR + 145 bps
Total	4,282.18	

The interest of ₹ 0.08 Million (previous year ₹ 0.11 Million) is accrued but not due on these loans. Out of the total outstanding balance of ₹ 4,325.35 Million, the balance of ₹ 1,524.48 Million is repayable within twelve months from the Balance Sheet date and hence, reclassified to Other Current Financial Liabilities.

Please refer [Note 19](#) of the consolidated financials for details.

Debt-equity ratio as at March 31, 2022 was 0.12:1 against 0.0017:1 as at March 31, 2021.

Non-current Liabilities- Provisions

The long-term provisions are those provisions which are not expected to be settled within twelve months from the date of the Balance Sheet. Long term provisions include the liability towards long service award. The total long-term provisions have marginally increased to ₹ 245.54 Million as at March 31, 2022 as compared to ₹ 240.94 Million as at March 31, 2021.

Current Liabilities

Particulars	(In ₹ Million)	
	As at March 31, 2022	As at March 31, 2021
Financial liabilities		
- Trade payables	4,298.71	2,733.44
- Lease liabilities	342.58	222.00
- Borrowings	1,524.56	1.96
- Other financial liabilities	2,173.60	388.21
Other current liabilities	1,571.72	1,514.95
Provisions	3,949.66	2,477.79
Current tax liabilities (net)	348.72	358.85
Total	14,209.55	7,697.20

Trade Payables

Trade payables increased to ₹ 4,298.71 Million as at March 31, 2022 from ₹ 2,733.44 Million as at March 31, 2021 essentially on account of the growth in operations of the Company.

Other Current Financial Liabilities

Other current financial liabilities include capital creditors, current maturity of borrowings including interest thereon, accrued employee liabilities, unpaid dividend and other contractual liabilities. Other current financial liabilities have increased to ₹ 2,173.60 Million as at March 31, 2022 from ₹ 388.21 Million as at March 31, 2021 mainly due to increase in Payable to selling shareholders which represents the amount of deferred purchase consideration in form of Earnouts payable upon achievement of revenue and gross margin thresholds as specified in the agreements.

The details of major components of other current financial liabilities are shown below:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Capital creditors	204.49	237.83
Accrued employee liabilities	144.61	127.50
Unpaid dividend	2.94	3.00
Other liabilities	8.41	7.96
Payable to Selling Shareholders	1,813.15	11.92
Total	2,173.60	388.21

Other Current liabilities

Other current liabilities include unearned revenue, advances from customers and statutory and other liabilities. Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized. The other current liabilities have slightly increased to ₹ 1,571.72 Million as at March 31, 2022 from ₹ 1,514.95 Million as at March 31, 2021. Please refer [Note 24](#) of the consolidated financials for details.

Current Liabilities: Provisions

The short term provisions denote the employee liabilities and other provisions expected to be settled within a period of twelve months from the date of the Balance Sheet. The short term provisions were ₹ 3,949.66 Million as at March 31, 2022 as against ₹ 2,477.79 Million as at March 31, 2021. The details of the components of short term provisions are given below:

(In ₹ Million)

Particulars	As at March 31, 2022	As at March 31, 2021
Provision for employee Benefits		
Gratuity	9.96	37.78
Leave encashment	975.49	815.28
Long service awards	24.54	17.19
Other Employee benefits	2,939.67	1,607.54
Total	3,949.66	2,477.79

The increase in other Employee benefits is mainly due to increase in performance bonus provisions.

Current Tax Liabilities

Current tax liabilities were ₹ 348.72 Million as at March 31, 2022 as against 358.85 Million as at March 31, 2021. Refer Note 33 of Consolidated Financial Statements for details.

Revenue from Operations (Net)

The Company provides product engineering services, platform-based solutions and IP-based software products for global customers. The Company derives a significant portion of revenues from export of software services and products.

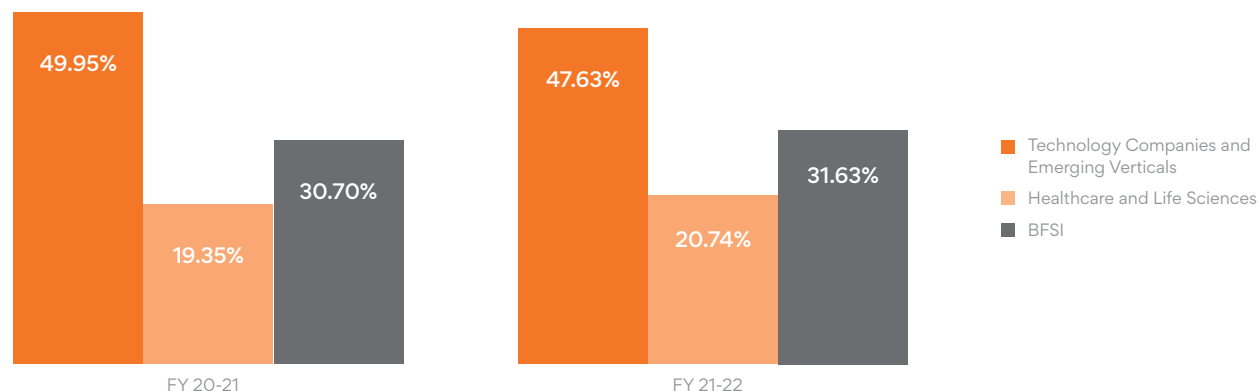
The revenue for the year in USD terms was up by 35.24% at USD 765.59 Million against USD 566.08 Million in the previous year. In Rupee terms the revenue was ₹ 57,107.46 Million against ₹ 41,878.88 Million representing a growth of 36.36% over the previous year. The average rate of rupee depreciated by 0.83 % during the year against US Dollar.

The operating segments of the Group are:

- \ Banking, Financial Services and Insurance (BFSI)
- \ Healthcare & Life Sciences
- \ Technology Companies and Emerging Verticals

Following is the graphical presentation of the contribution of the segments in the total revenue:

Revenue Shares by Segments



(In ₹ Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021	Growth
Segmental revenue			
- BFSI	18,063.65	12,857.05	40.50%
- Healthcare & Life Sciences	11,842.75	8,104.24	46.13%
- Technology Companies and Emerging Verticals	27,201.06	20,917.59	30.04%
Total	57,107.46	41,878.88	36.36%
Segmental Operating income			
- BFSI	6,184.33	4,818.38	28.35%
- Healthcare & Life Sciences	6,063.74	3,982.47	52.26%
- Technology Companies and Emerging Verticals	9,269.10	6,449.40	43.72%
Total	21,517.17	15,250.25	41.09%
Segmental Operating margin %			
- BFSI	34.24%	37.48%	
- Healthcare & Life Sciences	51.20%	49.14%	
- Technology Companies and Emerging Verticals	34.08%	30.83%	

In terms of geographical mix of revenue, North America continued to dominate by contributing 78.87% of the total revenue. Contribution from Europe was 8.72%, from India it was 10.56% while Rest of the World contributed 1.86% of total revenue.

The details in respect of percentage of revenues generated from top customer, top 5 customers and top 10 customers are as under:

Revenue Concentration	2021-22	2020-21
Top 1	16.2%	18.4%
Top 5	35.1%	38.7%
Top 10	44.6%	47.7%

With significant growth in revenue from new customers, dependence on top customers has been decreasing.

Other Income

As explained in Note 27 of the consolidated financials, Other Income consists of income from investment of surplus funds in the form of dividend from mutual funds, profit on sale of investments, interest on deposits and bonds, foreign exchange gain and miscellaneous income. Other income has increased to ₹ 1,439.55 Million for the year ended March 31, 2022 from ₹ 1,077.72 Million for the year ended March 31, 2021. This is primarily due to higher exchange gain.

The details of other income are given below:

(In ₹ Million)

Particulars	For the Year ended March 31, 2022	For the Year ended March 31, 2021	Change
Investment income (including interest, dividend, fair value gain/loss and profit on sale of investments)	954.52	905.44	5.4%
Foreign exchange gain	269.41	33.81	696.8%
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	215.62	138.47	55.7%
Total	1,439.55	1,077.72	33.6%

Personnel Expenses

Personnel Expenses for the year amounted to ₹ 42,567.28 Million against ₹ 30,721.67 Million for the previous year, showing an increase of 38.56%. As a percentage of revenue, these expenses were 74.54% during the year as compared to 73.36% in the previous year.

The main reason for increase in Personnel Expenses as a % of revenue is on account of impact on revenue due to higher cost of new recruits, joining bonuses and increments.

Please refer [Note 28](#) of the consolidated financials for details.

Other Expenses

Operating and other expenses for the year amounted to ₹ 4,958.47 Million against ₹ 4,327.06 Million in the previous year. As a percentage of revenue, the expenses decreased to 8.68% from 10.33%.

The main reasons for variations in Operating and other expenses are as below:

- \ Travelling and conveyance costs went up by ₹ 238.42 Million due to the lifting of restrictions on travel across the North America, Asia and some parts of Europe.
- \ Recruitment expenses have gone up by ₹ 292.96 Million owing to higher no. of recruitments and addition to the headcount.
- \ Legal and professional fees have increased by ₹ 303.08 Million mainly on account of due diligence and other legal and professional charges incurred towards new business acquisitions
- \ During the year, based on the communication received from Cazena Inc. regarding the realisable value, the Company has written off an investment in Cazena Inc. amounting to ₹ 148.40 Million on account of acquisition by another corporation.

Please refer [Note 28](#) of the consolidated financials for more details.

Profit Before Interest, Tax, Depreciation and Amortization

During the year, the Company reported Profit before interest, tax, depreciation and amortization of ₹ 11,021.26 Million representing an increase of 39.27% over Profit before interest, tax, depreciation and amortization of ₹ 7,907.87 Million during the previous year. The margin of Profit before interest, tax, depreciation and amortization increased to 19.30% during the year from 18.88% in the previous year.

Depreciation and Amortization

The depreciation and amortization for the year amounted to ₹ 1,660.12 Million as against ₹ 1,755.50 Million in the previous year. Increase is mainly on account of amortisation on intangibles acquired under business combinations.

Depreciation and amortization as a percentage of revenue was 2.91% for the year against 4.19% for the previous year. The details on depreciation and amortization is as given below:

(In ₹ Million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
On Property, Plant and Equipment	720.11	468.66
On Other Intangible assets	651.50	1,035.38
On Right of Use assets	288.51	251.46
Total	1,660.12	1,755.50

Tax Expense

Tax expense consists of current tax and deferred tax.

The Company's two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

The tax expense for the year amounted to ₹ 2,365.42 Million (including tax charge in respect of earlier years of ₹ 42.57 Million) against ₹ 1,784.59 Million (including tax charge in respect of earlier years of ₹ 10.58 Million) in the previous year. The deferred tax credit for the year was ₹ 26.49 Million against deferred tax credit of ₹ 196.93 Million in the previous year.

This reduction in deferred tax credit by ₹170.44 Million is mainly on account of NIL incremental R&D tax credits in FY22 due to the discontinuance of R&D related activities post-September 2021.

The total tax expense for the year amounted to ₹ 2,338.93 Million against ₹ 1,587.66 Million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 25.31% as compared to 26.05% in the previous year.

Please refer Note 33 for reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss.

Net Profit after Tax

The Net Profit for the year amounted to ₹ 6,903.86 Million against ₹ 4,506.77 Million for the previous year, an increase of 53.19%. The Net Profit margin for the year was 12.09% as compared to 10.76% in the previous year.

Dividend

The total dividend per share for the year was ₹ 31 per share which includes interim dividend of ₹ 20 and a recommended final dividend of ₹ 11 per share.

For the previous year, the total dividend was ₹ 20 per share.

The total appropriation towards interim dividend for the year was ₹ 1,528.50 Million as against ₹ 1,069.95 Million for the previous year.

On approval of final dividend of ₹ 11 per share which was recommended by board in its meeting held in April 2022, the amount of ₹ 840.68 Million will be appropriated from reserves.

The Finance Act, 2020 in India has repealed Dividend Distribution Tax (DDT). The Companies are now required to pay/distribute dividend after deducting applicable taxes. The remittance of dividends outside India is governed by Indian law on foreign exchange and is also subject to withholding tax at applicable rates as per Finance Act, 2020.

Summary of dividends declared

Type of Dividend		Financial Year 2021-22		Financial Year 2020-21	
		Interim	Final	Interim 1	Interim 2
Month of Declaration/recommendation		Jan-22	Apr-22	Jan-21	Apr-21
Amount of Dividend Per Equity Share of ₹ 10 each	(In ₹)	20	11	14	6
% of Dividend		200%	110%	140%	60%
Total Dividend	(In ₹ Million)	1528.50	840.68	1,069.95	458.55
Total Dividend Outflow for the Year	(In ₹ Million)	2,369.18		1,528.50	

The dividend payout ratio (including proposed final dividend) for the year was 34.31% as compared to 33.92% for the previous year.

Earnings Per Share (EPS)

Basic and Diluted earnings per share went up to ₹ 90.34 per share, compared to ₹ 58.97 per share in the previous year, recording an increase of 53.2%.

Ratio Analysis and its Elements

Sr.No	Ratio	March 31, 2022	March 31, 2021	% change	Reason for variance (If more than 25%)
1\	Current ratio	1.99	3.47	-42.65%	Increase in current liabilities towards payable to selling shareholders has resulted into decrease in the ratio.
2\	Debt-Equity ratio	12.84%	0.17%	12.68%	-
3\	Debt Service Coverage ratio	6.05	3321.96	-99.82%	Borrowings made during the year to fund the acquisitions have resulted into decrease in the ratio.
4\	Return on Equity ratio	22.68%	17.38%	5.30%	-
5\	Trade Receivables turnover ratio	5.92	7.32	-19.09%	-
6\	Trade payables turnover ratio	2.98	3.49	-14.37%	-
7\	Net capital turnover ratio	4.04	2.20	83.42%	Revenue growth during the year has resulted in improvement in ratio.
8\	Net profit ratio	12.09%	10.76%	1.33%	-
9\	Return on Capital employed	28.36%	23.70%	4.66%	-
10\	Return on investment	5.90%	5.19%	0.72%	-

** Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

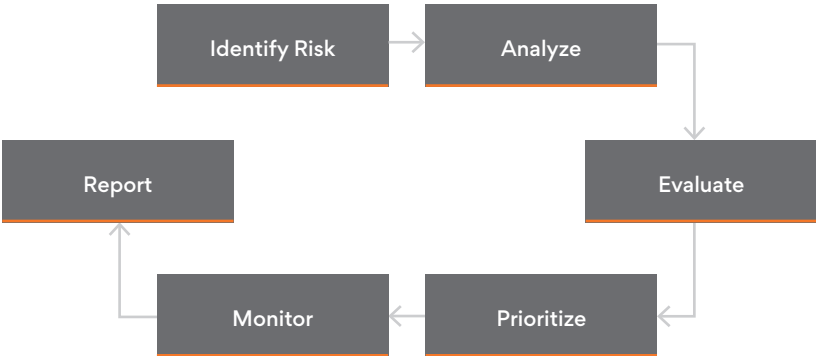
Report on Risk Management

The recent global pandemic has shown that generic pandemic risk was underestimated in both magnitude and dimension. The role of the Enterprise Risk Management (ERM) is to evaluate and define the risks that may affect the Organization’s success in achieving its strategic objective. As the organizations have been forced to enact preparedness and business continuity plan, ERM is more important than ever before. While no one could have predicted the nature, severity or timing of COVID-19 spread, it is clear that the organizations should include such risks scenarios in future strategic discussions.

The role of a Chief Risk Officer (“CRO”) has got significantly enhanced since the global pandemic. In today’s world of climate changes and geo-political tensions, CRO needs to take note of corporate perception towards transition to the low carbon environment and social movements across global territories. CRO will thus be closer to and play ever larger role in the growth and success of the organization.

The risk management processes have become a necessity for business survival. Risk officers will have to invest in an enterprise level risk management framework that provides them with the right strategy and processes to identify and monitor risks on an ongoing basis. The risk reporting process need to be more agile to provide real time view of the risk exposure to the executive management.

Risk Management Framework at Persistent is as follows:



Below is the risk management process followed at Persistent:

- \ To analyse existing as well as newly identified risks to form the basis of determining how risks are managed in terms of its probability and impact. The risk areas are categorized into financial, operational, reputational and compliance perspective for further assessment.
- \ Prioritization of risks by respective functional heads to address them and accomplish common organizational objective.
- \ To maintain a risk register and monitor and update emerging risks for continuous risk assessment
- \ To build risk management based internal audit plan to enhance risk and control framework effectively.
- \ To integrate mitigation plans devised by the risk owners in the day-to-day activities and to monitor them very closely
- \ To seek re-assessment of risk and revised mitigation plans if those are found ineffective
- \ To report the risk to the Executive Management and the Risk Committee

Our risk management framework provides guidance for early identification and handling of risks involving multiple stakeholders. It is an inclusive approach to frame, assess, evaluate, manage and communicate important and complex risks. There is an open, transparent communication by engaging stakeholders in both assessing and managing risks.

Risk Governance Structure

In the evolving business environment with innovations, accelerated diversified business activities, changing regulatory landscape and increased security risks, it becomes necessary to have robust but agile approach to keep threats under control. Efficient risk management should be built around four key aspects: (1) maintaining strategic alignment, (2) focusing on vulnerabilities, (3) facilitating decision-making and (4) building a dynamic risk mitigation culture.

Developing an agile risk-based approach is required to mitigate threats and to make timely decisions to explore potential opportunities.

The risk management governance structure at Persistent is as follows:



At Persistent, successful governance of critical risk is a strategic investment for sustainable growth. It is meant to prepare the company for a wide range of possible crisis in its growth journey.

Some of the major risks in the current business environment are given below:

Major Risks	Risk Triggers	Measures for risk mitigation
Increased employee attrition	Spurred demand for talent coupled with work from anywhere has resulted into an increase in employee attrition	Effective team building activities, good employee connect and rewarding good performers are some of the measures to retain talent.
Cyber attack and hacking risk	External attacks on network, malware, compromised credentials may result in data loss	Focus on endpoint patching to achieve desired compliance level, implementation of advanced endpoint protection solution, multifactor authentication enablement are some of the measures to reduce this risk.
Social media risk	Incorrect disclosure of corporate information in social media by employees or ex-employees	Employee awareness training organized and code of ethics implemented.
Foreign Exchange Risk	Economic slowdown due to the pandemic resulted in a big volatility in the currency	\ Net foreign exchange earnings are hedged on 12 months rolling basis to cover 45% to 70% of net open positions. Guidance from the Board members is obtained every quarter hedging quantum \ Close monitoring of exchange rate movement is done
Credit Risk	Non-collection/delay in collection of customer dues	\ Structured process of collection has been implemented. Regular follow-up process is done for all overdue invoices \ Credit Control Policy has been formulated which limits the credit to be given to the customer based on credit check findings and monthly revenue run-rate of that customer
Risk of economic downturn	Uncertainties in the global economy may impact the growth of business	Focus on an increase in the diverse customer base helps reduce this risk to some extent. More emphasis on upselling and cross-selling within industry verticals is thrust.

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Consolidated Financials

Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

- 1\ We have audited the accompanying consolidated financial statements of **Persistent Systems Limited** (“the Holding Company”) and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”), its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at **31 March 2022**, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, its associate, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

- 2\ We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associate in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 13 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 3\ Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, associate, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

4\ We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1\	<p>Accuracy of revenues and onerous obligations in respect of fixed-price contracts</p> <p>Refer Notes 4.4(i) notes forming part of the Consolidated Financial Statements.</p> <p>The Company has entered into various fixed-price software development contracts, for which revenue is recognized by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention:</p> <ul style="list-style-type: none"> \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. <p>Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over: <ul style="list-style-type: none"> - IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; and - Testing the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and - Testing the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project. \ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. \ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. \ Performed analytical procedures for reasonableness of incurred and estimated efforts. \ Evaluated management's identification of onerous contracts based on estimates tested as above. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
2\	<p>Contingent liabilities relating to export incentive litigation</p> <p>Refer Note 42 – notes forming part of the Consolidated Financial Statements regarding dispute on export incentives scrips awarded to the Group.</p> <p>The Group in previous years has deposited under protest ₹ 296.55 million with the Directorate General of Foreign Trade pursuant to the Summons received from the Directorate of Revenue Intelligence ('DRI') and have made a corresponding application with the relevant authorities.</p> <p>Further in the previous year, the Group has received Show Cause Notice ('SCN') from DRI, claiming that the Group is not eligible for the benefit under the scheme and if the Group has wrongfully claimed such benefits, it will be liable for such consequential penalties.</p> <p>The management based their assessment and interpretation of various applicable rules, regulations, practices and precedents, and based on various documents filed with relevant authorities to avail these claims, believes that they have a strong case and the export incentives of ₹ 296.55 million deposited under protest are fully recoverable. Accordingly, the duty paid under protest, has been presented as receivable from government authority and has been correspondingly disclosed under contingent liability.</p> <p>In view of the amounts involved and uncertainty pertaining to the final outcome of the matter requiring significant management judgement in determination of recoverability of the aforesaid balance with respect to the said litigation, this matter is considered as a key audit matter for the current year's audit.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> \ Obtained an understanding of the Company's process and the underlying controls for identification and monitoring of the pending litigations and completeness of such litigations for financial reporting. \ Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liability disclosure, in accordance with the applicable Indian Accounting Standards. \ Discussed developments during the year in the export incentive matter with the management and obtained opinion from the management's expert. \ Obtained the documents for various correspondences made between the Group and the respective departments. \ Involved auditor's expert to test the management's underlying assumptions in estimating the export incentive benefits and the possible outcome of the matters. This involved assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts which involved consideration of legal precedence and other rulings and expert opinion obtained by the management. \ Assessed adequacy and appropriateness of the contingent liability disclosure in Note 42 to determine whether management has presented the facts and circumstances adequately.
3\	<p>Business Combinations</p> <p>Refer Note 44 notes forming part of the Consolidated Financial Statements.</p> <p>During the year ended 31 March 2022, the Company has completed acquisitions of Capiot Group, Shree Infosoft India Limited, Shree Partners LLC, Software Corporation International and SCI Fusion 360, LLC, Data Glove Group comprising intellectual property (software) and related customer contracts, under slump sale arrangement for total consideration of ₹ 10,722.91 million, based on Share/Asset Purchase Agreements and other related arrangements. The Company has primarily acquired Customer related intangibles and commitment on non-compete as a result of this acquisition.</p> <p>The Company has accounted for aforementioned business acquisitions in accordance with Ind AS 103, Business Combinations, which requires the recognition of identifiable assets and liabilities including identifiable intangibles, in a business combination at fair value on the date of acquisition, with the excess of the acquisition price over such identified fair values recognised as goodwill.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> \ Obtained an understanding of the terms and conditions of the purchase agreement and the consideration transferred to assess the control over the business and the acquisition date, in accordance with Ind AS 103, by obtaining required understanding and representations from the Company; \ Obtained report of the management's external valuation specialist for the valuation of intangibles including the purchase price allocation and assessed the competence, capabilities and objectivity of the management's expert and gained an understanding of the work done by the valuation expert; \ Assessed the reasonableness of the management estimates and judgements used to fair value the identifiable assets and liabilities and identifiable intangible assets; \ Tested the identifiable assets and liabilities which form part of working capital including any adjustment thereof, to assess the reasonableness/appropriateness of the amounts used for purchase price allocation;

Sr. No. Key audit matter	How our audit addressed the key audit matter
<p>Management has appointed an independent valuation expert to allocate the purchase price to the identifiable assets and liabilities and identified intangible assets. Basis the procedure performed for purchase price allocation, management represents that the identifiable assets and liabilities including identifiable intangible assets and resulting goodwill are disclosed at the fair values as on the date of acquisition. Further, on the basis of the management estimates on the future growth of the acquired business and certain other assumptions and valuation model applied, the recoverable amount of the goodwill recognised on business combination as stated above exceeds its carrying value as at 31st March 2022.</p> <p>We have considered the above business combinations to be a matter of most significance to our current year audit considering the materiality of the amounts involved, complexity involved in valuation, significant judgements and estimates in relation to the accounting as per the requirements of Ind AS 103 including ascertainment of acquisition date, assessment of fair values of assets and liabilities recognised on acquisition, judgement applied in identification and measurement of intangible assets and therefore, it has been identified as a key audit matter for the current year audit.</p>	<ul style="list-style-type: none"> ∖ Involved our auditor's internal valuation experts to assist us in validating the valuation assumptions and methodology considered by the management's expert to allocate the purchase price to identifiable assets and liabilities; ∖ Assessed the reasonableness of the recoverable amount of goodwill recorded as on the date of acquisition by evaluating the valuation model applied including the management estimates and judgement; ∖ Evaluated the appropriateness and adequacy of disclosures given in the standalone financial statements, including disclosure of significant assumptions and judgements, in accordance with applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

- 5\ The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associate in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

- 6\ In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
- 7\ Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial

- 8\ Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- 9\ As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - \ Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - \ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern; and
 - \ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - \ Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, and its associate, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
- 10\ 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.
- 11\ 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.

- 12\ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- 13\ We did not audit the financial statements of twenty two subsidiaries, whose financial statements reflect total assets of ₹ 5,579.46 million and net assets of ₹ 2,075.59 million as at 31st March 2022, total revenues of ₹ 5,782.68 million and net cash inflows amounting to ₹ 312.85 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

- 14\ As required by section 197(16) of the Act, based on our audit we report that the Holding Company, covered under the Act paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to twenty three subsidiary companies, and one associate company covered under the Act since none of such companies is a public company as defined under section 2(71) of the Act.
- 15\ As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.
- 16\ As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
 - The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
 - In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;
 - On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company, and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies, associate company covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'

- g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associate as detailed in Note 42 to the consolidated financial statements;
 - ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and associate during the year ended 31 March 2022;
- h. The dividend declared or paid during the year ended 31 March 2022 by the Holding Company and its subsidiary companies is in compliance with section 123 of the Act.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AHXQAO2838

Place: Pune

Date: 27 April, 2022

Annexure 1

List of entities included

Sr. No.	Name of Entity	Relationship
1\	Persistent Systems Limited (PSL)	Holding Company
2\	Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
3\	Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
4\	Persistent Systems France SAS	Wholly owned subsidiary of PSL
5\	Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
6\	Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
7\	Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
8\	Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
9\	Aepona Limited	Wholly owned subsidiary of AGL
10\	Youperience GmbH (YGmbH)	Wholly owned subsidiary of PSGG
11\	Youperience Limited	Wholly owned subsidiary of YGmbH
12\	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
13\	Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
14\	Persistent Systems Israel Ltd	Wholly owned subsidiary of PSI
15\	PARX Werk AG	Wholly owned subsidiary of PSGG
16\	PARX Consulting GmbH	Wholly owned subsidiary of PARX Werk AG
17\	Capiot Software Private Limited	Wholly owned subsidiary of PSL
18\	Capiot Software Inc. (Capiot US)	Wholly owned subsidiary of PSI
19\	Capiot Software Pty Limited	Wholly owned subsidiary of Capiot US
20\	Capiot Software Pte Limited	Wholly owned subsidiary of Capiot US
21\	Persistent Systems S.R.L.	Wholly owned subsidiary of PSI
22\	Software Corporation International (Acquired w.e.f. 5 October 2021)	Wholly owned subsidiary of PSI
23\	SCI Fusion360 LLC (Acquired w.e.f. 5 October 2021)	Wholly owned subsidiary of PSI
24\	Data Glove IT Solutions Limitada (Acquired w.e.f. 1 March, 2022)	Wholly owned subsidiary of PSGG
25\	Klisma e-Services Private Limited (Dissolved w.e.f. 10 August 2021)	Associate company of PSL

Annexure A to the Independent Auditor's Report of even date to the members of Persistent Systems Limited on the consolidated financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- 1\ In conjunction with our audit of the consolidated financial statements of Persistent Systems Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), and its associate as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

- 2\ The Board of Directors of the Holding Company, covered under the Act, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- 3\ Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- 4\ Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5\ We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

- 6\ A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

- 7\ Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8\ In our opinion the Holding Company, has in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India (the 'ICAI').

