



Resilience Relationships Reinvention



31st Annual Report
2020-21

31st Annual General Meeting

Wednesday, July 21, 2021
1600 Hrs. IST

Video Conferencing and e-Voting
persys.co/agm2021

Members are requested to follow the instructions provided in the Notice of 31st Annual General Meeting in order to attend the AGM via video conferencing and to e-vote.

Remote e-Voting Period

1\ 12:01 AM IST on Sunday, July 18, 2021 —
05:00 PM IST on Tuesday, July 20, 2021

2\ During the AGM

Read this Annual Report online
persys.co/ar2021

Contents

6

Year in Review

Foreword	7
Message from the Chairman	9
Message from the CEO	11
Our Response to the Pandemic	13
FY2021 Performance Highlights	17
Environmental, Social and Governance	19
Digital Acceleration across Industries	21
Partner Ecosystem	31
Awards and Recognition	33

36

Persistent Foundation

44

Corporate Information

Financial Performance	45
Financial Highlights	46
Committees of the Board	47
Directors' Profiles	48
Global Locations	56
Corporate Information	60

62

Statutory

Message from the CFO	63
Report of the Directors	64
Report on Corporate Governance	113
Business Responsibility Report	151
Mgmt. Discussion and Analysis Report	164
Report on Risk Management	181

184

Consolidated Financials

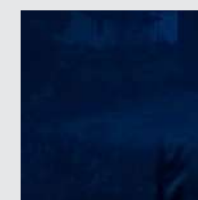
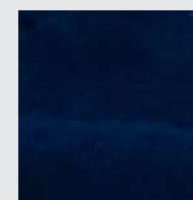
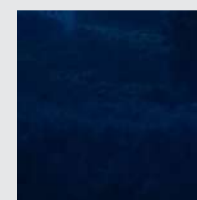
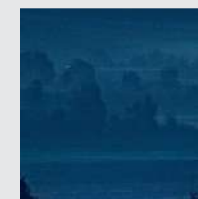
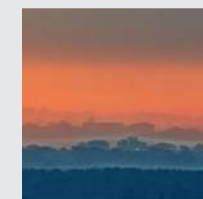
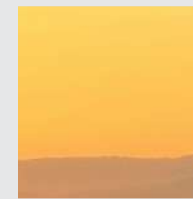
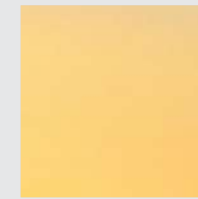
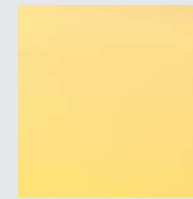
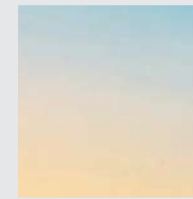
Independent Auditor's Report	185
Consolidated Financials	195
Section 129(3) Statement	259

264

Unconsolidated Financials

Independent Auditor's Report	265
Unconsolidated Financials	275

Year in Review



Year in Review



Resilience

Our teams proactively partnered with their clients as they charted their paths to digital acceleration.

We provided differentiated, higher value and outcome-based engagement models. This last year strengthened our relationships for the long term and it was a visceral reminder that our decades of focus on client centricity is a winning strategy. Relationships matter.



Reinvention

Reflecting upon the past year, there were three key attributes to the Company's success — **resilience**, **relationships** and **reinvention**.

These three themes were a constant for Persistent through these challenging times and will provide the foundation for our future growth.

Despite many pressures, our employees faced during the pandemic, they remained strong, flexible and focused.

We delivered high performance and business continuity not only for Persistent, but most importantly, our clients. Along with our partner ecosystem, we worked diligently to ensure our clients established the new cloud-enabled digital foundation that is critical to not only help them survive the last year but thrive in the long term.



Relationships

We drew on our 30 years of Digital Engineering experience and deep expertise in the latest cloud technologies.

We now work with our clients to imagine, engineer, modernize, and manage the new software required to run fully digital businesses. Change is constant and it is only accelerating. As a Company, we continue to reinvent ourselves, evolving into a solution-focused innovator, bringing the most advanced technologies to our clients to help them do the same.

Message from the Chairman



customers, our vendors and suppliers, our shareowners, and the society at large. This year put our claims to the test, and I am very satisfied with how we delivered to our stakeholders as a responsible Company.

We continue to make progress on environmental goals. We commissioned a new rooftop solar plant on one of our buildings and launched a program to plant

I would like to commend Sandeep Kalra and the hardworking Persistent Team for delivering spectacular results. During the year, we supported and grew existing customers and forged relationships with new customers. In addition, we built new offerings and worked hard on improving our processes to deliver better results for our customers. This will hold us in good stead as we look ahead. We added nearly 3,000 new

This year put our claims to the test, and I am very proud of how we delivered to our stakeholders as a responsible Company.