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AHXQAO2838

Place: Pune

Date: 27 April, 2022

Consolidated Balance Sheet as at March 31, 2022

	Notes	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
ASSETS			
Non-current assets			
Property, plant and equipment	6.1	2,917.67	2,401.40
Capital work-in-progress	6.2	1,071.20	121.81
Right of use assets	6.3	1,358.21	852.58
Goodwill	6.4	2,790.22	85.94
Other Intangible assets	6.5	8,269.63	1,229.50
		16,406.93	4,691.23
Financial assets			
- Investments	7	3,877.72	3,621.27
- Loans	8	3,522.00	-
- Other non-current financial assets	9	340.74	160.52
Deferred tax assets (net)	10	1,122.72	1,037.57
Other non-current assets	11	531.61	441.52
		25,801.72	9,952.11
Current assets			
Financial assets			
- Investments	12	4,346.91	6,374.95
- Trade receivables (net)	13	9,484.29	5,708.97
- Cash and cash equivalents	14	2,977.99	2,419.30
- Bank balances other than cash and cash equivalents	15	6,166.59	7,389.70
- Loans	16	16.10	21.79
- Other current financial assets	17	3,214.90	2,516.70
Current tax assets (net)		179.57	188.00
Other current assets	18	1,952.90	2,083.72
		28,339.25	26,703.13
TOTAL		54,140.97	36,655.24
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	5	764.25	764.25
Other equity		32,917.95	27,192.41
		33,682.20	27,956.66
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	20	1,114.29	716.17
- Borrowings	19	2,800.79	44.27
- Other financial liabilities	23	2,088.60	-
Provisions	21	245.54	240.94
		6,249.22	1,001.38
Current liabilities			
Financial liabilities			
- Lease liabilities	20	342.58	222.00
- Trade payables	22		
- Dues of micro and small enterprises		10.30	30.20
- Dues of creditors other than micro and small enterprises		4,288.41	2,703.24
- Borrowings	19	1,524.56	1.96
- Other financial liabilities	23	2,173.60	388.21
Other current liabilities	24	1,571.72	1,514.95
Provisions	25	3,949.66	2,477.79
Current tax liabilities (net)		348.72	358.85
		14,209.55	7,697.20
TOTAL		54,140.97	36,655.24
Summary of significant accounting policies	4		

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

As per our report of even date

For Walker Chandlok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 27, 2022

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

Dr. Anand Deshpande

Chairman and
Managing Director
DIN: 00005721

Sunil Sapre

Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune

Date: April 27, 2022

Sandeep Kalra

Executive Director and
Chief Executive Officer
DIN: 02506494

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 27, 2022

Praveen Kadle

Independent Director

DIN: 00016814

Place: Pune

Date: April 27, 2022

Consolidated Statement of Profit & Loss for the year ended March 31, 2022

	Notes	For the year ended	
		March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Income			
Revenue from operations (net)	26	57,107.46	41,878.88
Other income	27	1,439.55	1,077.72
Total income (A)		58,547.01	42,956.60
Expenses			
Employee benefits expense	28.1	34,593.10	25,157.99
Cost of professionals	28.2	7,974.18	5,563.68
Finance costs (refer note 48)		118.35	57.94
Depreciation and amortization expense	6.6	1,660.12	1,755.50
Other expenses	29	4,958.47	4,327.06
Total expenses (B)		49,304.22	36,862.17
Profit before tax (A - B)		9,242.79	6,094.43
Tax expense			
Current tax		2,322.85	1,774.01
Tax charge in respect of earlier years		42.57	10.58
Deferred tax credit		(26.49)	(196.93)
Total tax expense		2,338.93	1,587.66
Profit for the year (C)		6,903.86	4,506.77
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities/asset (net of tax)		(183.87)	10.25
		(183.87)	10.25
Items that may be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge (net of tax)		(97.65)	383.54
- Exchange differences in translating the financial statements of foreign operations		138.96	(20.07)
		41.31	363.47
Total other comprehensive income for the year (D) + (E)		(142.56)	373.72
Total comprehensive income for the year (C) + (D) + (E)		6,761.30	4,880.49
Earnings per equity share			
[Nominal value of share ₹ 10 (Previous year: ₹ 10)]	30		
Basic (In ₹)		90.34	58.97
Diluted (In ₹)		90.34	58.97
Summary of significant accounting policies	4		

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

As per our report of even date

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Pune
Date: April 27, 2022

**For and on behalf of the Board of Directors of
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Chairman and
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Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune
Date: April 27, 2022

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date: April 27, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Cash flow from operating activities		
Profit before tax	9,242.79	6,094.43
Adjustments for:		
Interest income	(600.22)	(558.70)
Finance costs	118.35	57.94
Depreciation and amortization expense	1,660.12	1,755.50
Unrealised exchange loss/(gain) (net)	(25.92)	139.55
Change in foreign currency translation reserve	305.64	(42.32)
Exchange (gain)/loss on derivative contracts	79.38	(169.80)
Exchange loss/(gain) on translation of foreign currency cash and cash equivalents	1.70	11.50
Bad debts	65.27	90.30
(Reversal)/Allowance for expected credit loss (net)	(105.06)	31.32
Employee stock compensation expenses	950.23	290.44
Loss/Impairment of non current investments	148.40	18.53
Remeasurements of the defined benefit liabilities/asset (before tax effects)	(183.87)	10.25
Impairment of loan	-	23.96
Excess provision in respect of earlier years written back	(66.00)	(41.79)
Profit on sale/ fair valuation of financial assets designated as FVTPL	(354.30)	(346.74)
Profit on sale of property, plant and equipment (net)	(12.45)	(1.34)
Operating profit before working capital changes	11,224.06	7,363.03
Movements in working capital:		
Decrease/(Increase) in non-current and current loans	5.69	(40.03)
Increase in other non current assets	(147.89)	(76.81)
Increase in other current financial assets	(869.22)	(104.23)
Decrease/(Increase) in other current assets	146.71	58.26
(Increase)/Decrease in trade receivables	(3,508.56)	58.49
Increase in trade payables, current liabilities and non current liabilities	2,489.72	757.56
Increase in provisions	1,476.47	924.95
Operating profit after working capital changes	10,816.98	8,941.22
Direct taxes paid (net of refunds)	(2,367.12)	(1,581.97)
Net cash generated from operating activities (A)	8,449.86	7,359.25
Cash flows from investing activities		
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)	(3,853.97)	(1,281.04)
Proceeds from sale of property, plant and equipment	46.02	30.02
Acquisition of businesses including cash and cash equivalents of ₹ 61.07 million (Previous year ₹ 30.90 million)	(6,154.02)	(448.47)
Purchase of bonds	(711.90)	(712.18)
Proceeds from sale/ maturity of bonds	499.95	350.53
Investments in mutual funds	(33,456.80)	(24,591.91)
Proceeds from sale/maturity of mutual funds	35,762.24	25,068.92
Maturity/(Investments) of bank deposits having original maturity over three months	1,121.92	(4,198.89)
Investments in deposits with financial institutions	(100.00)	-
Investment in common/preferred stocks	(123.61)	-
Loan to ESOP Trust	(3,522.00)	-
Interest received	718.74	366.29
Net cash used in investing activities (B)	(9,773.43)	(5,416.73)

Consolidated Cash Flow Statement for the year ended March 31, 2022

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Cash flows from financing activities		
Repayment of long term borrowings	(1.84)	(4.54)
Net proceeds from long term borrowings	4,280.99	-
Payment of lease liabilities	(350.83)	(319.11)
Specific project related grant received	-	9.00
Interest paid	(118.38)	(58.01)
Dividends paid	(1,987.05)	(1,069.95)
Net cash generated from/(used in) financing activities (C)	1,822.89	(1,442.61)
Net increase in cash and cash equivalents (A + B + C)	499.32	499.91
Cash and cash equivalents at the beginning of the year	2,419.30	1,899.99
Cash and cash equivalents acquired on acquisition	61.07	30.90
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(1.70)	(11.50)
Cash and cash equivalents at the end of the year	2,977.99	2,419.30
Components of cash and cash equivalents		
Cash on hand (refer note 14)	0.24	0.41
Balances with banks		
On current accounts # (refer note 14)	2,337.96	1,583.20
On saving accounts (refer note 14)	1.64	1.33
On exchange earner's foreign currency accounts (refer note 14)	259.20	208.57
On deposit accounts with original maturity less than three months (refer note 14)	-	625.79
On Escrow accounts** (refer note 14)	378.95	-
Cash and cash equivalents	2,977.99	2,419.30

Out of the cash and cash equivalent balance as at March 31, 2022, the Group can utilise ₹ 35.75 Million (Previous year: ₹ 154.39 Million) only towards certain predefined activities specified in the agreement.

** The balance maintained in Escrow account will be released to selling shareholders on meeting specific conditions.

Summary of significant accounting policies — refer note 4

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

As per our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 27, 2022

For and on behalf of the Board of Directors of

Persistent Systems Limited

Dr. Anand Deshpande

Chairman and
Managing Director

DIN: 00005721

Sunil Sapre

Executive Director and
Chief Financial Officer

DIN: 06475949

Place: Pune

Date: April 27, 2022

Sandeep Kalra

Executive Director and
Chief Executive Officer

DIN: 02506494

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 27, 2022

Praveen Kadle

Independent Director

DIN: 00016814

Place: Pune

Date: April 27, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Share capital

(refer note 5)

(In ₹ million)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
764.25	-	764.25

(In ₹ million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
764.25	-	764.25

This space is intentionally kept blank.

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income				Total
	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations		
Balance as at April 1, 2021	14,356.53	470.70	57.31	35.75	-	11,564.42	139.45	568.25		27,192.41
Profit for the period	-	-	-	-	-	6,903.86	-	-	-	6,903.86
Other comprehensive income for the period	-	-	-	-	-	(183.87)	(97.65)	138.96		(142.56)
Dividend	-	-	-	-	-	(1,987.05)	-	-		(1,987.05)
Transfer to general reserve	2,743.46	-	-	-	-	(2,743.46)	-	-		-
Adjustments towards employees stock options	276.84	(276.84)	-	-	-	-	-	-		-
Employee stock compensation expenses	-	950.23	-	-	-	-	-	-		950.23
Other changes during the year	(0.18)	0.75	0.49	-	-	-	-	-		1.06
Balance at March 31, 2022	17,376.65	1,144.84	57.80	35.75	-	13,553.90	41.80	707.21		32,917.95

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

B. Other equity	Reserves and surplus				Items of other comprehensive income				(In ₹ million)
	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2020	12,227.41	290.51	5,771	35.75	49.95	10,087.74	(244.09)	588.32	23,093.30
Profit for the period	-	-	-	-	-	4,506.77	-	-	4,506.77
Other comprehensive income for the period	-	-	-	-	-	10.25	383.54	(20.07)	373.72
Dividend	-	-	-	-	-	(1,069.95)	-	-	(1,069.95)
Transfer to retained earnings	-	-	-	-	(49.95)	49.95	-	-	-
Transfer to general reserve	2,020.34	-	-	-	-	(2,020.34)	-	-	-
Employee stock compensation expenses	-	290.44	-	-	-	-	-	-	290.44
Adjustments towards employees stock options	108.78	(108.78)	-	-	-	-	-	-	-
Other changes during the year	-	(1.47)	(0.40)	-	-	-	-	-	(1.87)
Balance at March 31, 2021	14,356.53	470.70	57.31	35.75	-	11,564.42	139.45	568.25	27,192.41

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

As per our report of even date

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

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date: April 27, 2022

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 000005721

Place: Pune
Date: April 27, 2022

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: Pune
Date: April 27, 2022

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date: April 27, 2022

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune
Date: April 27, 2022

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

Consolidated statement of changes in equity for the year ended March 31, 2022

Nature and purpose of reserves

a. General reserve

General reserve represents amounts transferred from profit/loss for the year and the amounts from Share options outstanding reserve to the extent they relate to exercise/expiry of employee share options. It is a free reserve in terms of section 2 (43) of the Companies Act, 2013.

b. Share options outstanding reserve

Share options outstanding reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised/expired upon which such amount is transferred to General reserve.

c. Gain on bargain purchase

The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements.

d. Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares bought back; and is created and utilised in accordance with Section 69 of the Companies Act, 2013.

e. Special Economic Zone re-investment reserve

The Special Economic Zone re-investment reserve was created out of the profit in terms of the provisions of Section 10AA(1)(ii) of the Income tax Act, 1961. The reserve has been utilised by the Group for acquiring new plant and machinery for the purpose of its business in accordance with Section 10AA(2) of the Income tax Act, 1961.

f. 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.

g. Foreign currency translation reserve

The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

Notes forming part of consolidated financial statements

1\ Nature of operations

Persistent Systems Limited (the “Parent Company” or “PSL”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956 (“the Act”). The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company 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 consolidated financial statements for the year ended March 31, 2022 and authorised for issue on April 27, 2022.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. operates as the holding Company of Aepona Limited.

Aepona Limited (a UK based wholly owned subsidiary of Aepona Group Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or “business logic”) to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Aepona Limited. Sale of services are then contracted between Aepona Limited and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH (wholly owned subsidiary of Persistent Systems Limited) operates as the holding Company of PARX Werk AG, Youperience GmbH and Data Glove IT Solutions Limitada.

PARX Werk AG (a Switzerland based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in the business of software products, services and technology innovation in the digital practice.

PARX Consulting GmbH (a Germany based wholly owned subsidiary of PARX Werk AG) is engaged in the business of software products, services and technology innovation in the digital practice.

Data Glove IT Solutions Limitada (a Costa Rica based wholly owned subsidiary of Persistent Systems Germany GmbH) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Youperience GmbH (a Germany based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in Salesforce related implementation services.

Youperience Limited (a United Kingdom based wholly owned subsidiary of Youperience GmbH) is engaged in Salesforce related implementation services.

CAPIOT Software Private Limited (a India based wholly owned subsidiary of Persistent Systems Limited) is engaged in enterprise integration and modernization with expertise in MuleSoft, Red Hat and TIBCO.

CAPIOT Software Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms.

CAPIOT Software Pty Limited (a Australia based wholly owned subsidiary of CAPIOT Software Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

CAPIOT Software Pte Limited (a Singapore based wholly owned subsidiary of CAPIOT Software Inc) is engaged in enterprise and data integration services across platforms.

Persistent Systems SRL is a subsidiary of Persistent Systems Inc. and is incorporated on March 23, 2021.

Software Corporation International (a US based wholly owned subsidiary of Persistent Systems Inc) is specialized in payment solutions, integration, and support services for BFSI clients.

SCI Fusion360 LLC (a US based wholly owned subsidiary of Persistent Systems Inc) provides application development, maintenance, and support for leading payment platforms.

Klisma e-Services Private Limited was engaged in the business of internet, telecommunications, mobile technology and other media enabling electronic commerce. The Company has been dissolved w.e.f. August 10, 2021.

2\ Basis of preparation

2.1 Historical cost convention

The consolidated financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, equity settled employee stock options and initial recognition of assets acquired under business combinations which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The accounting policies are consistently applied by the Group during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Compliance with Ind AS

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.3 New and amended standards adopted by the Group

The Group has applied the following amendment to Ind AS for the first time in its annual reporting period commencing 1 April 2021:

- \ Extension of COVID-19 related concessions — amendments to Ind AS 116
- \ Interest rate benchmark reform — amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

2.5 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the Group has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in ‘other financial assets’ line item. Previously, these deposits were included in ‘loans’ line item.

The Group has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (Previously Reported)	Increase/ (Decrease)	March 31, 2021 (Restated)
Non-current assets			
Loans	134.76	(134.76)	-
Other non-current financial assets	25.76	134.76	160.52
Current assets			
Loans	71.26	(49.47)	21.79
Other current financial assets	2,467.23	49.47	2,516.70
Current liabilities			
Other financial liabilities	390.17	(1.96)	388.21
Borrowings	-	1.96	1.96

3\ Principles of consolidation

The consolidated financial statements of the Parent Company and its subsidiaries (“the Group”) for the year ended March 31, 2022 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on ‘Consolidated Financial Statements’, notified by Companies (Accounting Standards) Rules, 2015, (“Indian Accounting Standards”) by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the company and its subsidiaries as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity’s returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Parent Company and its subsidiary companies have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Company of its investment in a subsidiary and the Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements. Goodwill arising on consolidation is not amortized. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The financial statements of the subsidiary companies used in the consolidation are drawn up to the same reporting date as of the Parent Company.

The subsidiary and associate companies considered in consolidated financial statements are as follows:

Name of the subsidiary/associate	Ownership Percentage as at		Country of incorporation
	March 31, 2022	March 31, 2021	
Persistent Systems, Inc.	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	France
Persistent Telecom Solutions Inc.	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	Malaysia
Aepona Group Limited	100%	100%	Ireland
Aepona Limited	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	Germany
PARX Werk AG	100%	100%	Switzerland
PARX Consulting GmbH	100%	100%	Germany
Youperience GmbH	100%	100%	Germany
Youperience Limited	100%	100%	United Kingdom
CAPIOT Software Private Limited (Acquired w.e.f. October 29, 2020)	100%	100%	India
CAPIOT Software Inc. (Acquired w.e.f. November 7, 2020)	100%	100%	USA
CAPIOT Software Pty Limited (Acquired w.e.f. November 7, 2020)	100%	100%	Australia
CAPIOT Software Pte Limited (Acquired w.e.f. November 7, 2020)	100%	100%	Singapore
Persistent Systems S.R.L. (Incorporated on March 23, 2021)	100%	100%	Italy
Software Corporation International (Acquired w.e.f. October 5, 2021)	100%	-	USA
SCI Fusion360 LLC (Acquired w.e.f. October 5, 2021)	100%	-	USA
Data Glove IT Solutions Limitada (Acquired w.e.f. March 1, 2022)	100%	-	Costa Rica
Klisma e-Services India Pvt. Ltd. (Dissolved w.e.f. August 10, 2021)	-	50%	India

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated profit	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of consolidated Total Comprehensive Income	Amount (₹ million)
Parent Company:								
Persistent Systems Limited	85.43%	33,188.85	97.04%	6,858.66	102.47%	(288.48)	96.82%	6,570.18
Subsidiaries:								
Persistent Systems, Inc.	9.23%	3,586.62	-0.59%	(41.42)	-	-	-0.61%	(41.42)
Persistent Systems Pte. Ltd.	0.08%	32.04	-0.06%	(4.24)	-	-	-0.06%	(4.24)
Persistent Systems France SAS	0.28%	110.09	-1.01%	(71.59)	-	-	-1.05%	(71.59)
Persistent Telecom Solutions Inc.	0.26%	101.13	1.50%	105.97	-	-	1.56%	105.97
Persistent Systems Malaysia Sdn. Bhd.	0.47%	181.95	0.82%	57.64	-	-	0.85%	57.64
Aepona Group Limited	0.09%	33.77	-0.01%	(0.79)	-	-	-0.01%	(0.79)
Aepona Limited	-0.39%	(149.80)	1.81%	128.13	-	-	1.89%	128.13
Persistent Systems Lanka (Private) Limited	0.50%	193.15	1.09%	76.73	-2.47%	6.96	1.23%	83.69
Persistent Systems Israel Ltd.	0.43%	168.19	0.00%	(0.31)	-	-	0.00%	(0.31)
Persistent Systems Mexico, S.A. de C.V.	0.05%	19.50	0.28%	19.83	-	-	0.29%	19.83
Persistent Systems Germany GmbH	2.25%	874.22	-4.49%	(317.07)	-	-	-4.67%	(317.07)
PARX Werk AG	0.52%	203.29	1.79%	126.31	-	-	1.86%	126.31
PARX Consulting GmbH	-0.08%	(32.44)	0.68%	48.25	-	-	0.71%	48.25
Youperience Limited	0.00%	0.51	0.43%	30.11	-	-	0.44%	30.11
Youperience GmbH	-0.24%	(91.55)	0.05%	3.28	-	-	0.05%	3.28
CAPIOT Software Private Limited	0.12%	48.02	-0.39%	(27.71)	-	-	-0.41%	(27.71)
CAPIOT Software Inc.	0.09%	36.60	0.22%	15.77	-	-	0.23%	15.77
CAPIOT Software Pty Limited	0.00%	0.78	-0.06%	(4.19)	-	-	-0.06%	(4.19)
CAPIOT Software Pte. Limited	-0.03%	(10.40)	0.00%	(0.18)	-	-	0.00%	(0.18)
Persistent Systems S.R.L.	0.00%	(1.84)	-0.04%	(2.70)	-	-	-0.04%	(2.70)
Software Corporation International	0.55%	213.43	0.86%	60.76	-	-	0.90%	60.76
SCI Fusion360 LLC	0.25%	97.44	0.06%	4.20	-	-	0.06%	4.20
Data Glove IT Solutions Limitada	0.12%	47.51	0.03%	2.17	-	-	0.03%	2.17
Subtotal	100.00%	38,851.05	100.00%	7,067.59	100.00%	(281.52)	100.00%	6,786.07
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	138.96	-	138.96
Consolidation adjustments	-	(5,168.85)	-	-	-	-	-	-
Amortization of intangibles recognized on Business Combination	-	-	-	(342.51)	-	-	-	(342.51)
DTA on items recognised on consolidation	-	-	-	(5.44)	-	-	-	(5.44)
Dividend from subsidiaries	-	-	-	(65.33)	-	-	-	(65.33)
Others	-	-	-	249.55	-	-	-	249.55
Total		33,682.20		6,903.86		(142.56)		6,761.30

4\ Critical accounting estimates

4.1 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

The Group has considered all possible impacts of COVID-19 in the preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases, impact on effectiveness of its hedges and impact on the recoverable amount of goodwill. The Group has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

4.3 Critical accounting estimates

a. Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance type contract is recognised ratably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognise such revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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

In respect of the contracts where the transaction price is payable as revenue share at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

b. Income taxes

The Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the Group will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Business combination

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the the acquirer to recognise the identifiable intangible assets and contingent consideration at fair value. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Group's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

4.4 Summary of significant accounting policies

a. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 (the "Act"). Operating cycle is the time between the acquisition of resources/assets for processing their realisation in cash and cash equivalents. and Based on the nature of products/ services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use and is stated at cost. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Group can demonstrate:

- \ technical feasibility of completing the intangible asset so that it will be available for use or sale;
- \ its intention to complete the asset;
- \ its ability to use or sell the asset;
- \ how the asset will generate probable future economic benefits;
- \ the availability of adequate resources to complete the development and to use or sell the asset; and
- \ the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

d. Depreciation and amortization

Depreciation on Property, Plant and Equipment is provided 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 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System) *	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

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

Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Depreciation methods, useful lives and residual values are reviewed periodically.

e. Borrowing costs

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

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

f. Leases

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

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

- \ the contract involves the use of an identified asset
- \ the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
- \ the Group has the right to direct the use of the asset

Where the Group is a lessee

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

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

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

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

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate.

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

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

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

Group as a lessor

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

g. Impairment of Non-financial assets

The Group assesses at each reporting date, if there is any indication of impairment based on internal/external factors. If any indications exist, the Group estimates the asset's recoverable amount unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for internal management purposes. If recoverable amount cannot be determined for an individual asset, an entity identifies the lowest aggregation of assets that generate largely independent cash inflows. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent management's best estimate about future developments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition.

The synergy benefits derived from Goodwill are enjoyed interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Based on the testing, no impairment was identified as at March 31, 2022 and 2021 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples) did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group's business model refers to how it manages 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.

Non-derivative financial instruments

Subsequent measurement

Financial assets

Financial assets at amortized cost

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

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

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

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

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

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss if the recognition criteria as per Ind AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Group has not designated any financial liability as FVTPL.

Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are carried at cost.

Derivative financial instruments

The Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group documents the hedging relationship between the hedging instrument and hedged item including whether the changes in cash flows of the hedging instruments are expected to offset the changes in cash flows of the hedged items. The Group documents its objective and strategy for undertaking its hedging transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at fair value at each reporting date.

For cash flow hedges that qualify for hedge accounting, the effective portion of fair value of derivatives are recognised in cash flow hedging reserve within equity.

Gains or losses relating to the ineffective portion is immediately recognised in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit and loss or hedged future cash flows are no longer expected to occur.

Derivatives which do not qualify for hedge accounting are accounted as fair value through profit or loss.

Derecognition

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Group's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

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

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

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

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

h. Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company’s contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and products

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

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed.

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

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

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

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

Unbilled revenue represents revenue recognized in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized.

The Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Group provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to provide services or transfer products to a customer for which the Group has received consideration (or an amount of consideration is due) from the consideration. If the Group receives the consideration from the customer before the Group provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

j. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants related to expenses are deducted in reporting the related expenses in the income statement.

k. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

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

Conversion

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

Exchange differences

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

Translation of foreign operations

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

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

l. Retirement and other employee benefits

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Group and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the eligible salary of the entitled employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Group has no obligation, other than the contribution payable to the provident fund.

Gratuity

Gratuity is a defined benefit obligation plan operated by the Group for its employees covered under Group Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

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.

Leave encashment

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

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

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

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating leave encashment is recognized in the period in which the absences occur.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

m. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

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

In the situations where the Group is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period in which the temporary differences originate.

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

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

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

n. Segment reporting

i. Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker are identified as operating segments.

ii. Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

iii. Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segregation of assets, liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented except for trade receivables and unbilled revenue as these items are used interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate these items to individual segments and an ad-hoc allocation will not be meaningful.

iv. Inter-segment transfers

There are no inter-segments transactions.

v. Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the financial statements of the Group as a whole.

o. Earnings per share (EPS)

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

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

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

p. Provisions

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

q. Contingent liabilities

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

r. 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.

s. Share based payments

Employees of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the 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 profit or loss with a corresponding adjustment to equity.

The expense or credit recognized in the statement of profit and loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense with a corresponding increase in stock options outstanding reserve in equity. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The employee stock option expenses in respect of the employees of the subsidiaries are charged to the respective subsidiary.

t. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects

u. 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 Board of Directors.

v. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree at fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred

The excess of the:

- \ Consideration transferred;
- \ Amount of any non-controlling interest in the acquired entity, and
- \ Acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognized directly in equity as capital reserve.

w. Goodwill/Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as gain on bargain purchase. Subsequent to initial recognition, Goodwill is measured at cost less accumulated impairment losses.

5\ Share capital

(In ₹ million)

	As at March 31, 2022	As at March 31, 2021
Authorized shares (No. in million)	2,000.00	2,000.00
200 (Previous year: 200) equity shares of ₹ 10 each		
	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares (No. in million)		
76.43 (Previous year: 76.43) equity shares of ₹ 10 each	764.25	764.25
Issued, subscribed and fully paid-up share capital	764.25	764.25

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated, borrowings and equity. The Group is not subject to any externally imposed capital requirements.

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In million)

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	76.43	764.25	76.43	764.25
Less: Changes during the period	-	-	-	-
Number of shares at the end of the year	76.43	764.25	76.43	764.25

b. Terms/rights attached to equity shares

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of Parent Company declared interim dividend of ₹ 20 per share on January 20, 2022 on the face value of ₹ 10 each; for the Financial Year 2021-22.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However, no such preferential amounts exist currently.

c. Aggregate number of shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2022 (No. in million)	For the period of five years ended March 31, 2021 (No. in million)
Equity shares bought back	3.575	3.575

d. Details of shareholders holding more than 5% shares in the Group

Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	22.97	30.06	22.96	30.04
Schemes of HDFC Mutual Fund	3.45	4.51	5.37	7.03

*The shareholding information is based on legal ownership of shares and has been extracted from the records of the Group including register of shareholders/members.

e. Details of shares held by promoters

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,849,840	11,000	22,860,840	29.91%	0.01%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	400,025	-	400,025	0.52%	-
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	46,000	(40,000)	6,000	0.01%	(0.05)%
Mr. Arul Anand Deshpande	10,000	-	10,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	10,000	-	10,000	0.01%	-
Mr. Hemadri N. Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	880	-	880	0.00%	-

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,848,840	1,000	22,849,840	29.90%	0.00%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	376,825	23,200	400,025	0.52%	0.03%
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	66,000	(20,000)	46,000	0.06%	(0.03)%
Mr. Arul Anand Deshpande	-	10,000	10,000	0.01%	0.01%
Ms. Gayatri Hemadri Buzruk	-	10,000	10,000	0.01%	0.01%
Mr. Hemadri N. Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	780	100	880	0.00%	0.00%

6.1\ Property, plant and equipment

(In ₹ million)

	Land - Freehold	Buildings*	Computers equipments	Office equipment	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2021	221.91	2,455.09	2,943.59	96.51	1,416.28	44.29	699.80	7.24	7,884.71
Additions	-	1.35	1,068.37	5.36	70.39	2.71	63.59	-	1,211.77
Additions through business combinations (refer note 44)	-	-	21.13	1.35	4.15	-	0.48	0.03	27.14
Disposals	-	-	32.03	4.24	90.21	0.77	34.93	-	162.18
Effect of foreign currency translation from functional currency to reporting currency	(0.29)	(1.28)	2.87	1.40	(0.72)	1.46	5.24	-	8.68
As at March 31, 2022	221.62	2,455.16	4,003.93	100.38	1,399.89	47.69	734.18	7.27	8,970.12
Accumulated Depreciation									
As at April 1, 2021	-	1,183.45	2,289.84	86.41	1,224.51	39.84	654.28	4.98	5,483.31
Charge for the year	-	99.08	502.93	7.11	55.60	4.55	49.87	0.97	720.11
Disposals	-	-	30.16	4.24	90.05	0.69	34.52	-	159.66
Effect of foreign currency translation from functional currency to reporting currency	-	(0.55)	5.31	1.24	(1.25)	1.31	2.63	-	8.69
As at March 31, 2022	-	1,281.98	2,767.92	90.52	1,188.81	45.01	672.26	5.95	6,052.45
Net block									
As at March 31, 2022	221.62	1,173.18	1,236.01	9.86	211.08	2.68	61.92	1.32	2,917.67
As at March 31, 2021	221.91	1,271.64	653.75	10.10	191.77	4.45	45.52	2.26	2,401.40

6.1) Property, plant and equipment

(In ₹ million)

	Land - Freehold	Buildings*	Computers equipments	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2020	221.37	2,452.04	2,457.77	93.20	1,399.41	45.92	693.12	7.24	7,370.07
Additions	-	0.67	559.91	6.17	56.41	-	36.27	-	659.43
Additions through business combinations	-	-	27.32	0.69	0.12	-	7.20	-	35.33
Disposals	-	-	80.29	2.23	39.87	3.81	35.39	-	161.59
Effect of foreign currency translation from functional currency to reporting currency	0.54	2.38	(21.12)	(1.32)	0.21	2.18	(1.40)	-	(18.53)
As at March 31, 2021	221.91	2,455.09	2,943.59	96.51	1,416.28	44.29	699.80	7.24	7,884.71
Accumulated Depreciation									
As at April 1, 2020	-	1,083.58	2,092.05	80.57	1,206.20	35.51	643.51	4.05	5,145.47
Additions through business combination	-	-	25.64	0.34	0.05	-	2.30	-	28.33
Charge for the year	-	99.10	258.53	8.38	54.40	5.79	41.53	0.93	468.66
Disposals	-	-	67.10	2.02	36.56	2.94	31.23	-	139.85
Effect of foreign currency translation from functional currency to reporting currency	-	0.77	(19.28)	(0.86)	0.42	1.48	(1.83)	-	(19.30)
As at March 31, 2021	-	1,183.45	2,289.84	86.41	1,224.51	39.84	654.28	4.98	5,483.31
Net block									
As at March 31, 2021	221.91	1,271.64	653.75	10.10	191.77	4.45	45.52	2.26	2,401.40
As at March 31, 2020	221.37	1,368.46	365.72	12.63	193.21	10.41	49.61	3.19	2,224.60

* Note: Buildings include those constructed on leasehold land:

- Gross block as on March 31, 2022 ₹ 1,455.94 million (Previous year ₹ 1,454.60 million)
- Depreciation charge for the year ₹ 59.07 million (Previous year ₹ 59.04 million)
- Accumulated depreciation as on March 31, 2022 ₹ 617.14 million (Previous year ₹ 558.07 million)
- Net book value as on March 31, 2022 ₹ 838.80 million (Previous year ₹ 896.53 million)

6.2\ Capital work in progress

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital work in progress	1,071.20	121.81
	1,071.20	121.81

6.2\ Capital work in progress (CWIP) ageing schedule

(In ₹ million)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	1,071.20	-	-	-	1,071.20
As at March 31, 2022	1,071.20	-	-	-	1,071.20

(In ₹ million)

	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	117.95	3.86	-	-	121.81
As at March 31, 2021	117.95	3.86	-	-	121.81

6.3\ Right-of-use assets

(In ₹ million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2021	37.50	1,208.13	1,245.63
Additions during the period	-	831.31	831.31
Disposals	-	201.25	201.25
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	3.56	3.56
As at March 31, 2022	37.50	1,841.75	1,879.25
Accumulated Depreciation			
As at April 1, 2021	1.18	391.87	393.05
Charge for the year	0.58	287.93	288.51
Disposals	-	158.44	158.44
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(2.08)	(2.08)
As at March 31, 2022	1.76	519.28	521.04
Net block			
As at March 31, 2022	35.74	1,322.47	1,358.21
As at March 31, 2021	36.32	816.26	852.58

	(In ₹ million)		
	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2020	37.50	796.75	834.25
Additions during the period	-	584.67	584.67
Acquisition	-	2.52	2.52
Disposals	-	165.16	165.16
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(10.65)	(10.65)
As at March 31, 2021	37.50	1,208.13	1,245.63
Accumulated Depreciation			
As at April 1, 2020	0.60	266.84	267.44
Charge for the year	0.58	250.88	251.46
Disposals	-	121.83	121.83
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(4.02)	(4.02)
As at March 31, 2021	1.18	391.87	393.05
Net block			
As at March 31, 2021	36.32	816.26	852.58
As at March 31, 2020	36.90	529.91	566.81

6.4\ Goodwill

	(In ₹ million)	
	As at March 31, 2022	As at March 31, 2021
Cost		
Balance at beginning of year	85.94	88.94
Additional amounts recognised from business combinations (refer note 44 a & b)	2,636.81	-
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	67.47	(3.00)
Balance at end of year	2,790.22	85.94

6.5\ Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2021	2,912.77	5,744.93	-	8,657.70
Additions	62.65	182.63	-	245.28
Additions through business combination (refer note 44)	-	980.16	6,651.74	7,631.90
Disposals	2.44	0.04	-	2.48
Effect of foreign currency translation from functional currency to reporting currency	58.47	(94.15)	44.56	8.88
As at March 31, 2022	3,031.45	6,813.53	6,696.30	16,541.28
Accumulated Amortization				
As at April 1, 2021	2,736.80	4,691.40	-	7,428.20
Charge for the period	70.76	526.18	54.56	651.50
Disposals	1.78	0.01	-	1.79
Effect of foreign currency translation from functional currency to reporting currency	58.54	134.47	0.73	193.74
As at March 31, 2022	2,864.32	5,352.04	55.29	8,271.65
Net block				
As at March 31, 2022	167.13	1,461.49	6,641.01	8,269.63
As at March 31, 2021	175.97	1,053.53	-	1,229.50

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2020	2,779.57	5,214.42	7,993.99
Additions	185.76	256.64	442.40
Additions through business combination	-	363.16	363.16
Disposals	2.94	-	2.94
Effect of foreign currency translation from functional currency to reporting currency	(49.62)	(89.29)	(138.91)
As at March 31, 2021	2,912.77	5,744.93	8,657.70
Accumulated Amortization			
As at April 1, 2020	2,732.72	3,826.34	6,559.06
Charge for the year	59.74	975.64	1,035.38
Disposals	2.89	-	2.89
Effect of foreign currency translation from functional currency to reporting currency	(52.77)	(110.58)	(163.35)
As at March 31, 2021	2,736.80	4,691.40	7,428.20
Net block			
As at March 31, 2021	175.97	1,053.53	1,229.50
As at March 31, 2020	46.85	1,388.08	1,434.93

6.6\ Depreciation and amortization

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
On Property, Plant and Equipment	720.11	468.66
On Right of Use assets	288.51	251.46
On Other Intangible assets	651.50	1,035.38
	1,660.12	1,755.50

7\ Non-current financial assets: Investments

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Investments carried under equity accounting method		
Unquoted Investments		
Investments in equity instruments		
In associates		
Klisma e-Services Private Limited [Holding Nil (Previous year 50%)] #		
Nil (Previous year: 0.005 million) shares of ₹10 each, fully paid up	-	0.05
Less : Writeoff/Impairment	-	(0.05)
	-	-
Total investments carried equity accounting method (A)	-	-
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,801.81	2,557.92
[Market value ₹ 2,863.32 million (Previous year ₹ 2,727.32 million)]		
Add: Interest accrued on bonds	77.48	72.88
Total investments carried at amortised cost (B)	2,879.29	2,630.80
Designated as fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 7a)	836.42	806.99
	836.42	806.99
Investments in Common Stocks/Preferred Stocks		
- Others*		
Ciquil Limited [Holding 2.38% (Previous year 2.38%)]		
0.04 million (Previous year: 0.04 million) shares of GBP 0.01 each, fully paid up	15.16	14.73
Add/(less): Change in fair value of investment	(15.16)	(14.73)
	-	-
Altizon Systems Private Limited	6.00	6.00
3,766 equity shares (Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00
	6.00	6.00
Hygenx Inc.	15.16	14.62
0.25 million (Previous year: 0.25 million) Preferred stock of \$ 0.001 each, fully paid up		
Add/(less): Change in fair value of investment	(15.16)	(14.62)
	-	-

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
OpsDataStore Inc.	-	14.62
Nil (Previous year: 0.20 million) Preferred stock of \$ 0.001 each, fully paid up		
Add/(less) : Change in fair value of investment	-	(14.62)
	-	-
Trunomi Inc.	18.95	18.28
0.28 million (Previous year: 0.28 million) Preferred stock of \$ 0.0002 each, fully paid up		
	18.95	18.28
Ampool Inc.	-	18.28
Nil (Previous year : 0.55 million) Preferred stock of \$ 0.4583 each, fully paid up		
Add/(less) : Change in fair value of investment	-	(18.28)
	-	-
Cazena Inc. ^		
Nil (Previous year: 0.59 million Preferred Stock of \$ 0.0001 each), fully paid up	-	146.22
Monument Bank	123.61	-
0.024 million (Previous year: Nil) Stock of GBP 50 each), fully paid up		
	142.56	164.50
<p># Klisma e-Services Private Limited ('Klisma'), an Associate of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench.</p> <p>^ Cazena Inc. has been acquired by another corporation. Accordingly, based on the communication received from Cazena Inc. regarding the realisable value, the company has written off the entire amount of investment of Rs. 148.40 million.</p>		
DxNow	9.47	9.14
0.17 million Shares fully paid up (Previous year: 1 convertible note of USD 125,000 each, fully paid up		
Add/(less): Change in fair value of investment	(9.47)	(9.14)
	-	-
Akumina Inc.	13.45	12.98
0.40 million Preference shares of \$ 0.443 each (Previous year: 1 convertible note of USD 146,429 each, fully paid up)		
	13.45	12.98
- Investments in Convertible Notes		
Ustyme	-	18.28
Nil (Previous year: 1) convertible note of USD 250,000 each, fully paid up		
Add/(less): Change in fair value of investment	-	(18.28)
	-	-
Total Investments carried at Fair Value (C)	998.43	990.47
Total investments (A) + (B) + (C)	3,877.72	3,621.27
Aggregate amount of impairment in value/change in fair value of investments	39.79	89.72
Aggregate amount of quoted investments	2,879.29	2,630.80
Aggregate amount of unquoted investments	1,038.22	1,080.19

* Investments, where the Group does not have joint-control or significant influence including situations where such joint-control or significant influence is intended to be temporary, are classified as "investments in others".

7a. Details of fair value of investment in long term mutual funds

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Axis Mutual Fund	471.15	400.50
IDFC Mutual Fund	365.27	370.31
Sundaram Mutual Fund	-	36.18
	836.42	806.99

8\ Non-current financial assets: Loans

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Carried at amortised cost		
Other loans and advances		
Unsecured, considered good - Loan to ESOP trust	3,522.00	-
Unsecured, credit impaired	0.58	23.63
	3,522.58	23.63
Less: Impairment of non-current loans	(0.58)	(23.63)
	3,522.00	-

9\ Other non-current financial assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Deposits with banks (refer note 15)	3.19	24.42
Add: Interest accrued but not due on bank deposits (refer note 15)	0.17	1.34
Deposits with banks (Carried at amortised cost)	3.36	25.76
Deposits with financial institutions		
Unsecured, credit impaired	430.00	430.00
Add: Interest accrued on deposit with financial institutions	0.98	0.98
Less: Credit impaired (refer note 47)	(430.98)	(430.98)
	-	-
Unsecured, considered good	100.00	-
Add: Interest accrued	0.41	-
	100.41	-
Security deposits	236.97	134.76
	340.74	160.52

* Out of the balance, fixed deposits of ₹ 3.03 million (Previous year: ₹ 24.09 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

10\ Deferred tax asset (net) *

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	89.31	-
Capital gains	51.11	61.06
Others	7.54	66.47
	147.96	127.53
Deferred tax assets		
Provision for leave encashment	224.94	184.65
Provision for long service awards	134.29	117.05
Allowance for expected credit loss	43.27	93.49
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	170.18	63.43
Brought forward and current year losses	99.41	43.77
Tax credits	407.13	435.71
ROU asset and lease liability	31.71	31.74
Provision for shared based payments to employees	48.56	40.28
Others	111.19	154.98
	1,270.68	1,165.10
Deferred tax liabilities after set off	-	-
Deferred tax assets after set off	1,122.72	1,037.57

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Movement in deferred tax assets (net) during the year ended March 31, 2022

	As at April 1, 2021	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comprehensive income	As at March 31, 2022
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	89.31	-	89.31
Capital gains (net)	61.06	(9.95)	-	51.11
Cash flow hedges	46.90	-	(32.84)	14.06
Others	19.57	(12.03)	-	7.54
	127.53	67.33	(32.84)	162.02

	As at April 1, 2021	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comprehensive income	As at March 31, 2022
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	63.43	106.75	-	170.18
Provision for leave encashment	184.65	40.29	-	224.94
Provision for long service awards	117.05	17.24	-	134.29
Allowance for expected credit loss	93.49	(48.51)	-	44.98
Tax credit	435.71	(28.58)	-	407.13
Right of use asset and lease liability	31.74	(0.03)	-	31.71
Others	239.07	32.45	-	271.52
	1,165.12	119.62	-	1,284.74
	1,037.59	52.29	32.84	1,122.72

Movement in deferred tax assets (net) during the year ended March 31, 2021

	As at April 1, 2020	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comprehensive income	As at March 31, 2021
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	120.97	(120.97)	-	-
Capital gains (net)	76.67	(15.61)	-	61.06
Cash flow hedges	-	-	46.90	46.90
Others	21.63	(2.06)	-	19.57
	219.27	(138.64)	46.90	127.53
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	91.81	(28.38)	-	63.43
Provision for leave encashment	127.70	56.95	-	184.65
Provision for long service awards	83.27	33.78	-	117.05
Allowance for expected credit loss	62.50	30.99	-	93.49
Tax credit	328.80	106.91	-	435.71
Right of use asset and lease liability	37.29	(5.55)	-	31.74
Cash flow hedges	82.10	-	(82.10)	-
Others	365.89	(126.82)	-	239.07
	1,179.35	67.87	(82.10)	1,165.12
	960.08	(70.77)	(35.20)	1,037.59

11\ Other non-current assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital advances (Unsecured, considered good)	104.95	60.54
Balances with government authorities (refer note 42)	296.55	296.55
Prepayments	130.11	84.43
	531.61	441.52

12\ Current financial assets: Investments

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Designated as fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 12a)	4,346.91	6,374.95
	4,346.91	6,374.95
Total carrying amount of investments	4,346.91	6,374.95
Aggregate amount of unquoted investments	4,346.91	6,374.95

12a. Details of fair value of current investment in mutual funds

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Aditya Birla Sun Life Mutual Fund	883.65	1,011.03
Axis Mutual Fund	672.70	824.68
Kotak Mutual Fund	521.63	478.21
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	472.88	-
IDFC Mutual Fund	457.54	911.72
DSP Mutual Fund	443.20	37.38
ICICI Prudential Mutual Fund	399.94	710.33
UTI Mutual Fund	337.68	723.19
SBI Mutual Fund	120.01	166.36
Sundaram Mutual fund	37.68	-
HDFC Mutual Fund	-	963.10
L&T Mutual Fund	-	511.71
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	37.24
	4,346.91	6,374.95

13\ Trade receivables

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unsecured, considered good	9,484.29	5,708.97
Unsecured, credit impaired	165.78	271.64
	9,650.07	5,980.61
Less : Allowance for credit loss	(165.78)	(271.64)
	9,484.29	5,708.97

Trade receivables ageing schedule

(In ₹ million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	7,316.44	2,066.68	64.91	6.22	14.56	15.48	9,484.29
Undisputed Trade receivable - credit impaired	-	24.94	71.10	13.21	40.29	16.24	165.78
As at March 31, 2022	7,316.44	2,091.62	136.01	19.43	54.85	31.72	9,650.07

(In ₹ million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables - considered good	3,815.33	1,787.43	106.21	-	-	-	5,708.97
Undisputed Trade receivable - credit impaired	-	59.14	54.55	74.55	35.53	47.87	271.64
As at March 31, 2021	3,815.33	1,846.57	160.76	74.55	35.53	47.87	5,980.61

14\ Cash and cash equivalents

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash in hand	0.24	0.41
Balances with banks		
On current accounts #	2,337.96	1,583.20
On saving accounts	1.64	1.33
On Exchange Earner's Foreign Currency accounts	259.20	208.57
On deposit accounts with original maturity less than three months	-	625.79
On Escrow account**	378.95	-
	2,977.99	2,419.30

Out of the cash and cash equivalent balance as at March 31, 2022, the Group can utilise ₹ 35.75 million (Previous year: ₹ 154.39 million) only towards certain predefined activities specified in the agreement.

** The balance maintained in Escrow account will be released to selling shareholders on meeting specific conditions.

15\ Bank balances other than cash and cash equivalents

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Deposits with banks*	5,986.55	7,108.47
Add: Interest accrued but not due on deposits with banks	180.46	303.99
Deposits with banks (carried at amortised cost)	6,167.01	7,412.46
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 9)	(3.19)	(24.42)
Less: Interest accrued but not due on non-current deposits with banks (refer note 9)	(0.17)	(1.34)
	6,163.65	7,386.70
Balances with banks on unpaid dividend accounts**	2.94	3.00
	6,166.59	7,389.70

* Out of the balance, fixed deposits of ₹ 644.36 million (Previous year : ₹ 651.80 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

** The Group can utilize these balances only towards settlement of the respective unpaid dividend.

16\ Current financial assets: Loans

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Loan to related parties (Unsecured, credit impaired) (refer note 37)		
Klisma e-Services Private Limited	-	27.43
	-	27.43
Less: Write off/Impairment	-	(27.43)
	-	-
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	22.78	21.90
Interest accrued but not due at amortised cost	1.72	1.72
Less: Impairment	(24.50)	(23.62)
	-	-
Other advances	16.10	21.79
	16.10	21.79

17\ Other current financial assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	84.59	294.46
Carried at amortised cost		
Advances to related parties (Unsecured, credit impaired)		
Unsecured, credit impaired	-	0.81
Less: Write off/Impairment	-	(0.81)
	-	-
Carried at amortised cost		
Security deposits	-	49.47
Unbilled revenue	3,130.31	2,172.77
	3,214.90	2,516.70

18\ Other current assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	1,345.41	815.19
Excess fund balance with Life Insurance Corporation (refer note 31)	42.19	113.08
Other advances		
VAT receivable (net)	3.71	97.19
Service tax and GST receivable (net) (refer note 42)	561.59	1,058.26
	565.30	1,155.45
	1,952.90	2,083.72

19\ Non-current financial liabilities: Borrowings

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	5.55	7.39
Interest accrued but not due on term loans	0.08	0.11
Foreign currency loan from others	4,319.72	38.73
	4,325.35	46.23
Less: Current maturity of long-term borrowings	(1,524.48)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	(0.08)	(0.11)
	(1,524.56)	(1.96)
	2,800.79	44.27

The term loans have the following terms and conditions:

Loan I - amounting to ₹ 5.55 million (Previous year ₹ 7.39 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from October 2015.

Loan II - amounting to ₹ 37.54 million (Previous year ₹ 38.73 million). The interest free loan is given under a COVID-19 scheme for medium and small scale Industries by the Government of Switzerland to a subsidiary company with a repayment period of five years from March 2020.

Loan III - amounting to ₹ 4,282.18 million (Previous year: Nil). The Parent Company has provided a Letter of Comfort to the Lenders.

Key terms of loan are as below:

Repayment terms	In ₹ million	Interest rate
Loan 1: Repayable over a period of 3 years in equal instalments commencing from November 2021	1,629.53	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from April 2022	2,652.65	SOFR + 145 bps
	4,282.18	

20\ Non-current financial liabilities: Lease liabilities (refer note 36)

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Lease liabilities	1,456.87	938.17
Less: Current portion of lease liabilities	(342.58)	(222.00)
	1,114.29	716.17

Movement of lease liabilities

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Opening balance	938.17	662.42
Additions	831.31	587.19
Deletions	(42.81)	(43.33)
Add: Interest recognised during the year	84.06	57.53
Less: Payments made	(350.83)	(319.11)
Translation differences	(3.03)	(6.53)
Closing balance	1,456.87	938.17

21\ Non current liabilities: Provisions

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Provision for employee benefits		
- Long service awards	245.54	240.94
	245.54	240.94

22\ Trade payables

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Trade payables		
- Dues of small enterprises and micro enterprises	10.30	30.20
- Dues of creditors other than small enterprises and micro enterprises	4,288.41	2,703.24
	4,298.71	2,733.44

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Parent Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Parent Company. There are no overdue principal amounts/ interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

Trade payables ageing schedule

(In ₹ million)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	10.30	-	-	-	10.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,937.50	303.79	14.51	32.61	4,288.41
As at March 31, 2022	3,947.80	303.79	14.51	32.61	4,298.71

(In ₹ million)

	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	30.20	-	-	-	30.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,552.62	115.72	6.99	27.91	2,703.24
As at March 31, 2021	2,582.82	115.72	6.99	27.91	2,733.44

23\ Other current financial liabilities

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital creditors	204.49	237.83
Accrued employee liabilities	144.61	127.50
Unpaid dividend*	2.94	3.00
Other liabilities	8.41	7.96
Payable to selling shareholders (refer note 44)	3,901.75	11.92
Less: Non-current portion of Payable to Selling Shareholders	(2,088.60)	-
	1,813.15	11.92
	2,173.60	388.21

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

24\ Other current liabilities

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unearned revenue	978.32	966.07
Advance from customers	43.21	93.67
Other payables		
- Statutory liabilities	491.79	296.20
- Other liabilities*	58.40	159.01
	1,571.72	1,514.95

*Includes balance of ₹ 35.64 million (Previous year: ₹ 154.16 million) to be utilised against certain predefined activities specified in the agreement.

25\ Current liabilities: Provisions

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Provision for employee benefits		
- Gratuity (refer note 31)	9.96	37.78
- Leave encashment	975.49	815.28
- Long service awards	24.54	17.19
- Other employee benefits	2,939.67	1,607.54
	3,949.66	2,477.79

26\ Revenue from operations (net)

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Software services	55,721.12	40,158.83
Software licenses	1,386.34	1,720.05
	57,107.46	41,878.88

The table below presents disaggregated revenues from contracts with customers by segments, geography and type. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Revenue by industry segments		
BFSI	18,063.65	12,857.05
Healthcare & Life Sciences	11,842.75	8,104.24
Technology Companies and Emerging Verticals	27,201.06	20,917.59
Total	57,107.46	41,878.88
Geographical disclosure		
India	6,028.37	3,512.59
North America	44,812.10	33,861.61
Rest of the World	6,266.99	4,504.68
Total	57,107.46	41,878.88
Customers' Industry wise disclosure		
IP Led	6,754.69	18,986.36
Offshore	32,062.36	15,925.78
Onsite	18,290.41	6,966.74
Total	57,107.46	41,878.88

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work-based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

During the year, ₹ 2,172.77 million (Previous Year: ₹ 1,991.99 million) of opening unbilled revenue (contract assets) has been reclassified to trade receivables upon billing to customers on completion of milestones.

During the year, the Group recognised revenue of ₹ 937.81 million (Previous Year: ₹ 799.81 million) arising from opening unearned revenue (contract liabilities).

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management's judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 622.86 million (Previous Year: ₹ 923.81 million).

27\ Other income

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Interest income		
On deposits carried at amortised cost	315.69	388.77
On Others	284.53	169.93
Other non operating income		
Foreign exchange gain (net)	269.41	33.81
Profit on sale of property, plant and equipment (net)	12.45	1.34
Net profit on sale/fair valuation of financial assets designated as FVTPL	354.30	346.74
Excess provision in respect of earlier years written back	66.00	41.79
Miscellaneous income	137.17	95.34
	1,439.55	1,077.72

28\ Personnel expenses

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
28.1 Employee benefits expense		
Salaries, wages and bonus	31,061.63	22,852.56
Contribution to provident and other funds (refer note 31)	2,059.54	1,528.58
Staff welfare and benefits	521.70	486.41
Share based payments to employees (refer note 35)	950.23	290.44
	34,593.10	25,157.99
28.2 Cost of professionals	7,974.18	5,563.68
	42,567.28	30,721.67

29\ Other expenses

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Travelling and conveyance	412.04	173.62
Electricity expenses (net)	76.07	82.58
Internet link expenses	68.59	70.86
Communication expenses	87.05	102.18
Recruitment expenses	428.06	135.10
Training and seminars	119.58	57.36
Royalty expenses	92.54	94.83
Purchase of software licenses	1,606.97	1,855.62
Bad debts	65.27	90.30
(Reversal)/Allowance for expected credit loss (net)	(105.06)	31.32
Rent (refer note 36)	101.88	140.89
Insurance	50.34	40.01
Rates and taxes	99.30	87.86

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Legal and professional fees	828.48	525.40
Repairs and maintenance		
- Plant and Machinery	141.71	113.88
- Buildings	20.46	21.63
- Others	26.96	18.69
Selling and marketing expenses	4.89	10.43
Advertisement, conference and sponsorship fees	85.67	140.01
Computer consumables	10.55	5.54
Auditors' remuneration (refer note 39)	11.39	11.14
Corporate social responsibility expenditure (refer note 43)	115.78	204.05
Books, memberships, subscriptions	32.90	20.66
Directors' sitting fees	7.43	4.84
Directors' commission	20.83	10.22
Impairment of loan	-	23.96
Loss/Impairment of non current investments	148.40	18.53
Miscellaneous expenses	400.39	235.55
	4,958.47	4,327.06

30\ Earnings per share

		For the year ended	
		March 31, 2022	March 31, 2021
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	6,903.86	4,506.77
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	76,425,000	76,425,000
Denominator for Diluted EPS			
Number of equity shares	(C)	76,425,000	76,425,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	90.34	58.97
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	90.34	58.97

	For the year ended	
	March 31, 2022	March 31, 2021
Number of shares considered as basic weighted average shares outstanding	76,425,000	76,425,000
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	76,425,000	76,425,000

31\ Defined benefits (Gratuity):

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit (gratuity) plans. Each employee in these companies is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss)

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Current service cost	156.08	170.19
Interest cost on benefit obligation	63.81	58.49
Expected return on plan assets	(74.30)	(70.85)
Other	-	(29.52)
Net benefit expense	145.59	128.31
Net actuarial loss/(gain) recognized in the year	231.16	(17.68)
Due to Demographic assumptions	166.40	9.46
Due to Financial assumptions	(60.45)	13.85
Due to Experience assumptions	125.21	(40.99)
Net actuarial loss/(gain) recognized in the year	231.16	(17.68)

Balance sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Opening fair value of plan assets	1,050.79	985.61
Expected return	74.30	70.85
Adjustment to expected return	(14.29)	(10.85)
Contribution by employer	330.32	117.99
Benefits paid	(215.11)	(112.81)
Closing fair value of plan assets	1,226.01	1,050.79

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	975.49	877.48
Interest cost	63.81	58.49
Current service cost	156.08	170.19
Benefits paid	(215.11)	(112.81)
Actuarial losses on obligation	231.16	(17.68)
Exchange difference	(17.65)	(0.18)
Closing defined benefit obligation	1,193.78	975.49

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Fair value of plan assets	1,226.01	1,050.79
Less: Defined benefit obligations	(1,183.82)	(937.71)
Plan asset/(liability) for Persistent Systems Limited	42.19	113.08
Gratuity liability for Persistent Systems Lanka (Private) Limited	(9.96)	(37.78)

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Persistent Systems Limited

	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.07%	6.70%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%	PS: 0 to 1 : 17% PS: 1 to 3 : 14% PS: 3 to 4 : 10% PS: 4 to 7 : 5% PS: 7 to 10 : 3% PS:10 to 47 :1%
Increment rate	6.00%	5.50%

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2022	March 31, 2021
Investments with insurer including accrued interest	100%	100%

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2022	March 31, 2021
Discount rate	16.37%	8.55%
Increment rate	7.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected compensation increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

As at March 31, 2022, every percentage point increase/decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 1,089.07 million/₹ 1,324.31 million (previous year: ₹ 822.41 million/₹ 1,082.38 million) respectively.

As at March 31, 2021, every percentage point increase/decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 1,255.79 million/₹ 1,143.41 million (previous year: ₹ 998.72 million/₹ 889.87 million) respectively.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Plan assets	1,226.01	1,050.79
Defined benefit obligation	(1,183.82)	(937.71)
Plan asset for Persistent Systems Limited	42.19	113.08
Gratuity liability for Persistent Systems Lanka (Private) Limited	(9.96)	(37.78)

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Within 1 year	76.42	36.45
1 - 2 years	78.28	32.19
2 - 3 years	82.94	33.66
3 - 4 years	84.86	36.11
4 - 5 years	86.09	36.29
5 - 10 years	484.24	222.48

Superannuation Fund

The Group contributed ₹ 57.63 million and ₹ 43.55 million to superannuation fund during the years ended March 31, 2022 and March 31, 2021 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

Defined contribution plan — Provident Fund

The Parent Company has certain defined contribution plans. Contributions are made to provident fund for its employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Parent Company is limited to the amount contributed, and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 827.57 million (Previous year - ₹ 404.90 million).