Anand Deshpande

Founder, Chairman and Managing Director

Dear valued Shareowners,

I am delighted to share with you our 31st Annual Report for the Financial Year 2020-21. This year was extremely challenging and let me start with a prayer for all those we lost during the pandemic, with gratitude for all the Corona Warriors who served the sick and needy, and with hope and best wishes for times ahead.

The year began with uncertainty, and the first task was to secure the safety of all employees and their families. Next, we fully enabled the team to work from home. Our team adapted very quickly to working remotely, and I am proud to state that we did not miss a beat and were able to meet our customers' requirements and ensure that all the deliverables were met. This demonstrated resilience.

Next, we reached out to our customers, suppliers, and vendors to assure them of our support. We explored all the obvious and the latent customer requirements and challenged our team to See Beyond and Rise Above. Relationships are strengthened by being there in times of need. This was our time to deliver, and that is exactly what we did!

The events of the year have challenged the status quo and forced us to take a fresh look at our assumptions. The technology roadmap has accelerated, and circumstances have forced us to look at new ways of getting things done. The world is ready to reinvent itself.

We believe that we are responsible to a broader group of stakeholders that includes our employees and their families, our

more than 50,000 trees. With reduced travel, the carbon footprint improved. We are working on ways to get to Net-Zero soon.

Anticipating the magnitude of the pandemic, our leadership team stepped up and had no hesitation in committing ₹ 250 million for global COVID response and relief. Persistent Foundation was impactful in deploying the funds to support frontline workers with food and PPE kits, hospitals with ventilators, oxygen concentrators, and other lifesaving equipment, and supporting other vital projects. I am grateful to Persistent COVID Warriors, a dedicated team of selfless volunteers who went above and beyond to help colleagues in crisis. Doing good is energizing, and this will motivate us to do more.

members globally to our team; incidentally, most of them are working from home and have not visited our office locations!

As we enter our fourth decade, we couldn't be better poised. We have a new leadership team that was tested and has come off with flying colours. We have built new relationships with our customers and are reinvigorated as we look ahead. As a leader in Digital Engineering and Enterprise Modernization, our expertise is in great demand.

Finally, I thank all of you, our committed shareowners, for your continued support and affection. You inspire us to stretch above and beyond!



Message from the CEO

FY2021 was indeed the year of resilience, relationships and reinvention.

Sandeep Kalra
Executive Director
and Chief Executive Officer

Dear valued Shareowners,

We sincerely hope you and your loved ones are keeping safe amidst the ongoing COVID-19 pandemic. As Anand elaborated in his letter, we have been focused on ensuring the well-being of our employees, their families, the local communities we live in as well as strong business continuity for our clients throughout these difficult times. We are confident that with time the pandemic will be behind us, and brighter times lay ahead for all of us.

FY2021, for us, was a year of disciplined execution and strengthening the muscles for the next phase of growth, while leveraging Persistent's solid foundation built over the past 30 years. We invested in bringing in new senior talent across functions, deepening our capabilities across industries and service lines, enhancing our partner ecosystem and embarking on disciplined client centricity.

As a result, we not only survived but thrived through a year of virtual operations and personal challenges. That is not to minimize the personal challenges and loss many of our team suffered but to recognize their incredible strength in persevering in the face of such hardships. Thank you.

We ended the year at US \$566.1M, representing an industry leading +12.9% growth year on year in US\$ terms and 17.4% in Indian Rupee terms. We built on the transitional foundation of FY2021, extending our reach into key industry sectors of banking, financial services and insurance; healthcare and life sciences; software and hi-tech; and other emerging industries like telco and media. Improved operational rigor and optimization across all businesses and enabling functions also aided in delivering significant improvements in EBIT, ending +55.2% year on year.

This performance and market momentum resulted in record high stock performance, driving our market cap to over US \$2B.

The digital imperative became more urgent across our technology as well as enterprise clients. We saw our technology clients accelerate their product roadmaps leveraging our Digital Engineering expertise and our enterprise clients push their modernization agenda faster, re-imagining their business models and IT landscape to operate more efficiently and to better interact with customers.

Our enterprise clients continued to integrate legacy IT systems with the latest cloud environments and sought guidance from Persistent in selecting from the myriad of available cloud components — what we refer to as a Digital Mosaic. They are modernizing information infrastructures — eliminating siloes of data and processes and integrating critical information into single dashboards. We've seen dramatic progress around automation — implementing artificial intelligence and machine learning to replace labor-intensive processes and streamline formerly disconnected systems. And central to this transformation has been leveraging data — tapping into and utilizing the massive amounts of data in a meaningful way, across the enterprise.

Serving our clients effectively continued to be possible through the incredible partner ecosystem we inhabit. From our strategic partners like AWS, Salesforce, Microsoft and IBM to smaller niche players around the world — together we are developing cutting edge solutions to solve today's most pressing business and technology issues.