32a) Financial assets and liabilities

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

(In ₹ million)

Financial assets/financial liabilities	March 31, 2022			March 31, 2021			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	162.01	-	-	183.48	-	-	Level 3
Investments in bonds	-	-	2,879.29	-	-	2,630.80	
Investments in mutual funds	5,183.33	-	-	7,181.94	-	-	Level 1
Loans	-	-	3,538.10	-	-	21.79	
Deposit with banks and financial institutions (net)	-	-	6,267.42	-	-	7,412.46	
Cash and cash equivalents (including unpaid dividend)	-	-	2,980.93	-	-	2,422.30	
Trade receivables (net)	-	-	9,484.29	-	-	5,708.97	
Foreign exchange forward contracts	-	84.59	-	-	294.46	-	Level 2
Unbilled revenue	-	-	3,130.31	-	-	2,172.77	
Other non current financial assets	-	-	236.97	-	-	134.76	
Other current financial assets	-	-	-	-	-	49.47	
Total Financial Assets	5,345.34	84.59	28,517.31	7,365.42	294.46	20,553.32	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	4,325.35	-	-	46.23	
Trade payables	-	-	4,298.71	-	-	2,733.44	
Lease liabilities	-	-	1,456.87	-	-	938.17	
Other financial liabilities (excluding borrowings)	-	-	4,262.20	-	-	388.21	
Total Financial Liabilities	-	-	14,343.13	-	-	4,106.05	

*** Fair value hierarchy**

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

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

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

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

The Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

32b\ Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Group's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force is responsible for credit risk management. Investment of excess liquidity is governed by the Investment policy of the Group. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group operates globally with its operations spread across various geographies and consequently the Group is exposed to foreign exchange risk. Around 80% to 90% of the Group's foreign currency exposure is in USD. The Group holds plain vanilla forward contracts against expected future receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2022:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	779.27	376.80	471.77	219.65	1,847.49
Cash and cash equivalents and bank balances	323.54	17.83	35.82	35.93	413.12
Trade and other payables	19.19	11.19	15.25	10.47	56.10

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2021:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	187.63	121.75	291.84	130.42	731.64
Cash and cash equivalents and bank balances	339.71	28.10	13.05	15.32	396.18
Other financial assets	0.29	0.26	7.58	5.48	13.61
Trade and other payables	135.06	14.66	35.74	1.50	186.96

Foreign currency sensitivity analysis

For the year ended March 31, 2022 and March 31, 2021, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would affect the Group's profit before tax margin (PBT) by approximately 0.04% and 0.02% respectively.

Derivative financial instruments

The Group holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sales transactions.

The following table gives details in respect of outstanding foreign currency forward contracts:

	As at March 31, 2022			As at March 31, 2021		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	175.00	77.74	13,605.02	135.00	77.11	10,410.34

The foreign exchange forward contracts mature within a maximum period of twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	As at March 31, 2022			As at March 31, 2021		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	41.00	77.00	3,156.91	31.00	78.48	2,432.98
Later than 3 months and not later than 6 months	45.00	77.17	3,472.71	34.50	77.08	2,659.11
Later than 6 months and not later than 9 months	45.00	78.23	3,520.48	34.50	76.63	2,643.64
Later than 9 months and not later than 12 months	44.00	78.52	3,454.92	35.00	76.42	2,674.61
Total	175.00		13,605.02	135.00		10,410.34

Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 9,650.07 million and ₹ 5,980.61 million as at March 31, 2022 and March 31, 2021, respectively

Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed by the Group by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business.

On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Group's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

	As at	
	March 31, 2022	March 31, 2021
Receivables overdue for more than 90 days (₹ million)*	427.00	966.82
Total receivables (gross) (₹ million)	9,650.07	5,980.61
Overdue for more than 90 days as a % of total receivables	4.4%	16.2%

* Out of this amount, ₹ 271.64 million (March 31, 2021: ₹ 271.64 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Within the credit period	7,316.44	3,815.33
1 to 30 days past due	1,499.72	897.30
31 to 60 days past due	194.35	211.23
61 to 90 days past due	212.56	89.93
91 to 120 days past due	68.03	17.24
121 and above past due	358.97	949.58
Less: Expected credit loss	(165.78)	(271.64)
Net trade receivables	9,484.29	5,708.97

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Opening balance	271.64	242.13
Movement in expected credit loss allowance	(105.06)	31.32
Translation differences	(0.80)	(1.81)
Closing balance	165.78	271.64

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in debts mutual funds, quoted bonds.

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus funds is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current fund requirements including repayment of borrowings. Accordingly, no liquidity risk is perceived.

As at March 31, 2022, the Group had a working capital of ₹ 14,129.70 million including cash and cash equivalents and current fixed deposits of ₹ 8,961.35 million and current investments of ₹ 4,346.91 million.

As at March 31, 2021, the Group had a working capital of ₹ 19,005.93 million including cash and cash equivalents and current fixed deposits of ₹ 9,503.35 million and current investments of ₹ 6,374.95 million.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ million)

	As at March 31, 2022		As at March 31, 2021	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1,524.56	2,800.79	1.96	44.27
Trade payables and deferred payment liabilities	4,298.71	-	2,733.44	-
Lease Liabilities	342.58	1,114.29	222.00	716.17
Other financial liabilities (excluding borrowings)	649.04	2,088.60	388.21	-

32c\ Derivative instruments and un-hedged foreign currency exposures**i. Forward contracts outstanding at the end of the year**

(In ₹ million)

	As at March 31, 2022	As at March 31, 2021
Forward contracts to sell USD: Hedging of expected receivables of USD 175 Million (Previous year USD 135 Million)	13,605.02	10,410.34

ii. Details of un-hedged foreign currency exposures at the end of the year

	As at March 31, 2022			As at March 31, 2021		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	1.64	JPY 2.63	0.62	1.33	JPY 2.02	0.66
	323.54	USD 4.27	75.77	339.71	USD 4.65	73.11
	35.82	GBP 0.36	99.50	13.05	GBP 0.13	100.69
	1.04	CAD 0.02	52.00	8.81	CAD 0.15	58.02
	17.83	EUR 0.21	84.90	28.10	EUR 0.33	85.78
	20.89	AUD 0.37	56.46	2.41	AUD 0.04	55.67
	12.36	ZAR 2.37	5.22	2.77	ZAR 0.56	4.94
Trade and other payables	19.19	USD 0.25	75.79	135.06	USD 1.85	73.11
	15.25	GBP 0.15	99.43	35.74	GBP 0.35	100.69
	11.19	EUR 0.13	84.13	14.66	EUR 0.17	85.78
	0.31	SGD 0.01	55.98	0.08	SGD 0.002	54.40
	0.29	ZAR 0.06	5.22	0.15	ZAR 0.03	4.94
	6.82	CAD 0.11	60.52	0.81	CAD 0.01	58.02
	1.23	AUD 0.02	56.72	0.03	AUD 0.001	55.67
	1.82	JPY 2.92	0.62	0.43	JPY 0.65	0.66
Trade receivables	376.80	EUR 4.48	84.13	121.75	EUR 1.42	85.78
	779.27	USD 10.28	75.79	187.63	USD 2.56	73.11
	471.77	GBP 4.74	99.43	291.84	GBP 2.90	100.69
	23.73	CAD 0.39	60.52	40.66	CAD 0.70	58.02
	110.41	AUD 1.95	56.72	52.27	AUD 0.94	55.67
	45.72	CHF 0.56	81.93	5.04	CHF 0.06	77.46
	26.88	ZAR 5.15	5.22	29.74	ZAR 6.02	4.94
	5.95	SGD 0.11	55.98	2.71	SGD 0.05	54.40
	1.08	BRL 0.07	15.89	-	-	-
	5.88	MYR 0.33	18.03	-	-	-

33\ Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Profit before tax	9,242.79	6,094.43
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	2,326.23	1,533.85
Effect of exempt income	(123.07)	(90.04)
Effect of non-deductible expenses	37.27	40.25
Effect of concessions (R&D allowance)	5.76	(144.67)
Effect of concessions (Tax holidays)	(17.80)	(9.69)
Effect of unused tax losses not recognised as deferred tax assets	2.46	1.70
Effect of previously unrecognised deferred tax assets now recognised	-	(8.54)
Effect of different tax rates of subsidiaries operating in other jurisdictions	51.36	7.65
Effect of different tax rates for different heads of income	(5.69)	(2.06)
Short Tax Provision of earlier years (net)	42.58	11.28
Reversal of Deferred tax asset created in earlier years	15.93	73.38
Others	3.90	174.55
Income tax expense	2,338.93	1,587.66

34\ Segment information

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision makers, in deciding how to allocate resources and assessing performance. The Group's chief operating decision makers are the Chief Executive Officer and the Chairman & Managing Director.

The operating segments of the Group are:

- Banking, Financial Services and Insurance (BFSI)
- Healthcare & Life Sciences
- Technology Companies and Emerging Verticals

(In ₹ million)

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Revenue	Year ended	March 31, 2022	18,063.65	11,842.75	27,201.06	57,107.46
	Year ended	March 31, 2021	12,857.05	8,104.24	20,917.59	41,878.88
Identifiable expense	Year ended	March 31, 2022	11,879.32	5,779.01	17,931.96	35,590.29
	Year ended	March 31, 2021	8,038.67	4,121.77	14,468.19	26,628.63
Segmental result	Year ended	March 31, 2022	6,184.33	6,063.74	9,269.10	21,517.17
	Year ended	March 31, 2021	4,818.38	3,982.47	6,449.40	15,250.25
Unallocable expenses	Year ended	March 31, 2022				13,713.93
	Year ended	March 31, 2021				10,233.54
Operating income	Year ended	March 31, 2022				7,803.24
	Year ended	March 31, 2021				5,016.71
Other income (net of expenses)	Year ended	March 31, 2022				1,439.55
	Year ended	March 31, 2021				1,077.72

Profit before taxes	Year ended March 31, 2022	9,242.79
	Year ended March 31, 2021	6,094.43
Tax expense	Year ended March 31, 2022	2,338.93
	Year ended March 31, 2021	1,587.66
Profit after tax	Year ended March 31, 2022	6,903.86
	Year ended March 31, 2021	4,506.77

(In ₹ million)

Particulars		BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Segmental trade receivables (net)	As at March 31, 2022	1,816.26	1,949.27	5,718.76	9,484.29
	As at March 31, 2021	1,355.88	1,363.40	2,989.69	5,708.97
Segmental Unbilled revenue	As at March 31, 2022	754.63	325.30	2,050.38	3,130.31
	As at March 31, 2021	594.57	162.29	1,415.91	2,172.77
Unallocated assets	As at March 31, 2022	-	-	-	41,526.37
	As at March 31, 2021	-	-	-	28,773.50
Unallocated liabilities	As at March 31, 2022	-	-	-	54,140.97
	As at March 31, 2021	-	-	-	36,655.24

Segregation of assets (other than trade receivables and unbilled revenue), liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented as the assets are used interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate the other assets, liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

Geographical Information

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ million)

Particulars		India	North America	Rest of the World	Total
Revenue	Year ended March 31, 2022	6,028.37	44,812.10	6,266.99	57,107.46
	Year ended March 31, 2021	3,512.59	33,861.61	4,504.68	41,878.88

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 9,271.13 Million for the year ended March 31, 2022 (Previous year : ₹ 12,146.55 Million).

35\ Employees stock option plans (ESOP)

Certain information in this note relating to number of shares, options and per share/option price has been disclosed in full and is not rounded off.

a. Details of Employee stock option plans

The Group has framed various share-based payment schemes for its employees. The details of various equity-settled employee stock option plan ('ESOP') schemes adopted by the Board of Directors are as follows:

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	4,560,500	11-Dec-99	11-Dec-99	*
Scheme II	753,200	23-Apr-04	23-Apr-04	10 Years
Scheme III	2,533,300	23-Apr-04	23-Apr-04	*
Scheme IV	6,958,250	23-Apr-06	23-Apr-06	10 Years
Scheme V	1,890,525	23-Apr-06	23-Apr-06	*

Scheme VI	1,216,250	31-Oct-06	31-Oct-06	10 Years
Scheme VII	1,784,975	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	42,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	1,374,462	29-Jun-09	29-Jun-09	10 Years
Scheme X	3,062,272	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	1,614,200	26-Jul-14	03-Nov-14	4-5 Years
Scheme XII ***	67,300	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	4,913,338	27-Jul-17	01-Aug-19	4-5 Years
Scheme XIV	80,000	27-Jul-17	01-May-19	5 Years

Adjusted for bonus issue of shares.

* No contractual life is defined in the scheme.

**The options under Scheme XI, which is a performance based ESOP scheme will vest after 2-3 years in proportion of credit points earned by the employees every quarter based on performance. The maximum options which can be granted under this scheme are 2,000,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 50 per employee.

The vesting period and conditions of the above ESOP schemes is as follows:

All the above ESOP schemes have service condition (other than Grant 1 of scheme XI which is based on performance criteria), which require the employee to complete a specified period of service, as a vesting condition. The vesting pattern of various schemes has been provided below:

i. Scheme I to V, VII, VIII, X and XIV

Service period from the date of grant	% of Options vesting			
	Scheme I to V & X	Scheme VII	Scheme VIII	Scheme XIV
12 Months	10%	20%	25%	0.00%
24 Months	30%	40%	50%	33.33%
36 Months	60%	60%	75%	66.66%
48 Months	100%	80%	100%	100%
60 Months	NA	100%	NA	NA

ii. Scheme VI

Service period from the date of grant	% of Options vesting
18 Months	30%
Every quarter thereafter	5%

iii. Scheme IX

Service period from the date of grant	% of Options vesting
30- 60 Months varying from employee to employee	100%

iv. Scheme XI

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	Based on credit points earned which varies from employee to employee	25%	40%
24 Months		50%	30%
36 Months		75%	30%
48 Months	NA	100%	NA
60 Months	NA	NA	NA

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

vi. Scheme XIII

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	25%	40%	33%
24 Months	50%	30%	67%
36 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2021 and March 31, 2022:

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme I	Number of Options	31-Mar-21	17	-	4	-	13	13
	Weighted Average Price	31-Mar-21	4.42	-	4.58	-	4.37	4.37
	Number of Options	31-Mar-22	13	-	13	-	-	-
	Weighted Average Price	31-Mar-22	4.37	-	4.37	-	-	-
Scheme II	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-21	147,835	-	-	20,473	127,362	127,362
	Weighted Average Price	31-Mar-21	31.94	-	-	30.22	32.07	32.07
	Number of Options	31-Mar-22	127,362	-	-	19,103	108,259	108,259
	Weighted Average Price	31-Mar-22	32.07	-	-	33.69	31.78	31.78
Scheme IV	Number of Options	31-Mar-21	406,348	-	-	80,050	326,298	326,298
	Weighted Average Price	31-Mar-21	53.07	-	-	46.70	54.83	54.83
	Number of Options	31-Mar-22	326,298	-	-	80,000	246,298	246,298
	Weighted Average Price	31-Mar-22	54.83	-	-	55.16	54.72	54.72
Scheme V	Number of Options	31-Mar-21	60,332	-	-	8,641	51,691	51,691
	Weighted Average Price	31-Mar-21	27.58	-	-	28.99	27.22	27.22
	Number of Options	31-Mar-22	51,691	-	-	1,810	49,881	49,881
	Weighted Average Price	31-Mar-22	27.22	-	-	44.14	26.61	26.61
Scheme VI	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme VII	Number of Options	31-Mar-21	6,961	-	-	3,620	3,341	3,201
	Weighted Average Price	31-Mar-21	58.18	-	-	56.83	59.65	61.12
	Number of Options	31-Mar-22	3,341	-	-	3,200	141	141
	Weighted Average Price	31-Mar-22	59.65	-	-	61.12	26.29	26.29
Scheme VIII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-21	135,920	-	-	6,216	129,704	129,704
	Weighted Average Price	31-Mar-21	54.74	-	-	54.74	54.74	54.74
	Number of Options	31-Mar-22	129,704	-	-	13,993	115,711	115,711
	Weighted Average Price	31-Mar-22	54.74	-	-	54.74	54.74	54.74
Scheme X	Number of Options	31-Mar-21	125,062	-	92,955	32,107	-	-
	Weighted Average Price	31-Mar-21	188.75	-	183.38	204.30	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme XI	Number of Options	31-Mar-21	570,000	295,000	300,000	119,000	446,000	6,000
	Weighted Average Price	31-Mar-21	10.00	10.00	10.00	10.00	10.00	10.00
	Number of Options	31-Mar-22	446,000	257,200	23,700	167,750	511,750	28,725
	Weighted Average Price	31-Mar-22	10.00	10.00	10.00	10.00	10.00	10.00
Scheme XII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme XIII	Number of Options	31-Mar-21	920,000	1,947,500	-	121,275	2,746,225	98,850
	Weighted Average Price	31-Mar-21	451.65	1,008.29	-	442.47	846.80	442.47
	Number of Options	31-Mar-22	2,746,225	1,990,838	923,803	433,136	3,380,124	226,045
	Weighted Average Price	31-Mar-22	846.80	3,116.67	1,679.25	727.30	1,971.52	892.30
Scheme XIV	Number of Options	31-Mar-21	80,000	-	40,000	-	40,000	10,000
	Weighted Average Price	31-Mar-21	540.82	-	540.82	-	540.82	540.82
	Number of Options	31-Mar-22	40,000	-	40,000	-	-	-
	Weighted Average Price	31-Mar-22	540.82	-	540.82	-	-	-
Total	Number of Options	31-Mar-21	2,452,475	2,242,500	432,959	391,382	3,870,634	753,119
	Number of Options	31-Mar-22	3,870,634	2,248,038	987,516	718,992	4,412,164	775,060

The weighted average share price for the period over which stock options were exercised was ₹ 3,682.54 (previous year ₹ 1,131.43).

c. Details of exercise price for stock option outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2022		As at March 31, 2021	
		No. of Options outstanding*	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
Scheme I	2.04 - 9.57	-	Note (i)	13	Note (i)
Scheme II	12.96 - 48.21	-	-	-	-
Scheme III	12.96 - 48.21	108,259	Note (i)	127,362	Note (i)
Scheme IV	22.23 - 61.12	246,298	1.73	326,298	2.39
Scheme V	22.23 - 44.14	49,881	Note (i)	51,691	Note (i)
Scheme VI	22.23 - 30.67	-	-	-	-
Scheme VII	24.17 - 61.12	141	0.52	3,341	2.73
Scheme VIII	48.21 - 48.21	-	-	-	-
Scheme IX	54.74 - 54.74	115,711	1.24	129,704	2.24
Scheme X	157.58 - 279.70	-	-	-	-
Scheme XI	10	511,750	4.58	446,000	2.25
Scheme XII	10	-	-	-	-
Scheme XIII	442.47 - 3801.78	3,380,124	3.86	2,746,225	5.59
Scheme XIV	540.82 - 540.82	-	-	40,000	3.08

Note (i) No contractual life is defined in the scheme.

d. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share-based payment plans for the year ended March 31, 2022 amounted to ₹ 950.23 million (Previous year ₹ 290.44 million). The liability for employee stock options outstanding as at March 31, 2022 is ₹ 1,144.84 million (Previous year ₹ 470.70 million).

e. Weighted average exercise prices and weighted average fair values of options

The Binomial tree and Black-Scholes valuation models have been used for computing the weighted average fair value of the stock options granted during the financial year 2021-22:

Particulars	March 31, 2022		March 31, 2021	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price (₹)	3,819.71	3,670.90	948.4	1,182.97
Weighted Exercise Price (₹)	10	3,107.82	10	1008
Weighted Average Fair Value (₹)	3,615.75	938.25	838.75	424.39
Expected Volatility	24.42	24.5	31.7	29.09
Life of the options granted** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	4 yrs	4 yrs
Dividend Yield	200.00%	200.00%	2.00%	2.00%
Average risk-free interest rate	4.98%	4.48%	5.56%	5.49%

** Life of option varies as per graded vesting period for different class of options granted.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares and has been modelled based on historical movements in the market prices of the publicly traded equity shares during a larger period to smoothen the fluctuations.

36\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2022 (In ₹ million)	As at March 31, 2021 (In ₹ million)
Less than one year	394.01	222.00
One to five years	1,142.15	623.21
More than five years	89.10	164.13

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 101.88 million for the year ended March 31, 2022 (Previous year ₹ 140.89 million).

The Group has recognized interest on lease liabilities of ₹ 84.06 million under finance costs (Previous year ₹ 57.53 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

37\ Related Party Disclosures

i. Names of related parties and related party relationship

Related parties with whom transactions have taken place

Associate	Klisma e-Services Private Limited
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director
	Mr. Christopher O'Connor, Chief Executive Officer and Director (resigned w.e.f. August 9, 2020)
	Mr Sandeep Kalra, Executive Director and Chief Executive Officer (Executive Director and President was appointed as the Chief Executive Officer ('CEO') of the Company w.e.f. October 23, 2020)
	Mr. Sunil Sapre, Executive Director and Chief Financial Officer
	Mr. Amit Atre, Company Secretary
	Mr. Sudhir Kulkarni, Director, Persistent Systems, Inc., USA (resigned as Director of Persistent Systems, Inc (wholly owned subsidiary) w.e.f. April 19, 2019)
	Mr. Azlin Ghazali, Director, Persistent Systems Malaysia Sdn. Bhd.
	Mr. John Ryan, Director, Persistent Systems Malaysia Sdn. Bhd.
	Ms. Audrey Reutens, Director, Persistent Systems Malaysia Sdn. Bhd.
	Mr. Arnaud Pierrel, Director General, Persistent Systems France SAS
	Mr. Steven Ward, Director, Youperience Limited, United Kingdom
	Mr. Bruno Orsier, Director, Persistent Systems France SAS
	Mr. Thomas Klein, Director, Persistent Systems, Inc., USA
	Ms. Roshini Bakshi, Independent Director
	Mr. Pradeep Bhargava, Independent Director
	Mr. Sanjay Bhattacharya, Independent Director (resigned as an Independent Director of the Company w.e.f. July 1, 2019)
	Dr. Anant Jhingran, Director, Persistent Systems, Inc., USA
Mr. Thomas Kendra, Independent Director	
Mr. Prakash Telang, Independent Director (Retired w.e.f. July 24, 2020)	
Mr. Kiran Umrootkar, Independent Director (Retired w.e.f. July 24, 2020)	
Mr. Deepak Phatak, Independent Director	

	Ms. Avani Davda (Appointed wef December 21, 2021)
	Mr. Guy Eiferman, Independent Director
	Mr. Silvio Galfetti, Director, Parx Werk AG, Switzerland
	Mr. Steffen Drilich, Director, Youperience GmbH, Germany
	Mr. Daniel Seiler, Director, PARX Werk AG
	Mr. Beat Kach, Director, PARX Werk AG
	Mr. Simon Nicholas Llyod-Jenkins, Director, Youperience Limited
	Mr. Brijesh Chandel, Director, Youperience Limited
	Dr. R. Venkateswaran, Director, Persistent Systems (Lanka) Private Limited
	Mr. Kolitha Ratwatte, Director, Persistent Systems (Lanka) Private Limited
	Mr. Narasinha (Avadhoot) Upadhye, Director, Aepona Group Limited
	Mr. Guadalupe Torres, Director, Persistent Systems Mexico, S.A. de C.V.
	Mr. Hitesh Salla, Director, Capiot Software Private Limited
	Mr. Ashish Kapoor, Director, Capiot Software Private Limited
	Mr. Sameer Bendre, Director, Capiot Software Private Limited
	Mr. Sameer Dixit, Director, Capiot Software Private Limited
	Mr. Sachin Dewasthalee, Director, Capiot Software Pty Ltd, Australia
	Mr. Vaudeva Anumukonda, Director, Capiot Software Inc
	Mr. Ashish Kapoor, Director, Capiot Software PTE Ltd
	Mr. Abhilash Mohan, Director, Capiot Software Pty Ltd, Australia
	Mr. D. Keith Sides Manager, Software Corporation International LLC, USA
	Mr. Eric Massenburg, Manager, Fusion360 LLC, USA
Relatives of key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director)
	Mrs. Sulabha Suresh Deshpande (Mother of the Chairman and Managing Director)
	Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director)
	Dr. Mukund Deshpande [§] (Brother of the Chairman and Managing Director)
	Mrs. Chitra Buzruk [§] (Sister of the Chairman and Managing Director)
	Mr. Arul Deshpande ^{**} (Son of the Chairman and Managing Director)
Entities over which a key management personnel have significant influence	Persistent Foundation

ii. Related party transactions

(in ₹ million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Donation given	Entity over which a key management personnel has significant influence		
	Persistent Foundation	115.36	140.00
		115.36	140.00

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Remuneration # (Salaries, bonus and contribution to other funds)	Key Management Personnel		
	Dr. Anand Deshpande	31.94	26.26
	Mr. Christopher O'Connor	-	158.50
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 73.25 million during the year (Previous year: ₹ 31.72 million))	90.21	46.42
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 3.19 million during the year (Previous year: Nil))	7.17	3.40
	Mr. Sandeep Kalra (including value of perquisites for stock options exercised ₹ 361.06 million during the year (Previous year: ₹ 45.84 million))	468.68	110.53
	Mr. Azlin Ghazali	11.87	10.33
	Ms. Audrey Reutens	6.45	5.38
	Mr. Arnaud Pierrel	15.50	14.66
	Mr. Bruno Orsier	11.94	11.36
	Mr. Thomas Klein (including value of perquisites for stock options exercised ₹ 31.99 million during the year (Previous year: Nil))	79.40	44.87
	Mr. Steffen Drilich	16.35	17.89
	Mr. Steven Ward	19.66	22.94
	Mr. Simon Nicholas Lloyd Jenkins	18.51	22.57
	Mr. Narasinha (Avadhoot) Upadhye (including value of perquisites for stock options exercised ₹ 8.17 million during the year (Previous year: ₹ 0.33 million))	12.36	3.70
	Mr. Silvio Galfetti	11.17	3.09
	Mr. Daniel Seiler	20.76	29.33
	Mr. Kolitha Ratwatte (Resigned with effect from Sep 30, 2021)	3.42	6.88
	Mr. Hitesh Salla, Director	20.17	2.46
	Mr. Ashish Kapoor	16.08	2.46
	Mr. Vasudeva Anumukonda (joined with effect from November 7, 2020)	34.83	6.37
	Mr. Abhilash Mohan (joined with effect from November 7, 2020)	13.33	3.09
	Mr. Sameer Bendre (including value of perquisites for stock options exercised ₹ 36.23 million (Previous year: ₹ 0.19 million))	46.89	11.07
	Mr. D. Keith Sides	4.58	-
	Mr. Eric Massenburg, Manager	6.31	-
	Mr. Brijesh Chandel (appointed in FY 21-22)	23.17	-
	Mr. Beat Kaech (appointed in FY 21-22)	17.95	-
	Mr. Guadalupe Torres	13.00	10.62
	Mr. Sachin Dewasthalee (Joined with effect from May 2020) (including value of perquisites for stock options exercised ₹ 17.24 million during the year (Previous year: Nil))	26.56	8.03
	Dr. R Venkateswaran (including value of perquisites for stock options exercised ₹ 34.86 million during the year (Previous year: ₹ 5.68 million))	43.26	12.70
Mr. Sameer Dixit (including value of perquisites for stock options exercised ₹ 17.19 million during the year (Previous year: ₹ 0.81 million))	25.49	8.12	

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
	Independent directors		
	Ms. Roshini Bakshi	4.08	2.09
	Mr. Pradeep Bhargava	4.33	2.26
	Dr. Anant Jhingran	3.53	1.83
	Mr. Thomas Kendra	3.63	1.69
	Mr. Prakash Telang	-	0.74
	Mr. Kiran Umrootkar	-	0.74
	Mr. Praveen Kadle	4.19	
	Mr. Guy Eiferman	3.81	2.08
	Dr. Deepak Phatak	3.88	1.81
	Ms. Avani Davda	0.79	-
	Relatives of Key Management Personnel		
	Dr. Mukund Deshpande (including value of perquisites for stock options exercised ₹ 2.87 million during the year 2020-21) [§]	-	2.87
	Mr. Arul Deshpande **	3.88	0.03
	Total	1,149.13	619.17
Dividend paid	Key Management Personnel		
	Dr. Anand Deshpande	457.22	319.90
	Mr. Sunil Sapre	1.04	0.06
	Mr Sandeep Kalra	1.77	0.56
	Mr. Amit Atre	0.03	-
	Independent directors		
	Pradeep Bhargava	0.24	0.18
	Roshini Bakshi	-	0.07
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.10	0.07
	Mrs. Chitra Buzruk	9.39	6.57
	Dr. Mukund Deshpande	8.00	5.60
	Mrs. Sonali Anand Deshpande	2.24	1.57
	Mrs. Sulabha Suresh Deshpande	0.12	0.64
	Mr. Arul Deshpande	0.20	0.14
	Total	480.35	335.36

iii. Outstanding balances

	Name of the related party and nature of relationship	As at	
		March 31, 2022	March 31, 2021
Advances given	Associate		
	Klisma e-Services Private Limited®	-	0.81
	Total	-	0.81
Investments	Associate		
	Klisma e-Services Private Limited®	-	0.05
	Total	-	0.05
Loans given	Associate		
	Klisma e-Services Private Limited®	-	27.43
	Total	-	27.43

Guarantees and letters of comfort

- Guarantees outstanding as at March 31, 2022: ₹ 3,522.19 Million (March 31, 2021: ₹ 3,901.81 Million).
- Letters of comfort of USD 60 Million: ₹ 4,547.40 Million (March 31, 2021: Nil) to bank for loans availed by subsidiary of the Parent Company.

Notes:

\$ Dr. Mukund Deshpande and Mrs. Chitra Buzruk and have resigned w.e.f. Apr 28, 2020 and May 29, 2020 respectively.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, long service awards and leave benefits, as they are determined on an actuarial basis for the Company/Group as a whole.

** Mr. Arul Deshpande has joined with effect from March 8, 2021

The key managerial personnel though appointed during the year, their remuneration for the financials year ended March 31, 2022 and March 31, 2021 has been disclosed for the entire financial year.

@ Klisma e-Services Private Limited ('Klisma'), an Associate of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. These balances were fully provided.

38\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	158.66	223.81
Other commitments		
Forward contracts	13,605.02	10,410.34

39\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
As auditor:		
- Audit fee	10.35	9.73
In other capacity:		
- Other services	0.84	1.21
Reimbursement of expenses	0.20	0.20
	11.39	11.14

40\ Research and development expenditure

The particulars of expenditure incurred on in-house research and development are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Capital	-	-
Revenue	230.51	641.42
	230.51	641.42

41\ Net dividend remitted in foreign exchange

(In ₹ million)

Particulars	Period to which dividend relates	No. of non-resident shareholders	No. of equity shares held on which dividend was due (in million)	For the year ended	
				March 31, 2022	March 31, 2021
Interim dividend	2021-22	5	0.37	5.95	4.11
Final dividend	2020-21	3	0.37	1.76	-

42\ Contingent liabilities**a. Claims against the company not acknowledged as debt***

(In ₹ million)

Sr. No.		As at March 31, 2022	As at March 31, 2021
1	Indirect tax matters		
	i. In respect to the order passed by the Learned Principal Commissioner of Service Tax, Pune, for Service tax under import of services on reverse charge basis for the Financial Year 2014-15, the Parent Company has filed an appeal against the order passed by Learned Principal Commissioner of Service Tax, Pune with the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT) on September 23, 2017. The Parent Company has paid ₹ 165.58 million under protest towards the demand and the same forms part of the GST receivable balance. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Parent Company will be eligible to claim credit/refund for the amount paid.	173.78	173.78
	ii. In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, the Parent Company has filed an application with Directorate General of Foreign Trade (DGFT). Based on the documents filed with relevant authorities and based on the consultations with subject matter specialists, the Parent Company believes that its position is most likely be upheld on ultimate resolution.	296.55	296.55
	iii. Other Pending litigations in respect of Indirect taxes.	13.53	27.33
2	Income tax demands disputed in appellate proceedings	855.02	478.70

b. Guarantees and Letter of Comfort on behalf of Subsidiaries

(In ₹ million)

Sr. No.		As at March 31, 2022	As at March 31, 2021
1	Guarantees given on behalf of subsidiaries	770.78	1,109.08
2	Letters of comfort on behalf of subsidiary (USD 60 Million (Previous year: Nil))	4,547.40	-

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the financial statements.

43\ Details of Corporate Social Responsibility expenditure

	(In ₹ million)	
	March 31, 2022	March 31, 2021
a. Gross amount required to be spent by the Company during the year	110.24	94.49
b. Amount of Expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	115.53	150.00
c. Shortfall at the end of year	-	-
d. Total of previous year shortfall	-	-
e. Reason for shortfall	-	-
f. Nature of CSR Activity	Donation given to the following entities: a. Persistent Foundation b. Help Age India c. Wildlife Research and Conservation Society	Donation given to Persistent foundation and PM Care fund
g. Details of related party transactions Donation given to Persistent Foundation	115.36	140.00
h. Details of provision made for liability incurred by entering into a contractual obligation	-	-

44\ Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquisitions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition.

Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

a. Update on Purchase price allocation of acquisition of CAPIOT Group

During previous year ended March 31, 2021, the Group acquired 100% share capital of CAPIOT Software Private Limited, a company based in India, 100% share capital of CAPIOT Software Inc, a company based in USA, along with its wholly owned subsidiaries CAPIOT Software Pty Limited, a company based in Australia and CAPIOT Software Pte Limited, a company based in Singapore.

The acquisition of the said business was accounted for using the acquisition method of accounting on provisional basis availing the exemption under Ind AS 103.

Following are the results after conclusion of purchase price allocation exercise:

The fair value amount of consideration paid/payable is ₹ 667.12 million (including deferred purchase consideration of ₹ 208.12 million.)

(In ₹ million)

Particulars	Total
Current Assets	
Cash and & cash equivalents	30.90
Trade receivables	70.62
Other current assets	171.75
Non-current assets	
Property, Plant and Equipment	7.00
Deferred tax asset	0.11
Contractual rights	121.16
Goodwill	469.82
Current liabilities	
Trade and other payables	119.95
Borrowings	84.29
Net assets	667.12

b. Entities acquisition

Persistent Systems Inc., a wholly owned Subsidiary of the Company acquired Software Corporation International LLC (“SCI”) and its affiliate SCI Fusion360 LLC (“Fusion”) (together referred to as “SCI Fusion Group”), on October 5, 2021.

SCI brings deep domain consulting capabilities specializing in Payment solutions, integration, and support services for an impressive portfolio of leading US Banks. Additionally, Fusion360 provides application development, maintenance, and support for leading Payment platforms including IBM’s Financial Transaction Manager. These acquisitions enhance Persistent’s capabilities and will serve as the foundation of a dedicated Payments business unit.

The fair value of amount of consideration is ₹ 3,388.17 million (including deferred purchase consideration of ₹ 792.37 million.)

Purchase price allocation:

Particulars	In ₹ million
Current Assets	
Cash and & cash equivalents	49.01
Trade receivables	201.62
Other current assets	15.81
Other current financial assets	4.55
Non-current assets	
Property, Plant and Equipment	6.51
Acquired contractual rights	953.89
Non-compete rights	26.27
Goodwill	2,166.99
Subtotal	3,424.65
Current liabilities	
Trade and other payables	36.48
Subtotal	36.48
Net assets taken over	3,388.17

Revenue of ₹ 560.61 million for the period ended March 31, 2022 is included in the financial statements. The profit included for the period ended March 31, 2022 is ₹ 64.96 million.

Had the business combination been effected on April 1, 2021, the revenue for the year ended March 31, 2022 for the Group from the continuing operations would have been ₹ 57,717.07 million and the net profit for the year ended March 31, 2022 would have been ₹ 6,962.44 million.

c. Business acquisitions

Shree Infosoft Pvt. Ltd. and Shree Partners LLC

- 1\ On November 18, 2021 the Parent Company has entered into an Agreement effecting business acquisition of Shree Infosoft Pvt. Ltd., India ('Shree Infosoft') on September 29, 2021 to acquire its customer relations together with the skilled employees and processes.

Along with this transaction, Persistent Systems Inc., the wholly owned subsidiary of the Parent company, has entered into an Agreement effecting business acquisition of Shree Partners LLC, USA, ("Shree Partners").

After the acquisition of business, the Group does not hold any equity interest in Shree Infosoft and Shree Partners. The acquisition will strengthen the Group's presence in innovative cloud, infrastructure and solutions in artificial intelligence and machine learning. Its acquisition will help the Group meet the growing needs of its clients and it also add a new point of presence in NCR, India, additional industry capabilities.

- 2\ The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Group is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Group has exercised the option available under Ind AS 103, which provides the Group a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

- 3\ Based on provisional purchase price allocation exercise, the Group has recognised the following assets:

Particulars	In ₹ million
Non-current assets	
Property, Plant and Equipment	1.97
Provisional intangible assets*	483.27
Total assets	485.24

*Based on provisional purchase price allocation, the Group has recognised the provisional intangible assets represented by contractual rights amounting to ₹ 245.44 million and goodwill amounting to ₹ 237.83 million

Data Glove Group

- 1\ On March 1, 2022 the Group acquired businesses from Data Glove IT Solutions Private Ltd, India, Data Glove Inc., USA and its affiliate entities based out of Australia, UK, Singapore and Costa Rica (together referred to as "Data Glove Group"). The Data Glove Group businesses comprise of Microsoft Cloud Modernization Services Partnership with Gold level competencies in Azure Cloud Platform, Data Center, Application Development and Data Analytics, Application Integration. After the acquisition of business, the Group does not hold any equity interest except in Data Glove IT Solutions Limitada. This acquisition will help the Group enhance its partnership and expand expertise in Azure-based digital transformation, enabling it to capture a larger share of this high growth market. This acquisition also broadens the Group's delivery capabilities with highly skilled talent, establishing a new nearshore delivery center in Costa Rica and expanding its presence in the US and India.
- 2\ The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Group is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Group has exercised the option available under Ind AS 103, which provides the Group a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

The fair value of amount of consideration paid/payable recognised on provisional basis is ₹ 6,182.37 million (including deferred purchase consideration of ₹ 2,364.09 million.)

3\ Based on provisional purchase price allocation exercise, the Group has recognised the following assets:

Particulars	In ₹ million
Current Assets	
Cash and & cash equivalents	12.06
Trade receivables	19.67
Other current assets	0.08
Other current financial assets	34.30
Non-current assets	
Property, Plant and Equipment	5.04
Provisional intangible assets*	6,168.47
Subtotal	6,239.62
Current liabilities	
Trade and other payables	57.25
Subtotal	57.25
Net assets taken over	6,182.37

*Based on provisional purchase price allocation, the Group has recognised the provisional intangible assets represented by contractual rights amounting to ₹ 3,061.98 million and goodwill amounting to ₹ 3,106.49 million.

45\ Ratio Analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (If more than 25%)
Current Assets							
a. Current ratio	Number	Current Assets	Current Liabilities	1.99	3.47	-42.65%	Refer Note 1
b. Debt-Equity ratio	%	Debt	Shareholder's Equity	12.84%	0.17%	12.68%	
c. Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	6.05	3321.96	-99.82%	Refer Note 2
d. Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	22.68%	17.38%	5.30%	
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	5.92	7.32	-19.09%	
f. Trade payables turnover ratio	Number	Cost of professionals and other expenses + non-cash adjustments	Average Trade payables	2.98	3.49	-14.37%	
g. Net capital turnover ratio	Number	Revenue from operations	Working capital	4.04	2.20	83.42%	Refer Note 3
h. Net profit ratio	%	Net Profit after tax	Turnover	12.09%	10.76%	1.33%	
i. Return on Capital employed	%	Profit before interest and tax	Average capital employed	28.36%	23.70%	4.66%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	5.90%	5.19%	0.72%	

** Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

Note 1: Increase in current liabilities towards payable to selling shareholders has resulted into decrease in the ratio.

Note 2: Borrowings made during the year to fund the acquisitions have resulted into decrease in the ratio.

Note 3: Revenue growth during the year has resulted in improvement in ratio.

- 46\ The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.
- 47\ The Parent Company has deposits of ₹ 430 million with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as “IL&FS Group”) as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Parent Company has fully provided for these deposits, along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. The Parent Company continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.
- 48\ Finance costs include interest on lease liability of ₹ 84.06 million under finance costs (Previous year ₹ 57.53 million) and notional interest on amounts due to selling shareholders ₹ 15.73 million (Previous year: Nil).
- 49\ The financial statements are presented in ₹ million and decimal thereof except for per share information or as otherwise stated.
- 50\ Previous year’s figures have been regrouped where necessary to conform to current year’s classification.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 27, 2022

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

Dr. Anand Deshpande

Chairman and
Managing Director

DIN: 00005721

Sunil Sapre

Executive Director and
Chief Financial Officer

DIN: 06475949

Place: Pune

Date: April 27, 2022

Sandeep Kalra

Executive Director and
Chief Executive Officer

DIN: 02506494

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 27, 2022

Praveen Kadle

Independent Director

DIN: 00016814

Place: Pune

Date: April 27, 2022

Form AOC-1 Part A

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to subsidiaries

(In ₹ Million unless stated otherwise)

Sr. No.	Name of the Subsidiary Company	Persistent Systems, Inc.	Persistent Systems Pte. Ltd	Persistent Systems France SAS	Persistent Systems Malaysia Sdn. Bhd.	Persistent Systems Germany GmbH	Persistent Telecom Solutions Inc.	Persistent Systems Mexico, S.A. de C.V.	Persistent Systems Israel Ltd.	Parx Werk AG	Parx Consulting GmbH	Youperience GmbH	Youperience Limited	Aepona Group Limited	Aepona Limited	Persistent Systems Lanka (Pvt.) Ltd.	CAPIOT Software Private Limited	CAPIOT Software Inc.	CAPIOT Software Pty Limited	CAPIOT Software Pte. Limited	Persistent Systems S.R.L	Data Glove IT Solutions Limitada	SCI Fusion 360, LLC	Software Corporation International
1	Reporting currency	USD	SGD	EUR	MYR	EUR	USD	MXN	ILS	CHF	EUR	EUR	GBP	GBP	GBP	LKR	INR	USD	AUD	SGD	EUR	CRC	USD	USD
	Exchange rate on the last date of the Financial year (₹)	75.7900	55.9832	84.1345	18.0306	84.1345	75.7900	3.8089	23.8987	81.9263	84.1345	84.1345	99.4289	99.4289	99.4289	0.2622	1.0000	75.7900	56.7212	55.9832	84.1345	0.1148	75.7900	75.7900
	Financial Year Ending On	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
2	Share capital	3,048.26	15.50	97.47	102.25	959.82	0.0001	3.65	6.78	16.58	1.90	1.98	0.02	58.19	1,230.62	0.01	1.87	3.84	0.0001	0.54	0.86	0.00468	-	31.97
3	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	Reserves & Surplus	(136.22)	(23.58)	(20.58)	67.14	(125.04)	27.95	15.43	127.38	186.708	(28.58)	(91.23)	2.75	87.85	(1,318.67)	297.70	46.16	32.76	0.77	(10.94)	(2.75)	47.50	95.31	177.08
5	Total assets	19,786.90	35.68	442.54	274.23	1,528.01	544.12	188.28	175.65	484.54	448.61	133.38	4.25	35.60	165.20	240.23	60.94	76.45	32.68	0.31	0.84	65.24	151.22	491.47
6	Total Liabilities	19,786.90	35.68	442.54	274.23	1,528.01	544.12	188.28	175.65	281.25	448.61	133.38	4.25	35.60	165.20	240.23	12.91	39.85	31.91	10.71	0.84	17.74	151.22	491.47
7	Investments	3,648.89	-	-	-	1,328.84	-	-	-	2.40	-	-	-	0.01	-	-	-	0.54	-	-	-	-	-	-
8	Turnover	31,768.13	21.47	802.16	382.89	104.23	769.44	591.06	3.01	811.65	444.80	536.66	3.66	-	312.47	286.37	20.52	-	-	-	-	26.99	114.5	560.61
9	Profit/(Loss) before taxation	4.40	(4.36)	(95.44)	68.87	(317.07)	139.32	41.82	0.18	147.28	67.51	(34.33)	25.07	(0.79)	128.13	76.75	(31.83)	7.38	(5.85)	(0.18)	(2.70)	3.52	0.39	62.39
10	Provision for taxation	45.82	(0.12)	(23.85)	11.23	-	33.35	21.99	0.49	20.97	19.26	(37.61)	(5.04)	-	-	0.02	(4.12)	(8.39)	(1.66)	-	-	1.35	-3.81	1.63
11	Profit/(Loss) after taxation	(41.42)	(4.24)	(71.59)	57.64	(317.07)	105.97	19.83	(0.31)	126.31	48.25	3.28	30.11	(0.79)	128.13	76.73	(27.71)	15.77	(4.19)	(0.18)	(2.70)	2.17	4.2	60.76
12	Proposed dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	% of shareholding	100%	100%	100%	100%	100%	100%*	100%*	100%*	100%**	100%***	100%**	100%®	100%*	100%****	100%****	100%	100%*	100% [§]	100% [§]	100%*	100%**	100%*	100%*

* Wholly owned subsidiaries of Persistent Systems, Inc., a wholly owned subsidiary of Persistent Systems Limited.

** Wholly owned subsidiaries of Persistent Systems Germany GmbH, a wholly owned subsidiary of Persistent Systems Limited.

*** Wholly owned subsidiaries of Parx Werk AG which is a wholly owned subsidiary of Persistent Systems Germany GmbH.

**** Wholly owned subsidiaries of Aepona Group Limited which is a wholly owned subsidiary of Persistent Systems Inc.

@ Wholly owned subsidiary of Youperience GmbH which is a wholly owned subsidiary of Persistent Systems Germany GmbH.

& Wholly owned subsidiary of CAPIOT Software Inc. which is a wholly owned subsidiary of Persistent Systems, Inc.

% Investments are reported net of provision for impairment

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 0005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Amit Atre
Company Secretary

Membership No. A20507

Place: Pune
Date: April 27, 2022

Place: Pune
Date: April 27, 2022

Place: Pune
Date: April 27, 2022

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies

(In ₹ million except no. of shares held)

Name of Associate	Klisma e-Services Private Limited
Latest audited Balance Sheet Date	March 31, 2018
Shares of Associate held by the company on the year end	
No.	5,000
Amount of Investment in Associates	0.05
Extend of Holding %	50%
Description of how there is significant influence	By virtue of shareholding - More than 20%
Reason why the associate is not consolidated	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	-16.89
Profit/(Loss) for the year	
i. Considered in Consolidation *	-
i. Not Considered in Consolidation *	-

*The share of loss in Klisma e-Services Private Limited to the extent of the investment made by Persistent Systems Limited in Klisma e-Services Private Limited (₹ 0.05 Million) has been provided for in the standalone financial statements of Persistent Systems Limited in FY 2013-14.

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune
Date: April 27, 2022

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date: April 27, 2022

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Unconsolidated Financials

Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

- 1\ We have audited the accompanying standalone financial statements of **Persistent Systems Limited** ('the Company'), which comprise the Balance Sheet as at **31 March 2022**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
- 2\ In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

- 3\ We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 4\ Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5\ We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key audit matter	How our audit addressed the key audit matter
1\	<p>Accuracy of revenues and onerous obligations in respect of fixed-price contracts</p> <p>Refer Notes 3.4 (i) notes forming part of the Standalone Financial Statements.</p> <p>The Company has entered into various fixed-price software development contracts, for which revenue is recognized by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention:</p> <ul style="list-style-type: none"> \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. <p>Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.</p>	<p>Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over: <ul style="list-style-type: none"> - IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; and - Testing the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and - Testing the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project. \ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. \ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. \ Performed analytical procedures for reasonableness of incurred and estimated efforts. \ Evaluated management's identification of onerous contracts based on estimates tested as above. <p>Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.</p>

Sr. No.	Key audit matter	How our audit addressed the key audit matter
2\	<p data-bbox="259 216 844 252">Contingent liabilities relating to export incentive litigation</p> <p data-bbox="259 252 844 336">Refer Note 36 – notes forming part of the Standalone Financial Statements regarding dispute on export incentives scrips awarded to the Company.</p> <p data-bbox="259 336 844 483">The Company in previous years has deposited under protest ₹ 296.55 million with the Directorate General of Foreign Trade pursuant to the summons received from the Directorate of Revenue Intelligence ('DRI') and have made a corresponding application with the relevant authorities.</p> <p data-bbox="259 483 844 619">The Company has received Show Cause Notice ('SCN') from DRI in the previous years, claiming that the Company is not eligible for the benefit under the scheme and if the Company has wrongfully claimed such benefits, it will be liable for such consequential penalties.</p> <p data-bbox="259 619 844 903">The management based on their assessment and interpretation of various applicable rules, regulations, practices and precedents, and based on various documents filed with relevant authorities to avail these claims, believes that they have a strong case and the export incentives of ₹ 296.55 million deposited under protest are fully recoverable. Accordingly, the duty paid under protest, has been presented as receivable from government authority and has been correspondingly disclosed under contingent liability.</p> <p data-bbox="259 903 844 1073">In view of the amounts involved and uncertainty pertaining to the final outcome of the matter requiring significant management judgement in determination of recoverability of the aforesaid balance with respect to the said litigation, this matter has been considered as a key audit matter for the current year's audit.</p>	<p data-bbox="844 216 1432 273">Our audit work included but was not restricted to the following procedures:</p> <ul style="list-style-type: none"> <li data-bbox="844 273 1432 399">\ Obtained an understanding of the Company's process and the underlying controls for identification and monitoring of the pending litigations and completeness of such litigations for financial reporting. <li data-bbox="844 399 1432 514">\ Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liability disclosure, in accordance with the applicable Indian Accounting Standards. <li data-bbox="844 514 1432 609">\ Discussed developments during the year in the export incentive matter with the management and obtained opinion from the management's expert. <li data-bbox="844 609 1432 703">\ Obtained the documents for various correspondences made between the Company and the respective departments <li data-bbox="844 703 1432 924">\ Involved auditor's expert to test the management's underlying assumptions in estimating the export incentive benefits and the possible outcome of the matters. This involved assessing the probability of an unfavourable outcome of a given proceeding and the reliability of estimates of related amounts which involved consideration of legal precedence and other rulings and expert opinion obtained by the management. <li data-bbox="844 924 1432 1073">\ Assessed adequacy and appropriateness of the contingent liability disclosure in Note 36 to determine whether management has presented the facts and circumstances adequately.

Information other than the Financial Statements and Auditor's Report thereon

- 6\ The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

- 7\ The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and

prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

- 10\ Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
- 11\ As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - \ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - \ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
 - \ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
 - \ Obtain sufficient appropriate audit evidence regarding the financial information/financial statements of the Company to express an opinion on the financial statements.
- 12\ We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13\ We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- 14\ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

- 15\ As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
- 16\ As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure 'A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 17\ Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. The standalone financial statements dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
 - e. On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
 - iv a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

- b. The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c. Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our attention that causes us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v The dividend declared and paid during the year ended 31 March 2022 by the Company is in compliance with section 123 of the Act.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AHXPOD1460

Place: Pune

Date: 27 April, 2022

Annexure A referred to in Paragraph 14 of the Independent Auditor's Report of even date to the members of Persistent Systems Limited on the standalone financial statements for the year ended 31 March 2022

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- b. The Company has a regular program of physical verification of its property, plant and equipment, right of use assets under which the assets are physically verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment, right of use assets were verified during the year and no material discrepancies were noticed on such verification.
- c. The title deeds of all the immovable properties held by the Company (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- d. The Company has not revalued its Property, Plant and Equipment and Right of Use assets or intangible assets during the year.
- e. No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. a. The Company does not hold any inventory. Accordingly, reporting under clause 3(ii) of the Order is not applicable to the Company.
- b. The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- iii. a. The Company has provided loans or advances in the nature of loans, guarantee to two companies and one other Party. The details of the same are given below:

Particulars	Guarantees (₹ million)	Amount (₹ million)
Aggregate amount provided during the year		
- Subsidiary	-	420.67
- Others		3,522.00
Balance outstanding as at balance sheet date		
- Subsidiary	770.78	420.67
- Others	-	3,522.00

- b. The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not, prima facie, prejudicial to the Company's interest.
- c. In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments/receipts of principal and interest are regular.
- d. There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies, firms, LLPs or other parties.
- e. The Company has granted loans or advances in the nature of loans which had fallen due during the year and was/ were repaid on or before the due date. Further, no fresh loans were granted to any party to settle the overdue loans/ advances in nature of loan.
- f. The Company has not granted any loans or advances in the nature of loans, which are repayable on demand or without specifying any terms or period of repayment.

- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 and 186 of the Act in respect of loans, investments, guarantees and security, as applicable.
- v. The Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- vii. a. In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities by the Company, though there have been slight delays in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

Statement of Disputed Dues

Name of the statute	Nature of dues	Gross Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	12.52	-	2008-09	Honourable High Court
The Income Tax Act, 1961	Income tax	28.69	-	2009-10	Honourable High Court
The Income Tax Act, 1961	Income tax	19.06	-	2010-11	Honourable High Court
The Income Tax Act, 1961	Income tax	11.68	-	2012-13	Honourable High Court
The Income Tax Act, 1961	Income tax	21.84	25.20	2013-14	Honourable High Court
The Income Tax Act, 1961	Income tax	6.73	-	2013-14	Assessing officer (AO)
The Income Tax Act, 1961	Income tax	32.83	32.83	2014-15	Honourable High Court
The Income Tax Act, 1961	Income tax	9.31	9.31	2014-15	Assessing officer (AO)
The Income Tax Act, 1961	Income tax	7.02	1.5	2015-16	Honourable High Court
The Income Tax Act, 1961	Income tax	19.42	-	2015-16	Assessing officer (AO)
The Income Tax Act, 1961	Income tax	277.22	-	2017-18	Commissioner (Appeals)
The Income Tax Act, 1961	Income tax	379.74	-	2018-19	Commissioner (Appeals)
Maharashtra Value added Tax Act, 2002	Sales Tax	6.6	6.6	2005-06, 2006-07, 2007-08, 2008-09, and 2014-15	Customs, Excise and Service Tax Appellate Tribunal
Maharashtra Value added Tax Act, 2002	Sales Tax	6.8	6.8	2010-11, 2013-14 and 2016-17	Joint Commissioner (Appeals) - VAT
The Customs Act, 1962	Export incentive	296.55	296.55	2015-16, 2016-17 and 2017-18	Directorate of Revenue Intelligence
The Finance Act, 1994	Service Tax	173.78	165.58	2014-15	Central Excise and Service Tax Appellate Tribunal

- viii. According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.

- ix. a. According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- b. According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- c. In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.
- d. In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- e. According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.
- f. According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.
- x. a. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- b. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- xi. a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- b. No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.
- c. According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.
- xiv. a. In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.
- b. We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.
- xv. According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi) of the Order is not applicable to the Company.
- xvii. The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us, the Company does not have any unspent amount in respect of any ongoing or other than ongoing project as at the expiry of the financial year. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AHXPOD1460

Place: Pune

Date: 27 April, 2022

Annexure B to the Independent Auditor's Report of even date to the members of Persistent Systems Limited on the standalone financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- 1\ In conjunction with our audit of the standalone financial statements of **Persistent Systems Limited** ('the Company') as at and for the year ended **31 March 2022**, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

- 2\ The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accounts of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- 3\ Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.
- 4\ Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
- 5\ We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

- 6\ A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

- 7\ Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

- 8\ In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 22101797AHXPOD1460

Place: Pune

Date: 27 April, 2022

Balance Sheet as at March 31, 2022

	Notes	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	2,733.61	2,270.24
Capital work-in-progress	5.2	1,071.02	112.33
Right of Use assets	5.3	671.63	314.62
Other Intangible assets	5.4	780.73	171.65
		5,256.99	2,868.84
Financial assets			
- Investments	6	8,734.81	7,779.54
- Loans	7	3,943.68	-
- Other non-current financial assets	8	226.68	77.99
Deferred tax assets (net)	9	266.72	245.74
Other non-current assets	10	557.98	419.73
		18,986.86	11,391.84
Current assets			
Financial assets			
- Investments	11	4,346.91	6,374.95
- Trade receivables (net)	12	4,426.84	2,966.26
- Cash and cash equivalents	13	563.67	862.72
- Bank balances other than cash and cash equivalents	14	6,038.02	7,387.00
- Loans	15	-	-
- Other current financial assets	16	3,708.73	2,113.12
Other current assets	17	1,371.26	1,656.93
		20,455.43	21,360.98
TOTAL		39,442.29	32,752.82
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	764.25	764.25
Other equity		32,424.60	26,890.99
		33,188.85	27,655.24
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	18	3.70	5.54
- Lease liabilities	19	611.75	304.72
Provisions	20	245.54	240.94
		860.99	551.20
Current liabilities			
Financial liabilities			
- Borrowings	18	1.93	1.96
- Lease liabilities	19	146.51	73.82
- Trade payables	21		
-Dues of micro enterprises and small enterprises		10.30	30.20
-Dues of creditors other than micro enterprises and small enterprises		844.68	908.20
- Other financial liabilities	22	366.88	395.46
Other current liabilities	23	1,509.04	1,679.01
Provisions	24	2,269.73	1,145.59
Current tax liabilities (net)		243.38	312.14
		5,392.45	4,546.38
TOTAL		39,442.29	32,752.82
Summary of significant accounting policies	3		

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

As per our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 27, 2022

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

Dr. Anand Deshpande

Chairman and
Managing Director
DIN: 00005721

Sunil Sapre

Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune

Date: April 27, 2022

Sandeep Kalra

Executive Director and
Chief Executive Officer
DIN: 02506494

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 27, 2022

Praveen Kadle

Independent Director

DIN: 00016814

Place: Pune

Date: April 27, 2022

Statement of Profit & Loss for the year ended March 31, 2022

	Notes	For the year ended	
		March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Income			
Revenue from operations (net)	25	35,754.80	24,796.08
Other income	26	1,324.57	1,176.16
Total income (A)		37,079.37	25,972.24
Expenses			
Employee benefits expense	27.1	21,882.72	14,093.21
Cost of professionals	27.2	1,461.91	1,775.07
Finance costs (refer note 33)		68.78	38.21
Depreciation and amortization expense	5.5	837.57	566.79
Other expenses	28	3,707.78	2,818.76
Total expenses (B)		27,958.76	19,292.04
Profit before tax (A - B)		9,120.61	6,680.20
Tax expense			
Current tax		2,236.61	1,684.00
Tax charge in respect of earlier years		13.48	2.74
Deferred tax charge/(credit)		11.86	(57.40)
Total tax expense (refer note 31)		2,261.95	1,629.34
Profit for the year (C)		6,858.66	5,050.86
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities/asset (net of tax)		(190.82)	15.93
		(190.82)	15.93
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge (net of tax)		(97.66)	383.55
		(97.66)	383.55
Total other comprehensive income for the year (D) + (E)		(288.48)	399.48
Total comprehensive income for the year (C) + (D) + (E)		6,570.18	5,450.34
Earnings per equity share	29		
[Nominal value of share ₹ 10 (Previous year: ₹ 10)]			
Basic (In ₹)		89.74	66.09
Diluted (In ₹)		89.74	66.09
Summary of significant accounting policies	3		

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

As per our report of even date

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Pune
Date: April 27, 2022

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Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date: April 27, 2022

Cash Flow Statement for the year ended March 31, 2022

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Cash flow from operating activities		
Profit before tax	9,120.61	6,680.20
Adjustments for:		
Interest income	(593.58)	(548.82)
Finance cost	68.78	38.21
Dividend income	(53.16)	(131.45)
Depreciation and amortization expense	837.57	566.79
Unrealised exchange loss (net)	26.38	151.02
Exchange loss/(gain) on derivative contracts	79.38	(169.80)
Exchange loss on translation of foreign currency cash and cash equivalents	0.29	23.15
Bad debts	12.12	46.96
Change in provision for expected credit loss (net)	(29.97)	(20.20)
Employee stock compensation expenses	739.52	236.33
Remeasurements of the defined benefit liabilities/assets (before tax effects)	(190.82)	15.93
Excess provision in respect of earlier years written back	(15.53)	-
Profit on sale/fair valuation of financial assets designated as FVTPL	(338.78)	(344.43)
(Profit)/loss on sale of Property, Plant and Equipment (net)	(12.31)	8.10
Operating profit before working capital changes	9,650.50	6,551.99
Movements in working capital:		
Increase In other non current assets	(40.48)	(78.73)
(Increase)/Decrease in other non current financial assets	(70.68)	37.02
(Increase)/Decrease in other current financial assets	(1,594.52)	363.88
Decrease/(Increase) in other current assets	285.67	(171.56)
Increase in trade receivables	(1,470.96)	(312.65)
Increase in trade payables, current liabilities and non current liabilities	273.76	1,059.46
Increase in provisions	1,144.27	613.36
Operating profit after working capital changes	8,177.56	8,062.77
Direct taxes paid (net of refunds)	(2,318.85)	(1,494.81)
Net cash generated from operating activities	(A) 5,858.71	6,567.96
Cash flows from investing activities		
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)	(2,728.84)	(707.24)
Acquisition assets through business combination	(628.87)	-
Proceeds from sale of Property, Plant and Equipment	13.19	4.13
Loan to ESOP trust	(3,522.00)	-
Investment in wholly owned subsidiaries	(645.52)	(376.61)
Purchase of bonds	(711.90)	(712.18)
Proceeds from sale of bonds	499.95	350.53
Investments in mutual funds	(33,456.80)	(24,591.91)
Proceeds from sale/maturity of mutual funds	35,762.24	25,068.92
Maturity/(Investments) in bank deposits having original maturity over three months	1,249.81	(4,464.82)
Investment in deposit with financial institutions	(100.00)	-
Inter corporate deposits given to wholly owned subsidiary	(419.59)	-
Interest received	709.07	359.89
Dividend received	53.16	131.45
Net cash used in investing activities	(B) (3,926.10)	(4,937.84)

Cash Flow Statement for the year ended March 31, 2022

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Cash flows from financing activities		
Repayment of long term borrowings	(1.84)	(4.54)
Specific project related grant received	-	9.00
Payment of lease liabilities	(173.67)	(173.11)
Dividend paid	(1,987.05)	(1,069.95)
Interest paid	(68.81)	(38.28)
Net cash used in financing activities	(C) (2,231.37)	(1,276.88)
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(298.76)	353.24
Cash and cash equivalents at the beginning of the year	862.72	532.63
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(0.29)	(23.15)
Cash and cash equivalents at the end of the year	563.67	862.72
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.09	0.10
Balances with banks		
On current accounts # (refer note 13)	302.74	360.22
On saving accounts (refer note 13)	1.64	1.33
On deposit account with maturity of less than three months (Refer note 13)	-	292.50
On Exchange Earner's Foreign Currency accounts (refer note 13)	259.20	208.57
Cash and cash equivalents	563.67	862.72

Of the cash and cash equivalent balance as at March 31, 2022, the Company can utilise ₹ 35.75 million (Previous year: ₹ 154.39 million) only towards certain predefined activities specified in the agreement.