With the accelerated growth, we welcomed over 3,000 new team members, bringing us to a total of 13,680 employees globally. This infusion of talent included the acquisition of CAPIOT, bolstering our expertise in the fast-growing enterprise integration market.

And finally, we continued to gain important industry recognition. Competing against 4,000 other IT companies, Persistent won the prestigious ISG 2020 Star of Excellence Award™ for core technologies globally, as well as for North America, APAC geographies and for Banking Financial Services and Insurance, Healthcare and Life Sciences industry verticals globally. These coveted awards are particularly meaningful because they are the result of direct feedback ISG received from over 100 Persistent clients.

Looking forward to FY2022, our clients will no doubt continue to accelerate their digital transformation and we will remain focused on delivering exceptional Digital Engineering and Enterprise Modernization expertise to help them. We know challenges remain across global markets and in particular in India, but we will continue to lean on the resiliency we demonstrated this past year.

In summary, we have brought strong momentum to our business, building the muscle to expand and are confident in delivering continued growth over FY2022. Our journey towards the next phase of Persistent has just begun and we remain bullish on our prospects for the future.

We are thankful to our Persistent family, partners and clients and will continue to value and grow these relationships. We are all in this together.

US \$3.3M committed in support of COVID-19 efforts globally to bring relief to those in need.

We are committed to the communities we operate in and are humbled to be able to help with COVID relief efforts in any way we can.

Persistent announced a donation of ₹250M (\$3.3M) towards COVID relief, rehabilitation, and research. So far, we have donated ₹220 M (\$3M), and our goal is to channel these funds to meet short-term humanitarian requirements as well as for longer-term research and development work.

The Persistent Foundation is driving COVID relief efforts across India, the United States, Canada, Sri Lanka, Malaysia, and Israel.

In India, the Foundation has worked in the Four states where Persistent has a presence — Maharashtra, Karnataka, Telangana, and Goa. In addition to the work of The Persistent Foundation, almost \$500,000 has been distributed to charities in North America impacted by and helping those affected by the crisis.

21K+

PPE kits provided to frontline workers

17K+

Food ration kits provided to families

4K+

Hours volunteered by our employees

42K+

Face shields, masks, gloves and hygiene kits provided

32

Hospitals, NGOs and Govt. departments supported

16

Communities supported with disinfection efforts



Persistent Warriors fighting COVID-19



My sister and her husband tested positive for COVID-19, and on Gudi Padv, my sister's SPO2 levels dropped to alarming levels.

Persistent Warriors immediately helped me find oxygenated beds for both. My relief was short-lived as I had to deal with a critical shortage of Remdisivir needed for their treatment. While Nagpur District Collector's office approved and allotted the medicines, the Persistent Warrior team's operational acumen ensured last-mile delivery and administering of medication to my family at the hospital without any delay or hiccups.

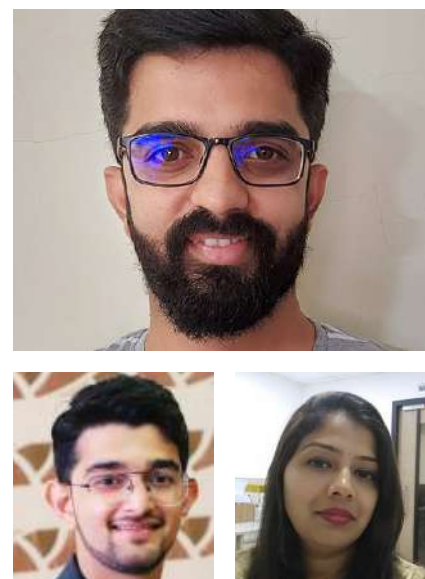
Kudos to Persistent Corona Warriors, may their tribe increase!

Anand Dudhmande
Senior Portfolio Consultant

In April, three members of my family tested positive for COVID. Feeling helpless as no hospital beds were available anywhere, I reached out to Persistent Warriors. Within minutes, Ruchita from the team called, took all details, and immediately swung into action. She was constantly in touch with us, providing medical and moral support until my family was home safe.

Thanks to Persistent Warriors for the support during difficult times.

Ankita Mahasaheb
Assistant Manager, HR



My entire family was infected with COVID. I was hospitalized and my mother and wife's health was deteriorating. Harshawardhan Pandit and Kamna Arora helped us in every way — from helping source Remdesivir for me to finding an oxygenated bed for my mother, whose condition turned critical. I shudder to think what would have happened without Harsh and Kamna's support. I am also grateful to Sachin Khot, Rajeev Reddy, and Sameer Bendre for staying in touch throughout and ensuring we are getting the required medical care.

Thanks again to my wonderful colleagues. I am going to remember this my entire life.