Summary of significant accounting policies — Refer note 3

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

As per our report of even date

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

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
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DIN: 06475949

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

Place: Pune
Date: April 27, 2022

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Place: Pune
Date: April 27, 2022

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share capital

(refer note 4)

(In ₹ million)

Balance as at April 1, 2021	Changes in equity share capital during the year	Balance as at March 31, 2022
764.25	-	764.25

(In ₹ million)

Balance as at April 1, 2020	Changes in equity share capital during the year	Balance as at March 31, 2021
764.25	-	764.25

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Statement of Changes in Equity for the year ended March 31, 2022

Particulars	Reserves and surplus						Items of other comprehensive income		Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges			
Balance as at April 1, 2021	14,356.35	471.20	35.75	-	11,888.23	139.46		26,890.99	
Profit for the year	-	-	-	-	6,858.66	-		6,858.66	
Other comprehensive income for the year	-	-	-	-	(190.82)	(97.66)		(288.48)	
Dividend	-	-	-	-	(1,987.05)	-		(1,987.05)	
Transfer to general reserve	2,743.46	-	-	-	(2,743.46)	-		-	
Adjustments towards employees stock options	276.84	(276.84)	-	-	-	-		-	
Employee stock compensation expenses	-	739.52	-	-	-	-		739.52	
Employee stock compensation expenses of subsidiaries	-	210.96	-	-	-	-		210.96	
Balance as at March 31, 2022	17,376.65	1,144.84	35.75	-	13,825.56	41.80		32,424.60	

B. Other equity

(In ₹ million)

Statement of Changes in Equity for the year ended March 31, 2022

Particulars	Reserves and surplus				Items of other comprehensive income			Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges		
Balance as at April 1, 2020	12,227.23	290.51	35.75	49.95	9,861.78	(244.09)	22,221.13	
Profit for the year	-	-	-	-	5,050.86	-	5,050.86	
Other comprehensive income for the year	-	-	-	-	15.93	383.55	399.48	
Dividend	-	-	-	-	(1,069.95)	-	(1,069.95)	
Transfer to retained earnings	-	-	-	(49.95)	49.95	-	-	
Transfer to general reserve	2,020.34	-	-	-	(2,020.34)	-	-	
Adjustments towards employees stock options	108.78	(108.78)	-	-	-	-	-	
Employee stock compensation expenses	-	236.33	-	-	-	-	236.33	
Employee stock compensation expenses of subsidiaries	-	53.14	-	-	-	-	53.14	
Balance at March 31, 2021	14,356.35	471.20	35.75	-	11,888.23	139.46	26,890.99	
Summary of significant accounting policies — Refer note 3								

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

As per our report of even date

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

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

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date: April 27, 2022

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Place: Pune
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Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune
Date: April 27, 2022

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 27, 2022

B. Other equity

(In ₹ million)

Statement of Changes in Equity for the year ended March 31, 2022

Nature and purpose of reserves

a. General reserve

General reserve represents amounts transferred from profit for the year and from Share options outstanding reserve on exercise/expiry of employee share options. It is a free reserve in terms of section 2 (43) of the Companies Act, 2013.

b. Share options outstanding reserve

Share options outstanding reserve represents the cumulative expense recognized for equity-settled transactions at each reporting date until the employee share options are exercised/expired on which such amount is transferred to General reserve.

c. Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares bought back and is created and utilised in accordance with Section 69 of the Companies Act, 2013.

d. Special Economic Zone re-investment reserve

The Special Economic Zone re-investment reserve is created out of the profit in terms of the provisions of Section 10AA(1) (ii) of the Income tax Act, 1961. The reserve has been utilised by the Company for acquiring new plant and machinery for the purpose of its business in accordance with Section 10AA(2) of the Income tax Act, 1961.

e. Cash flow hedge reserve

When a derivative is designated as cashflow hedging instrument the effective portion of changes in the fair value of derivative is recognised in Other comprehensive income (OCI) and accumulated in cashflow hedge reserve.

Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs/hedging instruments are settled /cancelled.

Notes forming part of financial statements

1\ Nature of operations

Persistent Systems Limited (the “Company”) is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The shares of the Company are listed on Bombay Stock Exchange and National Stock Exchange. The Company is a global company specializing in software products, services and technology innovation. The Company offers complete product life cycle services.

The Board of Directors approved the financial statements for the year ended March 31, 2022 and authorised for issue on April 27, 2022.

2\ Basis of preparation

2.1 Historical cost convention

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and contingent consideration in business combination, 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 year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.2 Compliance with Ind AS

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

2.3 New and amended standards adopted by the Company

The Company has applied the following amendment to Ind AS for the first time in its annual reporting period commencing 1 April 2021:

- \ Extension of COVID-19 related concessions — amendments to Ind AS 116
- \ Interest rate benchmark reform — amendments to Ind AS 109, Financial Instruments, Ind AS 107, Financial Instruments: Disclosures, Ind AS 104, Insurance Contracts and Ind AS 116, Leases

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.4 New amendments issued but not effective

The Ministry of Corporate Affairs has vide notification dated 23 March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1 April 2022. These amendments are not expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

2.5 Reclassifications consequent to amendments to Schedule III

The Ministry of Corporate Affairs amended the Schedule III to the Companies Act, 2013 on 24 March 2021 to increase the transparency and provide additional disclosures to users of financial statements. These amendments are effective from 1 April 2021.

Consequent to above, the company has changed the classification/presentation of (i) current maturities of long-term borrowings (ii) security deposits, in the current year.

The current maturities of long-term borrowings (including interest accrued) has now been included in the “Current borrowings” line item. Previously, current maturities of long-term borrowings and interest accrued were included in ‘other financial liabilities’ line item.

Further, security deposits (which meet the definition of a financial asset as per Ind AS 32) have been included in 'other financial assets' line item. Previously, these deposits were included in 'loans' line item.

The company has reclassified comparative amounts to conform with current year presentation as per the requirements of Ind AS 1. The impact of such classifications is summarised below:

Balance Sheet (extract)	March 31, 2021 (Previously Reported)	Increase/ (Decrease)	March 31, 2021 (Restated)
Non-current assets			
Loans	52.23	(52.23)	-
Other non-current financial assets	25.76	52.23	77.99
Current assets			
Loans	49.33	(49.33)	-
Other current financial assets	2,063.79	49.33	2,113.12
Current liabilities			
Other financial liabilities	397.42	(1.96)	395.46
Borrowings	-	1.96	1.96

3\ Significant accounting policies

3.1 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

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

The Company has considered all possible impacts of COVID-19 in the preparation of these financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets, impact on revenue recognition owing to changes in cost budgets of fixed price contracts, impact on leases, impact on effectiveness of its hedges and impact on the recoverable amount of goodwill. The Company has carried out this assessment based on available internal and external sources of information up to the date of approval of these financial statements and believes that the impact of COVID-19 is not material to these financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial statements may differ from that estimated as at the date of approval of these financial statements owing to the nature and duration of COVID-19.

3.3 Critical accounting estimates

a. Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price maintenance type contract is recognised ratably 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.

The Company uses the percentage-of-completion method in accounting for its other 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.

b. Income taxes

The Company's major tax jurisdiction is India, though the Company also files tax returns in other overseas jurisdictions. Significant judgements are involved in determining the provision for income taxes.

Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the Company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c. Business combination

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the the acquirer to recognise the identifiable intangible assets and contingent consideration at fair value. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

d. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

e. Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term

in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease periods relating to the existing lease contracts.

3.4 Summary of significant accounting policies

a. Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 (the "Act"). Operating cycle is the time between the acquisition of resources / assets for processing and their realisation in cash and cash equivalents. Based on the nature of products/ services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use and is stated at cost. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

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

Gains or losses arising from disposal of Property, Plant and Equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

c. Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate:

- \ technical feasibility of completing the intangible asset so that it will be available for use or sale;
- \ its intention to complete the asset;
- \ its ability to use or sell the asset;
- \ how the asset will generate probable future economic benefits;
- \ the availability of adequate resources to complete the development and to use or sell the asset; and
- \ the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

d. Depreciation and amortization

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

The management estimates the useful lives for the Property, Plant and Equipment as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System) *	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

* For these classes of assets, based on a technical evaluation, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets.

Leasehold improvements are amortized over the period of lease or useful life, whichever is lower.

Intangible assets are amortized on a straight-line basis over their estimated useful lives ranging from 3 to 6 years from the day the asset is made available for use.

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.

Depreciation methods, useful lives and residual values are reviewed periodically.

e. Borrowing costs

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

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

f. Leases

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

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

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

Where the Company is a lessee

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

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

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

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

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

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

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

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or statement of profit and loss if the right-of-use asset is already reduced to zero.

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

Company as a lessor

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

g. Impairment of Non-financial assets

The Company assesses at each reporting date, if there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The recoverable amount is the greater of the asset's fair value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages 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.

Non-derivative financial instruments

Subsequent measurement

Financial assets

Financial assets at amortized cost

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

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

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

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

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

Financial liabilities

Financial liabilities at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss if the recognition criteria as per Ind AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Investments in subsidiaries, associates and joint ventures

Investment in subsidiaries, associates and joint ventures are carried at cost.

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.

Gains or losses relating to the ineffective portion is immediately recognised in profit or loss.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit and loss or hedged future cash flows are no longer expected to occur.

Derivatives which do not qualify for hedge accounting are accounted as fair value through profit or loss.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in profit or loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it 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 realized. Refer to the table on financial instruments by category below for the disclosure on carrying value and fair value of financial assets and liabilities. For financial assets and liabilities maturing within one year from the Balance Sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

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

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

i. Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognized upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company’s contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and products

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

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognized as and when the related services are performed.

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

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

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognized proportionately over the period in which the services are rendered.

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

Unbilled revenue represents revenue recognized in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognized.

The Company collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend

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

Contract balances

Contract assets

A contract asset is the right to consideration in exchange for services or products transferred to the customer. If the Company provides services or transfers products to the customer before the customer pays consideration or before the payment is due, a contract asset is recognised for the earned consideration that is conditional.

Contract liabilities

A contract liability is the obligation to provide services or transfer products to a customer for which the Company has received consideration (or an amount of consideration is due) from the total consideration. If the Company receives the consideration from the customer before the Company provides services or transfers products to the customer, a contract liability is recognised for the received consideration that is conditional.

j. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to income statement over the useful lives of the related assets while grants related to expenses are deducted in reporting the related expenses in the income statement.

k. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

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

Conversion

Foreign currency monetary items are 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.

Exchange differences

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

Translation of foreign operations

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

I. Retirement and other employee benefits

Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the eligible salary of the entitled employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

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 using the projected unit credit method at the reporting date and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognized in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

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.

Leave encashment

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating leave encashment is recognized in the period in which the absences occur.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per Company's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

m. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in statement of profit and loss.

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

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

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the period in which the temporary differences originate.

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

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

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

n. Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only in consolidated financial statements which are presented together with the standalone financial statements.

o. Earnings per share (EPS)

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

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

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

p. Provisions

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

q. Contingent liabilities

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

r. 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.

s. Share based payments

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest best on the non-market vesting and service conditions. It recognises the impact of the revisions to the original estimates, if any, in profit or loss with a corresponding adjustment to equity.

The expense or credit recognized in the statement of profit and loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense with a corresponding increase in stock options outstanding reserve in equity. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The employee stock option expenses in respect of the employees of the subsidiaries are charged to the respective subsidiary.

t. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects.

u. 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.

v. Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree at fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- \ Consideration transferred;
- \ Amount of any non-controlling interest in the acquired business, and

- \ Acquisition-date fair value of any previous equity interest in the acquired business over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognized directly in equity as capital reserve.

w. Goodwill/Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognized in the other comprehensive income as gain on bargain purchase. Subsequent to initial recognition, Goodwill is measured at cost less accumulated impairment losses.

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4\ Share capital

(In ₹ million)

	As at March 31, 2022	As at March 31, 2021
Authorized shares (No. in million)	2,000.00	2,000.00
200 (Previous year: 200) equity shares of ₹ 10 each		
	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares (No. in million)		
76.43 (Previous year: 76.43) equity shares of ₹ 10 each	764.25	764.25
Issued, subscribed and fully paid-up share capital	764.25	764.25

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and longterm and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In million)

	As at March 31, 2022		As at March 31, 2021	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	76.43	764.25	76.43	764.25
Less: Changes during the year	-	-	-	-
Number of shares at the end of the year	76.43	764.25	76.43	764.25

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

The Board of Directors of Persistent Systems Limited, at its meeting held on January 20, 2022, declared an interim dividend of ₹ 20 per equity share of face value of ₹ 10 each for the Financial Year 2021-22.

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 shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2022 (No. in million)	For the period of five years ended March 31, 2021 (No. in million)
Equity shares bought back	3.575	3.575

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

Name of the shareholder*	As at March 31, 2022		As at March 31, 2021	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	22.97	30.06	22.96	30.04
Schemes of HDFC Mutual Fund	3.45	4.51	5.37	7.03

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders/members.

e. Details of shares held by promoters

As at March 31, 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,849,840	11,000	22,860,840	29.91%	0.01%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	400,025	-	400,025	0.52%	-
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	46,000	(40,000)	6,000	0.01%	(0.05)%
Mr. Arul Anand Deshpande	10,000	-	10,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	10,000	-	10,000	0.01%	-
Mr. Hemadri N. Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	880	-	880	0.00%	-

As at March 31, 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	22,848,840	1,000	22,849,840	29.90%	0.00%
Mrs. Chitra Hemadri Buzruk	469,400	-	469,400	0.61%	-
Dr. Mukund Suresh Deshpande	376,825	23,200	400,025	0.52%	0.03%
Mrs. Sonali Anand Deshpande	112,000	-	112,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	66,000	(20,000)	46,000	0.06%	(0.03)%
Mr. Arul Anand Deshpande	-	10,000	10,000	0.01%	0.01%
Ms. Gayatri Hemadri Buzruk	-	10,000	10,000	0.01%	0.01%
Mr. Hemadri N. Buzruk	7,820	-	7,820	0.01%	-
Mr. Suresh Purushottam Deshpande	5,000	-	5,000	0.01%	-
Mr. Padmakar Govind Khare	780	100	880	0.00%	0.00%

5.1\Property, plant and equipment

(In ₹ million)

	Freehold land	Buildings*	Computers equipments	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2021	206.92	2,387.73	2,331.29	57.84	1,407.04	20.79	527.32	7.24	6,946.17
Additions	-	1.35	952.88	3.95	72.38	-	61.66	0.03	1,092.25
Additions through business combination (Refer note 39)	-	-	1.70	0.08	0.19	-	-	-	1.97
Disposals	-	-	11.96	3.87	90.21	-	31.14	-	137.18
As at March 31, 2022	206.92	2,389.08	3,273.91	58.00	1,389.40	20.79	557.84	7.27	7,903.21
Accumulated Depreciation									
As at April 1, 2021	-	1,157.49	1,732.90	51.75	1,215.65	20.19	492.97	4.98	4,675.93
Charge for the year	-	96.38	435.14	2.93	54.70	0.60	39.25	0.97	629.97
Disposals	-	-	11.65	3.87	90.05	-	30.73	-	136.30
As at March 31, 2022	-	1,253.87	2,156.39	50.81	1,180.30	20.79	501.49	5.95	5,169.60
Net block									
As at March 31, 2022	206.92	1,135.21	1,117.52	7.19	209.10	-	56.35	1.32	2,733.61
As at March 31, 2021	206.92	1,230.24	598.39	6.09	191.39	0.60	34.35	2.26	2,270.24

5.1\Property, plant and equipment

(In ₹ million)

	Freehold land	Buildings*	Computers equipments	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2020	206.92	2,387.06	1,851.34	53.58	1,377.38	21.12	521.31	7.24	6,425.95
Additions	-	0.67	536.13	6.28	55.45	-	33.50	-	632.03
Disposals	-	-	56.18	2.02	25.79	0.33	27.49	-	111.81
As at March 31, 2021	206.92	2,387.73	2,331.29	57.84	1,407.04	20.79	527.32	7.24	6,946.17
Accumulated depreciation									
As at April 1, 2020	-	1,061.11	1,548.74	50.93	1,190.54	19.32	502.49	4.05	4,377.18
Charge for the year	-	96.38	228.33	2.84	50.87	1.12	17.86	0.93	398.33
Disposals	-	-	44.17	2.02	25.76	0.25	27.38	-	99.58
As at March 31, 2021	-	1,157.49	1,732.90	51.75	1,215.65	20.19	492.97	4.98	4,675.93
Net block									
As at March 31, 2021	206.92	1,230.24	598.39	6.09	191.39	0.60	34.35	2.26	2,270.24
As at March 31, 2020	206.92	1,325.95	302.60	2.65	186.84	1.80	18.82	3.19	2,048.77

* Note: Buildings include those constructed on leasehold land:

- Gross block as on March 31, 2022 ₹ 1,455.94 million (Previous year ₹ 1,454.60 million)
- Depreciation charge for the year ₹ 59.07 million (Previous year ₹ 59.04 million)
- Accumulated depreciation as on March 31, 2022 ₹ 617.14 million (Previous year ₹ 558.07 million)
- Net block value as on March 31, 2022 ₹ 838.80 million (Previous year ₹ 896.53 million)

5.2\ Capital work in progress

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital work in progress	1,071.02	112.33
	1,071.02	112.33

Capital work in progress ageing schedule

(In ₹ million)

	Amount in capital work in progress for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	1,071.02	-	-	-		1,071.02
As at March 31, 2022	1,071.02	-	-	-		1,071.02

(In ₹ million)

	Amount in capital work in progress for a period of					Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		
Projects in progress	108.47	3.86	-	-		112.33
As at March 31, 2021	108.47	3.86	-	-		112.33

5.3\ Right-of-use assets

(In ₹ million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2021	443.17	37.50	480.67
Additions	495.78	-	495.78
Disposals	130.68	-	130.68
As at March 31, 2022	808.27	37.50	845.77
Accumulated depreciation			
As at April 1, 2021	164.87	1.18	166.05
Charge for the year	127.21	0.58	127.79
Disposals	119.70	-	119.70
As at March 31, 2022	172.38	1.76	174.14
Net block			
As at March 31, 2022	635.89	35.74	671.63
As at March 31, 2021	278.30	36.32	314.62

(In ₹ million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2020	358.91	37.50	396.41
Additions	176.95	-	176.95
Disposals	92.69	-	92.69
As at March 31, 2021	443.17	37.50	480.67
Accumulated depreciation			
As at April 1, 2020	126.41	0.60	127.01
Charge for the year	111.12	0.58	111.70
Disposals	72.66	-	72.66
As at March 31, 2021	164.87	1.18	166.05
Net block			
As at March 31, 2021	278.30	36.32	314.62
As at March 31, 2020	232.50	36.90	269.40

5.4\ Other Intangible assets

(In ₹ million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2021	925.11	261.74	-	1,186.85
Additions	61.99	-	-	61.99
Additions through business combination (Refer note 39)	-	-	626.90	626.90
As at March 31, 2022	987.10	261.74	626.90	1,875.74
Accumulated Amortization				
As at April 1, 2021	753.46	261.74	-	1,015.20
Charge for the year	68.52	-	11.29	79.81
As at March 31, 2022	821.98	261.74	11.29	1,095.01
Net block				
As at March 31, 2022	165.12	-	615.61	780.73
As at March 31, 2021	171.65	-	-	171.65

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2020	743.67	261.74	1,005.41
Additions	181.44	-	181.44
As at March 31, 2021	925.11	261.74	1,186.85
Accumulated Amortization			
As at April 1, 2020	696.70	261.74	958.44
Charge for the year	56.76	-	56.76
As at March 31, 2021	753.46	261.74	1,015.20
Net block			
As at March 31, 2021	171.65	-	171.65
As at March 31, 2020	46.97	-	46.97

5.5\ Depreciation and amortization expense

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
On Property, plant and equipment	629.97	398.33
On Right of use assets	127.79	111.70
On Other intangible assets	79.81	56.76
	837.57	566.79

6\ Non-current financial assets: Investments

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
- In wholly owned subsidiary companies (Refer note 34)		
Persistent Systems, Inc.		
482 million (Previous year: 402 million) shares of USD 0.10 each, fully paid up	3,048.26	2,478.01
Persistent Systems Pte Ltd.		
0.50 million (Previous year: 0.50 million) shares of SGD 1 each, fully paid up	15.50	15.50
Persistent Systems France SAS		
1.50 million (Previous year: 1.50 million) shares of EUR 1 each, fully paid up	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd.		
5.45 million (Previous year: 5.45 million) shares of MYR 1 each, fully paid up	102.25	102.25
Persistent Systems Germany GmbH		
11.6527 million (Previous year: 11.6527 million) shares of EUR 1 each, fully paid up	1,265.91	1,265.91
CAPIOT Software Private Limited		
0.1867 million (Previous year: 0.1867) shares of Rs. 10 each, fully paid up	483.71	376.61
-In associates		
Klisma e-Services Private Limited [Holding Nil (Previous year: 50%)]#		
Nil (Previous year : 0.005 million) shares of ₹ 10 each, fully paid up	-	0.05
Less : Impairment	-	(0.05)
	-	-
Total investments carried at cost (A)	5,013.10	4,335.75
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,801.81	2,557.92
[Market value ₹ 2,863.32 million (Previous year ₹2,727.32 million)]		
Add: Interest accrued on bonds	77.48	72.88
Total investments carried at amortised cost (B)	2,879.29	2,630.80

Designated as fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (Refer Note 6 (a))	836.42	806.99
	836.42	806.99
-Others*		
Altizon Systems Private Limited		
3,766 equity shares (Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00
	6.00	6.00
Total investments carried at fair value (C)	842.42	812.99
Total investments (A) + (B) + (C)	8,734.81	7,779.54
Aggregate provision for diminution in value of investments	-	0.05
Aggregate amount of quoted investments	2,879.29	2,630.80
Aggregate amount of unquoted investments	5,855.52	5,148.79

* 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"

Klisma e-Services Private Limited ('Klisma'), an Associate Company of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench.

6a. Details of fair value of investment in long term mutual funds

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Axis Mutual Fund	471.15	400.50
IDFC Mutual Fund	365.27	370.31
Sundaram Mutual Fund	-	36.18
	836.42	806.99

7\ Non-current financial assets: Loans

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Carried at amortised cost		
Loan to related parties (Refer note 34)		
Unsecured, considered good		
- Persistent Systems Germany GmbH	420.67	-
Add: Interest accrued but not due on loan	1.01	-
	421.68	-
Other loans and advances		
Unsecured, considered good		
Loan to ESOP trust	3,522.00	-
	3,522.00	-
Unsecured, credit impaired		
Inter-corporate deposit	0.58	0.58
Less: Impairment	(0.58)	(0.58)
	-	-
	3,943.68	-

8\ Other non-current financial assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Considered good		
Carried at amortised cost		
Deposits with Bank (refer note 14)*	3.19	24.42
Add: Interest accrued but not due on deposits with Bank (refer note 14)	0.17	1.34
Deposits with banks	3.36	25.76
Deposit with financial institutions	100.00	-
Add: Interest accrued but not due on deposit with financial institutions	0.41	
Deposits with financial institutions	100.41	-
Security deposits	122.91	52.23
Credit impaired		
Deposit with financial institutions	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)
Deposits with financial institutions	-	-
	226.68	77.99

* Out of the balance, fixed deposits of ₹ 3.03 million (Previous year : ₹ 24.09 million) have been earmarked against credit facilities and bank guarantees availed by the Company.

9\ Deferred tax asset (net) *

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	87.05	41.87
Capital gains (net)	51.11	61.06
Cash flow hedges	14.06	46.90
	152.22	149.83
Deferred tax assets		
Provision for leave encashment	125.68	95.76
Provision for long service awards	67.97	64.97
Allowance for expected credit loss	21.19	28.85
Tax credit	56.61	62.37
Right of use asset and lease liability	30.21	26.36
Others	117.28	117.26
	418.94	395.57
Deferred tax assets (net)	266.72	245.74

Movement in deferred tax assets (net) during the year ended March 31, 2022

	As at April 1, 2021	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comprehensive income	As at March 31, 2022
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	41.87	45.18	-	87.05
Capital gains (net)	61.06	(9.95)	-	51.11
Cash flow hedges	46.90	-	(32.84)	14.06
	149.83	35.23	(32.84)	152.22
Deferred tax assets				
Provision for leave encashment	95.76	(29.92)	-	125.68
Provision for long service awards	64.97	(3.00)	-	67.97
Allowance for expected credit loss	28.85	7.66	-	21.19
Tax credit	62.37	5.76	-	56.61
Right of use asset and lease liability	26.36	(3.85)	-	30.21
Others	117.26	(0.02)	-	117.28
	395.57	(23.37)	-	418.94
	245.74	11.86	(32.84)	266.72

Movement in deferred tax assets (net) during the year ended March 31, 2021

	As at April 1, 2020	Charge/(Credit) in statement of Profit or loss	Credit/(Charge) in other comprehensive income	As at March 31, 2021
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	24.30	17.57	-	41.87
Capital gains (net)	76.67	(15.61)	-	61.06
Cash flow hedges	-	-	46.90	46.90
	100.97	1.96	46.90	149.83
Deferred tax assets				
Provision for leave encashment	47.15	(48.61)	-	95.76
Provision for long service awards	51.38	(13.59)	-	64.97
Allowance for expected credit loss	33.45	4.60	-	28.85
Tax credit	67.69	5.32	-	62.37
Right of use asset and lease liability	31.86	5.50	-	26.36
Cash flow hedges	82.11	-	82.11	-
Others	104.68	(12.58)	-	117.26
	418.32	(59.36)	82.11	395.57
	317.35	(57.40)	129.01	245.74

10\ Other non current assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital advances (Unsecured, considered good)	136.52	38.75
Prepayments	124.91	84.43
Balances with government authorities (refer note 36)	296.55	296.55
	557.98	419.73

11\ Current financial assets: Investments

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Designated as fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer note 'a' below)	4,346.91	6,374.95
Total carrying amount of investments	4,346.91	6,374.95
Aggregate amount of quoted investments	-	-
Aggregate amount of unquoted investments	4,346.91	6,374.95

11a. Details of fair value of current investment in mutual funds

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Aditya Birla Sun Life Mutual Fund	883.65	1,011.03
Axis Mutual Fund	672.70	824.68
Kotak Mutual Fund	521.63	478.21
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	472.88	-
IDFC Mutual Fund	457.54	911.72
DSP Mutual Fund	443.20	37.38
ICICI Prudential Mutual Fund	399.94	710.33
UTI Mutual Fund	337.68	723.19
SBI Mutual Fund	120.01	166.36
Sundaram mutual fund	37.68	-
HDFC Mutual Fund	-	963.10
L&T Mutual Fund	-	511.71
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	37.24
	4,346.91	6,374.95

12\ Trade receivables

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unsecured, considered good*	4,426.84	2,966.26
Unsecured, credit impaired	84.21	118.29
	4,511.05	3,084.55
Less: Allowance for expected credit loss	(84.21)	(118.29)
	4,426.84	2,966.26

* Includes dues from related parties (refer note 34)

Trade receivables ageing schedule

(In ₹ million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	3,064.74	1,258.20	40.27	51.06	5.97	6.60	4,426.84
Undisputed Trade receivable - credit impaired	-	28.16	5.87	6.60	11.14	32.44	84.21
As At March 31, 2022	3,064.74	1,286.36	46.14	57.66	17.11	39.04	4,511.05

(In ₹ million)

	Outstanding for following periods from due date of payment						Total
	Current but not due	Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	2,356.35	238.68	127.25	196.74	40.27	6.97	2,966.26
Undisputed Trade receivable - credit impaired	-	24.30	11.62	38.83	20.79	22.75	118.29
As At March 31, 2021	2,356.35	262.98	138.87	235.57	61.06	29.72	3,084.55

13\ Cash and cash equivalents

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	0.09	0.10
Balances with banks		
On current accounts#	302.74	360.22
On saving accounts	1.64	1.33
On Exchange Earner's Foreign Currency accounts	259.20	208.57
On Deposit accounts with original maturity less than three months	-	292.50
	563.67	862.72

Of the cash and cash equivalent balance as at March 31, 2022, the Company can utilise ₹ 35.75 million (Previous year: ₹ 154.39 million) only towards certain predefined activities specified in the agreement.

14\ Bank balances other than cash and cash equivalents

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Deposits with banks*	5,858.66	7,108.47
Add: Interest accrued but not due on deposits with banks	179.78	301.29
Deposits with banks (carried at amortised cost)	6,038.44	7,409.76
Less: Deposit with maturity more than twelve months from the Balance Sheet date disclosed under non-current financial assets (refer note 8)	(3.19)	(24.42)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.17)	(1.34)
	6,035.08	7,384.00
Balances with banks on unpaid dividend accounts**	2.94	3.00
	6,038.02	7,387.00

* Out of the balance, fixed deposits of ₹ 644.36 million (Previous year : ₹ 651.80 million) have been earmarked against credit facilities and bank guarantees availed by the Company.

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

15\ Current financial assets: Loans

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Carried at amortised cost		
Loan to related parties (Refer note 34)		
Unsecured, credit impaired	-	-
- Klisma e-Services Private Limited	-	27.43
Less: Write off/impairment	-	(27.43)
	-	-
	-	-

16\ Other current financial assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	84.59	294.46
Carried at amortised cost		
Advances to related parties (Unsecured, considered good) (refer note 34)		
Persistent Systems, Inc.	69.15	18.72
Persistent Systems France SAS	5.49	0.38
Persistent Telecom Solutions Inc.	0.13	0.01
Persistent Systems Malaysia Sdn. Bhd.	0.07	-
Persistent Systems Lanka (Private) Limited	0.72	0.02
Aepona Limited	1.16	2.34
PARX Consulting GmbH	0.06	-
Software Corporation LLC.	0.25	-
Youperience Limited	0.04	-
Persistent Systems Mexico, S.A. de C.V	10.01	-

Youperience GmbH	0.04	-
Persistent Systems Pte. Ltd.	0.29	-
Aepona Group Limited	0.08	-
Persistent Systems Germany GmbH	1.48	-
PARX Werk AG	1.88	-
Persistent Systems Israel Ltd.	0.14	-
	90.99	21.47
Advances to related parties (Unsecured, credit impaired) (refer note 34)		
Klisma e-Services Private Limited	-	0.81
Less: Impairment of current financial assets	-	(0.81)
	-	-
Other advances (Unsecured, considered good)	-	21.79
Unbilled revenue	3,533.05	1,726.07
Security deposits	0.10	49.33
	3,708.73	2,113.12

17\ Other current assets

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	277.27	136.47
Prepayments	498.68	251.85
Excess fund balance with Life Insurance Corporation (Refer Note 30)	42.19	113.08
Other advances (Unsecured, considered good)		
VAT receivable (net)	19.67	23.44
Service tax and GST receivable (net) (refer note 36)	533.45	1,132.09
	553.12	1,155.53
	1,371.26	1,656.93

18\ Non-current financial liabilities: Borrowings

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unsecured Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	5.55	7.39
Interest accrued but not due on term loans	0.08	0.11
	5.63	7.50
Less: Current maturity of long-term borrowings	(1.85)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	(0.08)	(0.11)
	(1.93)	(1.96)
	3.70	5.54

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

Loan amounting to ₹ 5.55 million (Previous year ₹ 7.39 million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from October 2015.

19\ Lease liabilities

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Lease liabilities	758.26	378.54
Less: Current portion of lease liabilities	(146.51)	(73.82)
	611.75	304.72

Movement of lease liabilities

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Opening balance	378.54	356.64
Additions	495.78	176.95
Deletions	(10.98)	(20.03)
Add: Interest recognised during the year	68.59	38.09
Less: Payments made	(173.67)	(173.11)
Closing balance	758.26	378.54

20\ Non current liabilities: Provisions

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Provision for employee benefits		
- Long service awards	245.54	240.94
	245.54	240.94

21\ Trade payables

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Trade payables for goods and services*		
- Dues of micro enterprises and small enterprises	10.30	30.20
- Dues of creditors other than micro enterprises and small enterprises	844.68	908.20
	854.98	938.40

*Includes dues payable to related parties (refer note 34)

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts/interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

Trade payables Ageing Schedule

(In ₹ million)

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	10.30	-	-	-	-	10.30
Total outstanding dues of creditors other than micro enterprises and small enterprises	567.29	193.01	14.51	32.61	37.26	844.68
As at March 31, 2022	577.59	193.01	14.51	32.61	37.26	854.98

(In ₹ million)

	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	30.20	-	-	-	-	30.20
Total outstanding dues of creditors other than micro enterprises and small enterprises	342.17	513.44	17.51	7.51	27.57	908.20
As at March 31, 2021	372.37	513.44	17.51	7.51	27.57	938.40

22\ Other current financial liabilities

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Capital creditors	204.49	237.83
Accrued employee liabilities	119.21	154.58
Unpaid dividend *	2.94	3.00
Other liabilities	8.41	0.05
Payable to selling shareholders	31.83	-
	366.88	395.46

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

23\ Other current liabilities

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Unearned revenue	258.31	260.40
Advance from customers	786.98	1,023.53
Other payables		
- Statutory liabilities	413.55	228.03
- Other liabilities*	50.20	167.05
	1,509.04	1,679.01

* Includes balance of ₹ 35.64 million (previous year: ₹ 154.16 million) to be utilised against certain predefined activities specified in the agreement.

24\ Current liabilities: Provisions

	As at March 31, 2022 In ₹ million	As at March 31, 2021 In ₹ million
Provision for employee benefits		
- Leave encashment	499.37	380.49
- Long service awards	24.54	17.19
- Other employee benefits	1,745.82	747.91
	2,269.73	1,145.59

25\ Revenue from operations (net)

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Software services	35,406.71	24,270.63
Software licenses	348.09	525.45
	35,754.80	24,796.08

The table below presents disaggregated revenues from contracts with customers by segments, geography and type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	6,679.72	4,070.00
Healthcare & Life Sciences	4,977.71	3,525.00
Technology Companies and Emerging Verticals	24,097.37	17,201.08
Total	35,754.80	24,796.08
Geographical disclosure		
India	6,030.59	3,392.01
North America	26,349.69	19,844.83
Rest of the World	3,374.52	1,559.24
Total	35,754.80	24,796.08
Onsite /offshore/IP Led		
IP Led	1,234.78	1,447.06
Offshore	33,518.96	22,597.95
Onsite	1,001.06	751.07
Total	35,754.80	24,796.08

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work-based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency.

During the year, ₹ 1,726.07 million (Previous year ₹ 1,856.43 million) of opening unbilled revenue (contract asset) has been reclassified to trade receivables upon billing to customers on completion of milestones. In addition to that, Nil (Previous year ₹ 113.49 million) has been reversed in to revenue from operations in current year.

During the year, the Company recognised revenue of ₹ 242.33 million (Previous year ₹ 105.56 million) arising from opening unearned revenue (contract liability).

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 211.87 million (Previous year ₹ 209.30 million).

26\ Other income

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Interest income		
On deposits carried at amortised cost	311.08	381.66
On Others	282.50	167.16
Dividend income from investments*	53.16	131.45
Other non-operating income		
Foreign exchange gain (net)	208.93	67.12
Profit on sale of Property, plant and equipment (net)	12.31	8.10
Net profit on sale/ fair valuation of financial assets designated as FVTPL	338.78	344.43
Excess provision in respect of earlier years written back	15.53	-
Miscellaneous income	102.28	76.24
	1,324.57	1,176.16

*includes dividend received from investment in wholly owned subsidiaries. (Refer note 34)

27\ Personnel expenses

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
27.1 Employee benefits expense		
Salaries, wages and bonus	19,766.82	12,806.57
Contribution to provident and other funds (refer note 30)	1,016.64	666.24
Staff welfare and benefits	359.74	384.07
Share based payments to employees (refer note 35)	739.52	236.33
	21,882.72	14,093.21
27.2 Cost of professionals		
- Related parties (refer note 34)	649.60	1,323.73
- Others	812.31	451.34
	1,461.91	1,775.07
	23,344.63	15,868.28

28\ Other expenses

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Travelling and conveyance	151.53	39.58
Electricity expenses (net)	63.74	69.09
Internet link expenses	46.09	50.14
Communication expenses	60.91	73.17
Recruitment expenses	348.05	75.40
Training and seminars	99.17	23.97
Purchase of software licenses and support expenses	1,066.00	908.00
Bad debts	12.12	46.96
Reversal of allowance for expected credit loss (net)	(29.97)	(20.20)
Rent (refer note 33)	73.22	77.50
Insurance	36.29	31.37
Rates and taxes	51.14	52.57
Legal and professional fees	238.09	196.13
Repairs and maintenance		
- Plant and Machinery	120.72	94.92
- Buildings	19.85	19.26
- Others	20.43	15.20
Selling and marketing expenses (refer note 34(ii))	1,028.63	739.82
Advertisement, conference and sponsorship fees	4.23	3.54
Computer consumables	5.39	3.14
Auditors' remuneration (refer note 41)	8.92	9.00
Corporate social responsibility expenditure (refer note 38)	115.53	163.93
Books, memberships, subscriptions	15.76	12.69
Directors' sitting fees	7.43	4.84
Directors' commission	20.83	10.22
Loss on receivables and investment in associate	28.29	-
Reversal of provision for receivables and investment in associate	(28.29)	-
Miscellaneous expenses	123.68	118.52
	3,707.78	2,818.76

* Includes expenses incurred with related parties (refer note 34)

29\ Earnings per share

		For the year ended	
		March 31, 2022	March 31, 2021
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	6,858.66	5,050.86
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	76,425,000	76,425,000
Denominator for Diluted EPS			
Number of equity shares	(C)	76,425,000	76,425,000
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	89.74	66.09
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	89.74	66.09

		For the year ended	
		March 31, 2022	March 31, 2021
Number of shares considered as basic weighted average shares outstanding		76,425,000	76,425,000
Add: Effect of dilutive issues of stock options		-	-
Number of shares considered as weighted average shares and potential shares outstanding		76,425,000	76,425,000

30\ Gratuity plan:

The Company has a defined benefit gratuity plan. Each employee is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss)

(In ₹ million)

		For the year ended	
		March 31, 2022	March 31, 2021
Current service cost		152.60	167.38
Interest cost on benefit obligation		61.61	56.48
Expected return on plan assets		(74.30)	(70.85)
Others		-	(0.02)
Net benefit expense		139.91	152.99
Net actuarial loss/ (gain) recognized in the year		240.70	(32.79)
Due to Demographic assumptions		166.40	-
Due to Financial assumptions		(45.27)	8.98
Due to Experience assumptions		119.57	(41.77)

Balance sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Opening fair value of plan assets	1,050.79	985.61
Expected return on plan assets	74.30	70.85
Adjustment to expected return	(14.29)	(10.85)
Contribution by employer	324.01	116.03
Benefits paid	(208.81)	(110.85)
Closing fair value of plan assets	1,226.00	1,050.79

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	937.71	857.07
Interest cost	61.61	56.48
Current service cost	152.60	167.38
Benefits paid	(208.81)	(110.85)
Actuarial (gain)/losses on obligation	240.70	(32.37)
Closing defined benefit obligation	1,183.81	937.71

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Fair value of plan assets	1,226.00	1,050.79
(Less): Defined benefit obligations	(1,183.81)	(937.71)
Plan asset/(liability)	42.19	113.08

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2022	March 31, 2021
Investments with insurer including accrued interest	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at	
	March 31, 2022	March 31, 2021
Discount rate	7.07%	6.70%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%	PS: 0 to 1 : 17% PS: 1 to 3 : 14% PS: 3 to 4 : 10% PS: 4 to 7 : 5% PS: 7 to 10 : 3% PS:10 to 47 :1%
Increment rate	6.00%	5.50%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and increase in compensation levels. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Every percentage point increase decrease in discount rate will change the gratuity benefit obligation to approximately ₹ 1,076.57 million/₹ 1,309.28 million (previous year: ₹ 820.0 million/₹ 1,080.10 million) respectively.

Every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 1,240.68 million/₹ 1,103.98 million (previous year: ₹ 996.40 million/₹ 887.40 million) respectively.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Plan assets	1,226.00	1,050.79
Defined benefit obligation	(1,183.81)	(937.71)
Surplus	42.19	113.08
Experience adjustments on plan liabilities - loss/ (gain)	240.70	(32.37)

Maturity Profile of defined benefit obligations:

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Within 1 year	75.81	36.45
1 - 2 years	77.63	32.91
2 - 3 years	82.24	33.66
3 - 4 years	84.11	36.11
4 - 5 years	85.27	36.29
5 - 10 years	473.56	222.48

Superannuation Fund

The Company contributed ₹ 57.63 million and ₹ 43.55 million to superannuation fund during the years ended March 31, 2022 and March 31, 2021 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

Defined contribution plan — Provident Fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 827.57 million (Previous year - ₹ 484.36 million).

31\ Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	
	March 31, 2022 In ₹ million	March 31, 2021 In ₹ million
Profit before tax	9,120.61	6,680.20
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	2,295.48	1,681.27
Effect of exempt income	(59.18)	(90.04)
Effect of non-deductible expenses	32.97	30.01
Effect of concessions (R&D allowance)	5.76	5.32
Tax charge in respect of earlier years	13.48	2.74
Effect of different tax rates for different heads of income	(5.69)	(2.06)
Others	(20.87)	2.10
Income tax expense	2,261.95	1,629.34

32a\ Financial assets and liabilities

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

(In ₹ million)

Financial assets/financial liabilities	March 31, 2022				March 31, 2021				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial Assets:									
Investments in subsidiaries and associates	-	-	-	5,013.10	-	-	-	4,335.75	
Investments in equity instruments	6.00	-	-	-	6.00	-	-	-	Level 3
Investments in bonds	-	-	2,879.29	-	-	-	2,630.80	-	
Investments in mutual funds	5,183.33	-	-	-	7,181.94	-	-	-	Level 1
Loans	-	-	3,943.68	-	-	-	-	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	6,138.85	-	-	-	7,409.76	-	
Cash and cash equivalents (including unpaid dividend)	-	-	566.61	-	-	-	865.72	-	
Trade receivables (net)	-	-	4,426.84	-	-	-	2,966.26	-	
Forward contracts receivable	-	84.59	-	-	-	294.46	-	-	Level 2
Unbilled revenue	-	-	3,533.05	-	-	-	1,726.07	-	
Other non current financial assets	-	-	122.91	-	-	-	52.23	-	
Other current financial assets	-	-	91.09	-	-	-	92.59	-	
Total Financial Assets	5,189.33	84.59	21,702.32	5,013.10	7,187.94	294.46	15,743.43	4,335.75	

Financial Liabilities:								
Borrowings (including accrued interest)	-	-	5.63	-	-	-	7.50	-
Trade payables	-	-	854.98	-	-	-	938.40	-
Lease liabilities	-	-	758.26	-	-	-	378.54	-
Other financial liabilities (excluding borrowings)	-	-	366.88	-	-	-	395.46	-
Total Financial Liabilities	-	-	1,985.75	-	-	-	1,719.90	-

* Fair value hierarchy

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

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

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

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

Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Company's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force is responsible for credit risk management. Investment of excess liquidity is governed by the Investment policy of the Company. The Company's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Company operates globally with its operations spread across various geographies and consequently the Company is exposed to foreign exchange risk. Around 70% to 90% of the Company's foreign currency exposure is in USD. The Company holds plain vanilla forward contracts against expected receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2022.

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	842.03	64.78	275.42	515.12	1,697.35
Cash and cash equivalents and bank balances	316.09	17.83	35.82	35.93	405.67
Investments	3,653.08	1,106.31	-	126.25	4,885.64
Other financial assets (including loans and interest accrued)	93.22	429.06	3.98	7.10	533.36
Trade and other payables	37.52	11.20	20.78	17.65	87.15
Other liabilities	781.99	-	-	-	781.99

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2021:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	131.51	112.91	268.36	87.52	600.30
Cash and cash equivalents and bank balances	314.92	6.02	13.05	15.32	349.31
Investments	2,939.02	1,460.83	-	123.39	4,523.24
Other financial assets (including loans and interest accrued)	0.29	0.26	7.58	9.38	17.51
Trade and other payables	234.12	14.01	44.12	2.37	294.62
Other liabilities	324.19	0.57	0.58	2.82	328.16

Foreign currency sensitivity analysis

For the year ended March 31, 2022 and March 31, 2021 every percentage point depreciation/appreciation in the exchange rate between the Indian rupee and foreign currencies on foreign currency exposure would affect the Company's profit before tax margin (PBT) by approximately 0.16 % and 0.20% respectively.

Derivative financial instruments

The Company holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sales transactions.

The following table gives details in respect of outstanding foreign currency forward contracts:

	As at March 31, 2022			As at March 31, 2021		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	175.00	77.74	13,605.02	135.00	77.11	10,410.34

The foreign exchange forward contracts mature within a maximum period of twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	As at March 31, 2022			As at March 31, 2021		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	41.00	77.00	3,156.91	31.00	78.48	2,432.98
Later than 3 months and not later than 6 months	45.00	77.17	3,472.71	34.50	77.08	2,659.11
Later than 6 months and not later than 9 months	45.00	78.23	3,520.48	34.50	76.63	2,643.64
Later than 9 months and not later than 12 months	44.00	78.52	3,454.92	35.00	76.42	2,674.61
Total	175.00		3,605.02	135.00		10,410.34

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 4,511.05 million and ₹ 3,084.55 million as at March 31, 2022 and March 31, 2021, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed by the Company by Credit

Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

	As at	
	March 31, 2022	March 31, 2021
Receivables overdue for more than 90 days (₹ million)*	251.82	215.02
Total receivables (gross) (₹ million)	4,511.05	3,084.55
Overdue for more than 90 days as a % of total receivables	5.6%	7.0%

* Out of this amount, ₹ 84.21 million (March 31, 2021: ₹ 118.29 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Within the credit period	3,064.74	2,356.35
1 to 30 days past due	806.90	210.40
31 to 60 days past due	236.10	219.92
61 to 90 days past due	151.49	82.86
91 to 120 days past due	52.16	36.02
121 and above past due	199.66	179.00
Less: Expected credit loss	(84.21)	(118.29)
Net trade receivables	4,426.84	2,966.26

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Opening balance	118.29	132.91
Movement in expected credit loss allowance	(29.97)	(20.20)
Translation differences	(4.11)	5.58
Closing balance	84.21	118.29

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in debts mutual funds, quoted bonds.

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The investment of surplus funds is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2022, the Company had a working capital of ₹ 15,085.17 million including cash and cash equivalents and current fixed deposits of ₹ 6,419.14 million and current investments of ₹ 4,346.91 million.

As at March 31, 2021, the Company had a working capital of ₹ 16,814.60 million including cash and cash equivalents and current fixed deposits of ₹ 7,946.77 million and current investments of ₹ 6,374.95 million.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ million)

	As at March 31, 2022		As at March 31, 2021	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1.93	3.70	1.96	5.54
Trade payables and deferred payment liabilities	854.98	-	938.40	-
Lease liabilities	146.51	611.75	73.82	304.72
Other financial liabilities (excluding borrowings)	366.88	-	395.46	-

32b) Derivative instruments and un-hedged foreign currency exposures

i. Forward contracts outstanding at the end of the year

(In ₹ million)

	As at March 31, 2022	As at March 31, 2021
Forward contracts to sell USD: Hedging of expected receivables of USD 175 Million (Previous year USD 135 Million)	13,605.02	10,410.34

ii. Details of un-hedged foreign currency exposures at the end of the year

	As at March 31, 2022			As at March 31, 2021		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	1.64	JPY 2.63	0.62	1.33	JPY 2.01	0.66
	316.09	USD 4.17	75.79	314.92	USD 4.31	73.11
	35.82	GBP 0.36	99.43	13.05	GBP 0.13	100.69
	1.04	CAD 0.02	60.52	8.81	CAD 0.15	58.02
	17.83	EUR 0.21	84.13	6.02	EUR 0.07	85.78
	20.89	AUD 0.37	56.72	2.41	AUD 0.04	55.67
	12.36	ZAR 2.37	5.22	2.77	ZAR 0.56	4.94
Investments	3,653.08	USD 48.20	75.79	2,939.02	USD 40.20	73.11
	27.99	SGD 0.50	55.98	27.20	SGD 0.50	54.40
	1,106.31	EUR 13.15	84.13	1,128.01	EUR 13.15	85.78
	98.26	MYR 5.45	18.03	96.19	MYR 5.45	17.65
Trade and other payables	0.31	SGD 0.01	55.98	0.10	SGD 0.002	54.40
	37.52	USD 0.5	75.79	234.12	USD 3.2	73.11
	20.78	GBP 0.21	99.43	44.12	GBP 0.44	100.69
	6.82	CAD 0.11	60.52	0.81	CAD 0.01	58.02
	11.20	EUR 0.13	84.13	14.01	EUR 0.16	85.78
	1.23	AUD 0.02	56.72	0.03	AUD 0.001	55.67
	-	-	-	0.85	CHF 0.01	77.46
	0.29	ZAR 0.06	5.22	0.15	ZAR 0.03	4.94
	1.82	JPY 2.92	0.62	0.43	JPY 0.65	0.66
	7.18	MYR 0.4	18.03	-	-	-

	As at March 31, 2022			As at March 31, 2021		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Advances given and deposits placed	93.22	USD 1.23	75.79	0.29	USD 0.004	73.11
	3.98	GBP 0.04	99.43	7.58	GBP 0.08	100.69
	8.41	EUR 0.1	84.13	0.26	EUR 0.01	85.78
	-	-	-	0.01	MXN 0.002	3.56
	0.07	MYR 0.004	18.03	0.16	MYR 0.01	17.65
	3.03	CAD 0.05	60.52	1.46	CAD 0.03	58.02
	0.08	JPY 0.13	0.62	0.04	JPY 0.07	0.66
	0.14	ILS 0.006	23.90	0.71	ILS 0.03	21.89
	1.64	CHF 0.02	81.93	-	-	-
	1.13	AUD 0.02	56.72	3.97	AUD 0.07	55.67
	0.72	LKR 2.75	0.26	3.04	LKR 8.3	0.37
	0.28	SGD 0.005	55.98	-	-	-
Advances received	-	-	-	2.82	SGD 0.05	54.40
	781.99	USD 10.32	75.79	324.19	USD 4.43	73.11
	-	-	-	0.58	GBP 0.01	100.69
	-	-	-	0.57	EUR 0.01	85.78
Trade receivables	842.03	USD 11.11	75.79	131.51	USD 1.79	73.11
	64.78	EUR 0.77	84.13	112.91	EUR 1.32	85.78
	275.42	GBP 2.77	99.43	268.36	GBP 2.67	100.69
	69.20	AUD 1.22	56.72	53.35	AUD 0.96	55.67
	6.16	SGD 0.11	55.98	2.71	SGD 0.05	54.40
	19.11	ZAR 3.66	5.22	29.74	ZAR 6.02	4.94
	-	-	-	0.21	CAD 0.004	58.02
	-	-	-	1.51	CHF 0.02	77.46
Loans Given	420.65	EUR 5.00	84.13	-	-	-

33\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2022 (In ₹ million)	As at March 31, 2021 (In ₹ million)
Less than one year	212.09	108.09
One to five years	712.84	358.48
More than five years	-	17.37

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 73.22 million for the year ended March 31, 2022 (Previous year ₹ 77.50 million).

The company has adopted Ind AS 116, Leases; and has recognized notional interest on lease liability of ₹ 68.59 million under finance costs for year ended March 31, 2022 (Previous year ₹ 38.09 Million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss. (Refer note 5.6)

34\ Related party disclosures

i. Names of related parties and related party relationship

Related parties where control exists

Subsidiaries (Refer note 3 of consolidated financial statement for list of subsidiaries and ownership %)	i.	Persistent Systems, Inc., USA (Wholly owned subsidiary)
	ii.	Persistent Systems Pte Ltd., Singapore (Wholly owned subsidiary).
	iii.	Persistent Systems France SAS, France (Wholly owned subsidiary)
	iv.	Persistent Systems Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary)
	v.	Persistent Systems Germany GmbH., Germany (Wholly owned subsidiary)
	vi.	CAPIOT Software Private Limited, India (Wholly owned subsidiary)
	vii.	Persistent Telecom Solutions Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	viii.	CAPIOT Software Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	ix.	CAPIOT Software Pty Limited., Australia (Wholly owned subsidiary of CAPIOT Software Inc.)
	x.	CAPIOT Software Pte Limited, Singapore (Wholly owned subsidiary of CAPIOT Software Inc.)
	xi.	Persistent Systems S.R.L, Italy (Wholly owned subsidiary of Persistent Systems, Inc.)
	xii.	Aepona Group Limited, Ireland (Wholly owned subsidiary of Persistent Systems, Inc.)
	xiii.	Aepona Limited, UK (Wholly owned subsidiary of Aepona Group Limited)
	xiv.	Valista Limited (Wholly owned subsidiary of Aepona Group Limited) (Dissolved with effect from June 24, 2020)
	xv.	Persistent Systems Lanka (Private) Limited (Formerly known as Aepona Software (Private) Limited), Sri Lanka
	xvi.	Persistent Systems Mexico, S.A. de C.V., Mexico (Wholly owned subsidiary of Persistent Systems Inc.)
	xvii.	Persistent Systems Israel Ltd., Israel (Wholly owned subsidiary of Persistent Systems Inc.)
	xviii.	PARX Werk AG, Switzerland (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	xix.	PARX Consulting GmbH, Germany (Wholly owned subsidiary of PARX Werk AG)
	xx.	Youperience GmbH, Germany (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	xxi.	Youperience Limited, UK (Wholly owned subsidiary of Youperience GmbH)
	xxii.	Software Corporation International LLC., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	xxiii.	Fusion 360 LLC., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	xxiv.	Data Glove IT Solutions Limitada, Costa Rica (Wholly owned subsidiary of Persistent Systems Germany GmbH)

Related parties with whom transactions have taken place

Associate	i.	Klisma e-Services Private Limited (Dissolved with effect from August 10, 2021)
Key management personnel	i.	Dr. Anand Deshpande, Chairman and Managing Director
	ii.	Mr. Christopher O' Connor (Resigned w.e.f. 9 August 2020) ®
	iii.	Mr Sandeep Kalra, Executive Director and Chief Executive Officer *
	iv.	Mr. Sunil Sapre, Executive Director and Chief Financial Officer
	v.	Mr. Amit Atre, Company Secretary
	vi.	Ms. Roshini Bakshi, Independent Director
	vii.	Mr. Pradeep Bhargava, Independent Director
	viii.	Dr. Anant Jhingran, Independent Director
	ix.	Mr. Thomas Kendra, Non executive non independent director
	x.	Mr. Prakash Telang, Independent Director (Retired w.e.f. July 24, 2020)

	xii.	Mr. Kiran Umrootkar, Independent Director (Retired wef July 24, 2020)
	xiii.	Mr. Guy Eiferman, Independent Director
	xiv.	Dr. Deepak Phatak, Independent Director
	xv.	Ms. Avani Davda, Independent Director (Appointed w.e.f. December 21, 2021)
Relatives of Key management personnel	i.	Mr. Suresh Deshpande (Father of the Chairman and Managing Director)
	ii.	Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director)
	iii.	Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director)
	iv.	Dr. Mukund Deshpande § (Brother of the Chairman and Managing Director)
	v.	Mrs. Chitra Buzruk § (Sister of the Chairman and Managing Director)
	vi.	Mr. Arul Deshpande** (Son of the Chairman and Managing Director)
Members of Promoter Group	i.	Rama Purushottam Foundation
Entities over which a key management personnel has significant influence	i.	Persistent Foundation

ii. Related party transactions

(In ₹ million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Sale of software services	Subsidiaries		
	Persistent Systems, Inc.	12,314.10	8,456.81
	Persistent Systems Malaysia Sdn. Bhd.	87.33	97.44
	Persistent Systems Pte Ltd	-	-
	Persistent Systems France SAS	68.19	43.97
	Persistent Telecom Solutions Inc.	193.44	166.69
	Persistent Systems Germany GmbH	47.81	42.26
	Aepona Limited	7.72	12.52
	PARX Werk AG	3.26	2.88
	PARX Consulting GmbH	0.83	-
	Youperience Limited	0.71	48.67
	CAPIOT Software Private Limited	14.91	73.10
	CAPIOT Software Pty Limited	6.80	-
	Software Corporation International LLC.	13.59	-
Total	12,758.69	8,944.34	
Recovery of cost of assets	Subsidiaries		
	Persistent Systems, Inc.	-	18.93
	Total	-	18.93
Investment in wholly owned subsidiary	Subsidiaries		
	Persistent Systems, Inc.	570.25	-
	CAPIOT Software Private Limited	107.10	376.61
	Total	677.35	376.61

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Payment of liability on behalf of	Subsidiaries		
	Persistent Systems, Inc.	-	42.42
	Total	-	42.42
Interest income	Subsidiaries		
	CAPIOT Software Private Limited	-	1.45
	Persistent Systems Germany GmbH	1.01	-
Total	1.01	1.45	
Dividend Income	Subsidiaries		
	Persistent Systems Pte Ltd	-	70.33
	Persistent Systems Malaysia Sdn. Bhd.	53.16	61.12
Total	53.16	131.45	
Cost of professionals	Subsidiaries		
	Persistent Systems, Inc.	318.81	1,011.10
	Persistent Systems France SAS	26.58	36.72
	Persistent Systems Malaysia Sdn. Bhd.	146.97	98.36
	Persistent Telecom Solutions Inc.	62.68	41.19
	Aepona Limited	20.08	26.00
	Persistent Systems Lanka (Private) Limited	52.23	54.50
	Persistent Systems Mexico, S.A. de C.V.	0.16	34.03
	Persistent Systems Germany GmbH	10.24	-
	PARX Consulting GmbH	0.47	-
	Parx Werk AG	0.22	3.62
	Persistent Systems Pte Ltd	7.36	4.40
	Youperience GmbH	-	0.56
	Youperience Limited	3.81	9.15
	CAPIOT Software Private Limited	-	4.10
	Total	649.61	1,323.73
Purchase of Software	Subsidiary		
	Persistent Systems, Inc.	23.30	52.21
	Persistent Telecom Solutions Inc.	-	4.10
Total	23.30	56.31	
Selling and marketing expenses	Subsidiaries		
	Persistent Systems, Inc.	1,023.73	737.83
	Persistent Systems Pte Ltd	4.90	1.99
Total	1,028.63	739.82	
Commission received on corporate guarantee	Subsidiary		
	Persistent Systems, Inc.	3.09	2.61
Total	3.09	2.61	

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Remuneration # (Salaries, bonus and contribution to PF)	Key Management Personnel		
	Dr. Anand Deshpande	31.94	26.26
	Mr. Christopher O'Connor ®	-	0.71
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 73.25 million during the year 2021-22 (Previous year: ₹ 31.72 million)	90.21	46.42
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 3.19 million during the year 2021-22 (Previous year: Nil)	7.17	3.40
	Mr Sandeep Kalra *	2.90	1.21
	Independent directors:		
	Ms. Roshini Bakshi	4.08	2.09
	Mr. Pradeep Bhargava	4.33	2.26
	Dr. Anant Jhingran	3.53	1.83
	Mr. Thomas Kendra	3.63	1.69
	Mr. Prakash Telang	-	0.74
	Mr. Kiran Umrootkar	-	0.74
	Mr. Praveen Kadle	4.19	2.08
	Mr. Guy Eiferman	3.81	1.79
	Dr. Deepak Phatak	3.88	1.81
	Ms. Avani Davda ***	0.79	-
	Relatives of Key Management Personnel		
	Dr. Mukund Deshpande (including value of perquisites for stock options exercised nil during the year (₹ 2.87 million during the year 2020-21) §	-	2.87
	Mr. Arul Deshpande **	0.26	0.03
Total	160.72	95.93	
Dividend paid	Key Management Personnel		
	Dr. Anand Deshpande	457.22	319.90
	Mr. Sunil Sapre	1.04	0.06
	Mr Sandeep Kalra	1.77	0.56
	Mr. Amit Atre	0.03	-
	Independent directors:		
	Mr. Pradeep Bhargava	0.24	0.18
	Ms. Roshini Bakshi	-	0.07
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.10	0.07
	Mrs. Chitra Buzruk §	9.39	6.57
	Dr. Mukund Deshpande §	8.00	5.60
	Mrs. Sonali Anand Deshpande	2.24	1.57
	Mrs. Sulabha Suresh Deshpande	0.12	0.64
	Mr. Arul Deshpande **	0.20	0.14
	Total	480.35	335.36

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2022	March 31, 2021
Employee stock compensation	Subsidiaries		
	Persistent Systems Inc.	210.96	53.14
	Total	210.96	53.14
Donation given	Entity over which a key management personnel has significant influence		
	Persistent Foundation	115.36	140.00
	Total	115.36	140.00

Notes

- * Mr. Sandeep Kalra, Executive Director and Unit President was appointed as the Chief Executive Officer ('CEO') of the Company with effect from October 23, 2020. Amount of remuneration represents remuneration paid through Persistent Systems Limited only.
- @ Amount of remuneration for Mr. Christopher O' Connor represents remuneration paid through Persistent Systems Limited only. He has resigned wef August 9, 2020.
- \$ Dr. Mukund Deshpande and Mrs. Chitra Buzruk and have resigned w.e.f. Apr 28, 2020 and May 29, 2020 respectively.
- ** Mr. Arul Deshpande has joined with effect from March 8, 2021. Amount of remuneration represents remuneration paid through Persistent Systems Limited only.
- *** Ms. Avani Davda has joined with effect from December 21, 2021.
- # The remuneration to the key managerial personnel does not include the provisions made for gratuity, long service awards and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

iii. Outstanding balances

(In ₹ million)

	Name of the related party and nature of relationship	As at	
		March 31, 2022	March 31, 2021
Advances given	Subsidiaries		
	Persistent Systems, Inc.	69.15	18.72
	Persistent Systems France SAS	5.49	0.38
	Persistent Telecom Solutions Inc.	0.13	0.01
	Persistent Systems Israel Ltd.	0.14	-
	Persistent Systems Lanka (Private) Limited	0.72	0.02
	Persistent Systems Malaysia Sdn. Bhd	0.07	-
	Persistent Systems México, S.A. de C.V.	10.01	-
	Persistent Systems Germany GmbH	1.48	-
	PARX Consulting GmbH	0.06	-
	PARX Werk AG	1.88	-
	Youperience GmbH	0.04	-
	Youperience Limited	0.04	-
	Persistent Systems Pte. Ltd.	0.29	-
	Aepona Group Limited	0.08	-
	Aepona Limited	1.16	2.34
	Software Corporation International LLC.	0.25	-
	Associate		
	Klisma e-Services Private Limited @	-	0.81
	Total	90.99	22.28

	Name of the related party and nature of relationship	As at	
		March 31, 2022	March 31, 2021
Advances received inclusive of Advances from customers	Subsidiaries		
	PARX Werk AG	-	0.17
	Aepona Limited	-	1.64
	Persistent Systems Israel Ltd.	-	1.28
	CAPIOT Software Private Limited	-	15.00
	Persistent Systems France SAS	-	3.57
	Persistent Systems, Inc.	749.40	976.15
		749.40	997.81
Trade payables	Subsidiaries		
	Persistent Systems, Inc.	-	165.68
	Persistent Systems Malaysia Sdn. Bhd.	7.18	22.21
	Persistent Telecom Solutions Inc.	18.33	3.41
	Persistent Systems Pte Ltd	-	2.83
	Aepona Limited	3.89	8.77
	Youperience GmbH	-	0.05
	Youperience Limited	1.64	1.30
	Persistent Systems Mexico, S.A. de C.V.	-	3.39
	PARX Werk AG	-	0.60
	PARX Consulting GmbH	0.01	-
	31.05	208.24	
Trade receivables	Subsidiaries		
	Persistent Systems France SAS	8.58	-
	Persistent Systems, Inc.	70.63	-
	Persistent Telecom Solutions Inc.	34.73	36.37
	Persistent Systems Malaysia Sdn. Bhd.	26.58	26.41
	Persistent Systems Germany GmbH	16.18	6.43
	PARX Consulting GmbH	0.92	18.82
	Persistent Systems Mexico, S.A. de C.V.	0.08	-
	Youperience Limited	0.63	-
	Persistent Systems Lanka (Private) Limited	0.07	3.67
	158.40	91.70	

	Name of the related party and nature of relationship	As at	
		March 31, 2022	March 31, 2021
Unbilled Receivable	Subsidiaries		
	Persistent Systems, Inc.	2,086.35	712.44
	Persistent Telecom Solutions Inc.	50.28	14.00
	Persistent Systems Malaysia Sdn. Bhd.	4.81	10.09
	Aepona Limited	0.62	0.60
	Persistent Systems Germany GmbH	10.47	14.04
	Persistent Systems France SAS	14.35	13.17
	Youperience Limited	-	6.43
	PARX Consulting GmbH	0.01	-
	PARX Werk AG	3.01	-
	CAPIOT Software Private Ltd.	-	73.10
	Total	2,169.90	843.87
Loans given	Subsidiaries		
	Persistent Systems Germany GmbH	420.67	-
	Associate		
	Klisma e-Services Private Limited @	-	27.43
Total	420.67	27.43	
Interest accrued on loan given	Subsidiary		
	Persistent Systems Germany GmbH	1.01	-
	Total	1.01	-
Investments	Subsidiaries		
	Persistent Systems, Inc.	3,048.26	2,478.01
	Persistent Systems Pte Ltd	15.50	15.50
	Persistent Systems France SAS	97.47	97.47
	Persistent Systems Malaysia Sdn. Bhd.	102.25	102.25
	Persistent Systems Germany GmbH	1,265.91	1,265.91
	CAPIOT Software Private Ltd.	483.71	376.61
	Associates		
	Klisma e-Services Private Limited @	-	0.05
	Total	5,013.10	4,335.80

@ Klisma e-Services Private Limited ('Klisma'), an Associate of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. These balances were fully provided.

iv. Guarantee given on behalf of subsidiary

- i. Guarantees outstanding as at March 31, 2022: ₹ 770.78 Million (March 31, 2021: ₹ 1,109.08 Million).
- ii. Letters of comfort of USD 60 Million: ₹ 4,547.40 Million (March 31, 2021: Nil) to bank for loans availed by subsidiary of the Company.

35\ Employees stock option plans (ESOP)

Certain information in this note relating to number of shares, options and per share/option price has been disclosed in full and is not rounded off.

a. Details of Employee stock option plans

The Company has framed various share-based payment schemes for its employees. The details of various equity-settled employee stock option plan ('ESOP') schemes adopted by the Board of Directors are as follows:

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	4,560,500	11-Dec-99	11-Dec-99	*
Scheme II	7,53,200	23-Apr-04	23-Apr-04	10 Years
Scheme III	2,533,300	23-Apr-04	23-Apr-04	*
Scheme IV	6,958,250	23-Apr-06	23-Apr-06	10 Years
Scheme V	1,890,525	23-Apr-06	23-Apr-06	*
Scheme VI	1,216,250	31-Oct-06	31-Oct-06	10 Years
Scheme VII	1,784,975	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	42,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	1,374,462	29-Jun-09	29-Jun-09	10 Years
Scheme X	3,062,272	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	1,614,200	26-Jul-14	03-Nov-14	4-5 Years
Scheme XII ***	67,300	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	4,913,338	27-Jul-17	01-Aug-19	4-5 Years
Scheme XIV	80,000	27-Jul-17	01-May-19	3 Years

Adjusted for bonus issue of shares.

*No contractual life is defined in the scheme.

**The options under Scheme XI, which is a performance based ESOP scheme will vest after 2-3 years in proportion of credit points earned by the employees every quarter based on performance. The maximum options which can be granted under this scheme are 2,000,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 50 per employee.

The vesting period and conditions of the above ESOP schemes is as follows:

All the above ESOP schemes have service condition (other than scheme XI which is based on performance criteria), which require the employee to complete a specified period of service, as a vesting condition. The vesting pattern of various schemes has been provided below:

i. Scheme I to V, VII, VIII, X and XIV

Service period from the date of grant	% of Options vesting			
	Scheme I to V & X	Scheme VII	Scheme VIII	Scheme XIV
12 Months	10%	20%	25%	0.00%
24 Months	30%	40%	50%	33.33%
36 Months	60%	60%	75%	66.66%
48 Months	100%	80%	100%	100%
60 Months	NA	100%	NA	NA

ii. Scheme VI

Service period from the date of grant	% of Options vesting
18 Months	30%
Every quarter thereafter	5%

iii. Scheme IX

Service period from the date of grant	% of Options vesting
30- 60 Months varying from employee to employee	100%

iv. Scheme XI

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	Based on credit points earned which varies from employee to employee	25%	40%
24 Months		50%	30%
36 Months		75%	30%
48 Months	NA	100%	NA
60 Months	NA	NA	NA

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

vi. Scheme XIII

Service period from the date of grant	% of Options vesting		
	Grant 1	Grant 2	Grant 3
12 Months	25%	40%	33%
24 Months	50%	30%	67%
36 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2021 and March 31, 2022:

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme I	Number of Options	31-Mar-21	17	-	4	-	13	13
	Weighted Average Price	31-Mar-21	4.42	-	4.58	-	4.37	4.37
	Number of Options	31-Mar-22	13	-	13	-	-	-
	Weighted Average Price	31-Mar-22	4.37	-	4.37	-	-	-
Scheme II	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-21	147,835	-	-(Zero)	20,473	127,362	127,362
	Weighted Average Price	31-Mar-21	31.94	-	-	30.22	32.07	32.07
	Number of Options	31-Mar-22	127,362	-	-	19,103	108,259	108,259
	Weighted Average Price	31-Mar-22	32.07	-	-	33.69	31.78	31.78

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme IV	Number of Options	31-Mar-21	406,348	-	-	80,050	326,298	326,298
	Weighted Average Price	31-Mar-21	53.07	-	-	46.70	54.83	54.83
	Number of Options	31-Mar-22	326,298	-	-	80,000	246,298	246,298
	Weighted Average Price	31-Mar-22	54.83	-	-	55.16	54.72	54.72
Scheme V	Number of Options	31-Mar-21	60,332	-	-	8,641	51,691	51,691
	Weighted Average Price	31-Mar-21	27.58	-	-	28.99	27.22	27.22
	Number of Options	31-Mar-22	51,691	-	-	1,810	49,881	49,881
	Weighted Average Price	31-Mar-22	27.22	-	-	44.14	26.61	26.61
Scheme VI	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-21	6,961	-	-	3,620	3,341	3,201
	Weighted Average Price	31-Mar-21	58.18	-	-	56.83	59.65	61.12
	Number of Options	31-Mar-22	3,341	-	-	3,200	141	141
	Weighted Average Price	31-Mar-22	59.65	-	-	61.12	26.29	26.29
Scheme VIII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-21	135,920	-	-	6,216	129,704	129,704
	Weighted Average Price	31-Mar-21	54.74	-	-	54.74	54.74	54.74
	Number of Options	31-Mar-22	129,704	-	-	13,993	115,711	115,711
	Weighted Average Price	31-Mar-22	54.74	-	-	54.74	54.74	54.74
Scheme X	Number of Options	31-Mar-21	125,062	-	92,955	32,107	-	-
	Weighted Average Price	31-Mar-21	188.75	-	183.38	204.30	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme XI	Number of Options	31-Mar-21	570,000	295,000	300,000	119,000	446,000	6,000
	Weighted Average Price	31-Mar-21	10.00	10.00	10.00	10.00	10.00	10.00
	Number of Options	31-Mar-22	446,000	257,200	23,700	167,750	511,750	28,725
	Weighted Average Price	31-Mar-22	10.00	10.00	10.00	10.00	10.00	10.00
Scheme XII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-22	-	-	-	-	-	-
	Weighted Average Price	31-Mar-22	-	-	-	-	-	-
Scheme XIII	Number of Options	31-Mar-21	920,000	1,947,500	-	121,275	2,746,225	98,850
	Weighted Average Price	31-Mar-21	451.65	1,008.29	-	442.47	846.80	442.47
	Number of Options	31-Mar-22	2,746,225	1,990,838	923,803	433,136	3,380,124	226,045
	Weighted Average Price	31-Mar-22	846.80	3,116.67	1,679.25	727.30	1,971.52	892.30

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme XIV	Number of Options	31-Mar-21	80,000	-	40,000	-	40,000	10,000
	Weighted Average Price	31-Mar-21	540.82	-	540.82	-	540.82	540.82
	Number of Options	31-Mar-22	40,000	-	40,000	-	-	-
	Weighted Average Price	31-Mar-22	540.82	-	540.82	-	-	-
Total	Number of Options	31-Mar-21	2,452,475	2,242,500	432,959	391,382	3,870,634	753,119
	Number of Options	31-Mar-22	3,870,634	2,248,038	987,516	718,992	4,412,164	775,060

The weighted average share price for the period over which stock options were exercised was ₹ 3,682.54 (previous year ₹ 1,131.43).

c. Details of exercise price for stock option outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2022		As at March 31, 2021	
		No. of Options outstanding*	Weighted average remaining	No. of Options outstanding	Weighted average remaining
Scheme I	2.04 - 9.57	-	Note (i)	13	Note (i)
Scheme II	12.96 - 48.21	-	-	-	-
Scheme III	12.96 - 48.21	108,259	Note (i)	127,362	Note (i)
Scheme IV	22.23 - 61.12	246,298	1.73	326,298	2.39
Scheme V	22.23 - 44.14	49,881	Note (i)	51,691	Note (i)
Scheme VI	22.23 - 30.67	-	-	-	-
Scheme VII	24.17 - 61.12	141	0.52	3,341	2.73
Scheme VIII	48.21 - 48.21	-	-	-	-
Scheme IX	54.74 - 54.74	115,711	1.24	129,704	2.24
Scheme X	157.58 - 279.70	-	-	-	-
Scheme XI	10	511,750	4.58	446,000	2.25
Scheme XII	10	-	-	-	-
Scheme XIII	442.47 - 3801.78	3,380,124	3.86	2,746,225	5.59
Scheme XIV	540.82 - 540.82	-	-	40,000	3.08

Note (i) No contractual life is defined in the scheme.

d. Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share-based payment plans for the year ended March 31, 2022 amounted to ₹ 739.52 million (Previous year ₹ 236.33 million). The liability for employee stock options outstanding as at March 31, 2022 is ₹ 1144.84 million (Previous year ₹ 471.20 million).

e. Weighted average exercise prices and weighted average fair values of options

The Binomial tree and Black-Scholes valuation models have been used for computing the weighted average fair value of the stock options granted during the financial year 2021-22:

Particulars	March 31, 2022		March 31, 2021	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price (₹)	3,819.71	3,670.90	948.4	1,182.97
Weighted Exercise Price (₹)	10	3,107.82	10	1008
Weighted Average Fair Value (₹)	3,615.75	938.25	838.75	424.39
Expected Volatility	24.42	24.5	31.7	29.09
Life of the options granted** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	4 yrs	4 yrs
Dividend Yield	200.00%	200.00%	2.00%	2.00%
Average risk-free interest rate	4.98%	4.48%	5.56%	5.49%

** Life of option varies as per graded vesting period for different class of options granted.

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares and has been modelled based on historical movements in the market prices of the publicly traded equity shares during a larger period to smoothen the fluctuations.

36\ Contingent liabilities

a. Claims against the company not acknowledged as debt*

(In ₹ million)

Sr. No.	As at March 31, 2022	As at March 31, 2021
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
ii. In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, the Company has filed an application with Directorate General of Foreign Trade (DGFT). Based on the documents filed with relevant authorities and based on the consultations with subject matter specialists, the Company believes that its position is most likely be upheld on ultimate resolution.	296.55	296.55
iii. Other Pending litigations in respect of Indirect taxes.	13.53	27.33
2 Income tax demands disputed in appellate proceedings	855.02	478.70

b. Guarantees and Letter of Comfort on behalf of Subsidiaries

(In ₹ million)

Sr. No.		As at March 31, 2022	As at March 31, 2021
1	Guarantees given on behalf of subsidiaries	770.78	1,109.08
2	Letters of comfort on behalf of subsidiary (USD 60 Million (Previous year: Nil))	4,547.40	-

*The Company, based on independent legal opinions and judgments in favour of the Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the financial statements.

37\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2022	March 31, 2021
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	158.66	41.03
Other commitments		
Forward contracts	13,605.02	10,410.34

For commitments relating to lease agreements, please refer note 33.

38\ Details of Corporate Social Responsibility expenditure

(In ₹ million)

	March 31, 2022	March 31, 2021
a. Gross amount required to be spent by the Company during the year	110.24	94.49
b. Amount of Expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	115.53	150.00
c. Shortfall at the end of year	-	-
d. Total of previous year shortfall	-	-
e. Reason for shortfall	-	-
f. Nature of CSR Activity	Donation given to the following entities: a. Persistent Foundation b. Help Age India c. Wildlife Research and Conservation Society	Donation given to Persistent foundation and PM Care fund
g. Details of related party transactions Donation given to Persistent Foundation	115.36	140.00
h. Details of provision made for liability incurred by entering into a contractual obligation	-	-

39\ Business Combination

a. Shree Infosoft Pvt. Ltd

- 1\ On November 18, 2021 the Company acquired business of implementing and maintaining innovative cloud, infrastructure, data, and AI/ML solutions from Shree Infosoft Pvt. Ltd, India ('Shree Infosoft'). After the acquisition of business, the Company does not hold any equity interest in Shree Infosoft. The acquisition will strengthen the Company's presence in innovative cloud, infrastructure and solutions in artificial intelligence and machine learning. Its acquisition will help the Company meet the growing needs of its clients and it also add a new point of presence in NCR, India, additional industry capabilities.
- 2\ The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Company is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Company has exercised the option available under Ind AS 103, which provides The Company a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

The fair value of amount of consideration paid/payable recognised on provisional basis is ₹ 108.71 million.

- 3\ Based on provisional purchase price allocation, the Company has recognised Property, Plant and Equipment amounting to ₹ 1.97 Million and provisional intangible assets represented by contractual rights amounting to ₹ 85 Million and goodwill amounting to ₹ 21.74 Million.

b. Data Glove IT Solutions Private Limited

- 1\ On March 1, 2022 the Company acquired business from Data Glove IT Solutions Private Ltd. which comprise of Microsoft Cloud Modernization Services Partnership with Gold level competencies in Azure Cloud Platform, Data Center, Application Development and Data Analytics, Application Integration. After the acquisition of business, the Company does not hold any equity interest in Data Glove IT Solutions Private Ltd. This acquisition will help Persistent enhance its partnership and expand expertise in Azure-based digital transformation, enabling us to capture a larger share of this high growth market. This acquisition also broadens the company's delivery capabilities with highly skilled talent, establishing a new nearshore delivery center in Costa Rica and expanding its presence in the US and India.
- 2\ The acquisition of the said businesses is accounted for using the acquisition method of accounting under Ind AS 103. The Company is in the process of performing the complete exercise of purchase price allocation of assets and liabilities assumed as at the reporting date. The Company has exercised the option available under Ind AS 103, which provides The Company a period of twelve months from the acquisition date for completing the accounting of purchase price allocation on provisional basis.

The fair value of amount of consideration paid/payable recognised on provisional basis is ₹ 520.16 Million.

- 3\ Based on provisional purchase price allocation, the Company has recognised provisional intangible assets represented by contractual rights amounting to ₹ 420.31 Million and goodwill amounting to ₹ 99.85 Million.

40\ Ratios

Ratio	Denomination	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (If more than 25%)
Current Assets							
a. Current ratio	Number	Current Assets	Current Liabilities	3.79	4.70	-19.36%	
b. Debt-Equity ratio	%	Debt	Shareholder's Equity	0.02%	0.03%	-0.01%	
c. Debt Service Coverage ratio	Number	Earnings available for debt service	Current debt liability	4,509.01	3,116.86	44.67%	Note 1
d. Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	22.55%	19.95%	2.60%	

Ratio	Denomination	Numerator	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance (If more than 25%)
e. Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	9.67	8.48	14.09%	
f. Trade payables turnover ratio	Number	Cost of Professionals + other expenses + Other non cash adjustments	Average Trade payables	5.73	4.73	21.23%	
g. Net capital turnover ratio	Number	Revenue from operations	Working Capital	2.37	1.47	60.96%	Note 2
h. Net profit ratio	%	Net Profit after tax	Revenue	19.18%	20.37%	-1.19%	
i. Return on Capital employed	%	Profit before Interest and taxes	Average capital employed	30.20%	26.52%	3.68%	
j. Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	5.90%	5.16%	0.74%	

* Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortization - Other income - Lease payment.

Note 1: Earnings growth with corresponding repayment of debt during the year has resulted in improvement in ratio.

Note 2: Revenue growth during the year has resulted in improvement in ratio.

41\ Disclosure required under Sec 186(4) of the Companies Act 2013

a. Details of Loans given

(In ₹ million)

Name of Party	Rate of Interest	Purpose	Term	March 31, 2022	March 31, 2021
Persistent Systems Germany GmbH	3 months Euro Interbank Offered Rate plus 300 basis points.	Loan granted for working capital requirements and to fund acquisition opportunities .	36 Months	420.67	-
Klisma e-Service Private Limited	12% P.A	Loan was granted for meeting business requirements.	12 Months	-	27.43

b. Details of gurantees given on behalf of subsidiaries

Name of Subsidiary	As at March 31, 2022		As at March 31, 2021	
	\$ Million	₹ Million	\$ Million	₹ Million
Persistent Systems Inc.	10.17	770.78	15.17	1,149.73

42\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
As auditor:		
- Audit fee	8.50	7.58
In other capacity:		
- Other services	0.30	1.22
Reimbursement of expenses	0.12	0.20
	8.92	9.00

43\ Research and development expenditure

The particulars of expenditure incurred on in-house research and development are as follows:

(In ₹ million)

	For the year ended	
	March 31, 2022	March 31, 2021
Capital	-	-
Revenue	136.72	196.72
	136.72	196.72

44\ Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There are no defaults and overdue amounts payable to suppliers, who have intimated about their status as Micro and Small Enterprises as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

45\ Net dividend remitted in foreign exchange

(In ₹ million)

Particulars	Period to which dividend relates	No. of non-resident shareholders	No. of equity shares held on which dividend was due (in million)	For the year ended	
				March 31, 2022	March 31, 2021
Interim dividend	2021-22	5	0.37	5.95	4.11
Final dividend	2020-21	3	0.37	1.76	-

46\ 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.

47\ The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

- 48\ The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.
- 49\ Previous year's figures have been regrouped where necessary to conform with the current year's classification.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 27, 2022

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

Dr. Anand Deshpande

Chairman and

Managing Director

DIN: 00005721

Sunil Sapre

Executive Director and

Chief Financial Officer

DIN: 06475949

Place: Pune

Date: April 27, 2022

Sandeep Kalra

Executive Director and

Chief Executive Officer

DIN: 02506494

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 27, 2022

Praveen Kadle

Independent Director

DIN: 00016814

Place: Pune

Date: April 27, 2022



Persistent

See Beyond, Rise Above

Persistent Systems Limited

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