Mitesh Dhoble
Lead Software Engineer

190+
Hospital beds found for employees and their families

100+
Medications procured

80+
Oxygen ventilators arranged

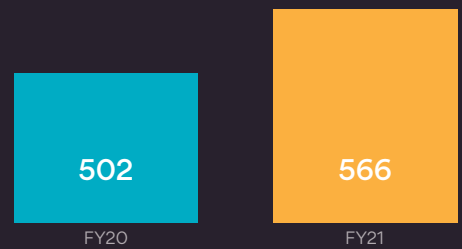
350+
People assisted with testing, transportation or food



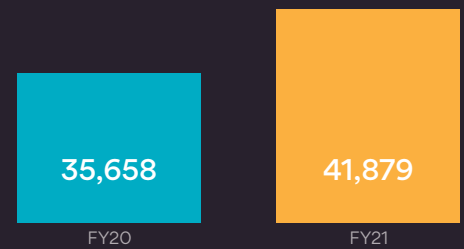
We delivered strong performance and shareholder value in FY2021

FY21 full year performance

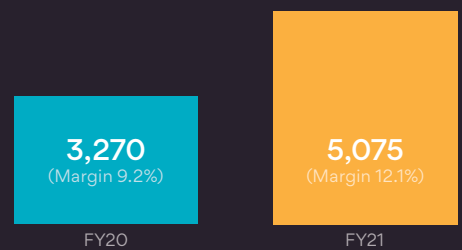
Revenue (\$ million) **+12.9%**



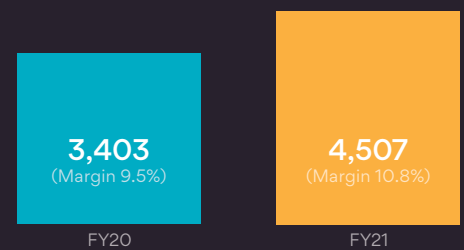
Revenue (₹ million) **+17.4%**



EBIT (₹ million) **+55.2%**



PAT (₹ million) **+32.4%**



Ingredients of our success



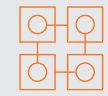
Digital Engineering Expertise



Client Centricity



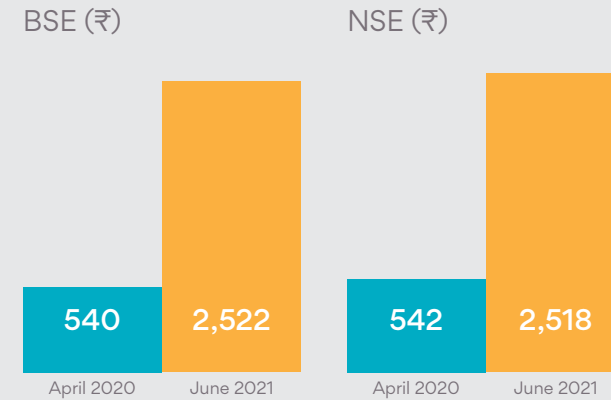
Employee Resiliency



Operational Excellence

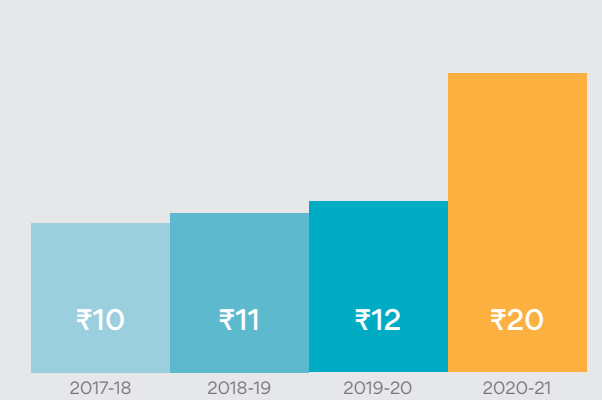
Share Price

Our share price increased by **363%** between April 1, 2020 and June 10, 2021.



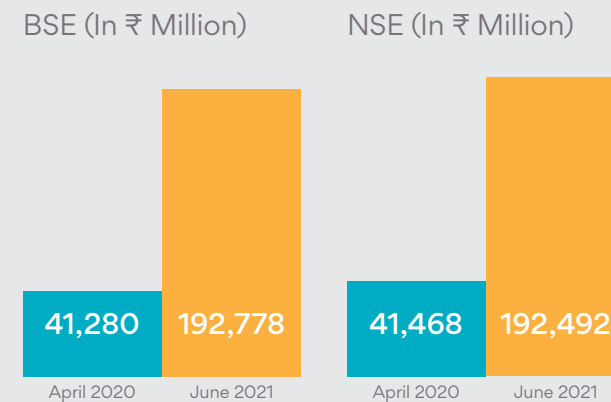
Dividend Per Share

Dividend proposed for this financial year nearly **doubled**.



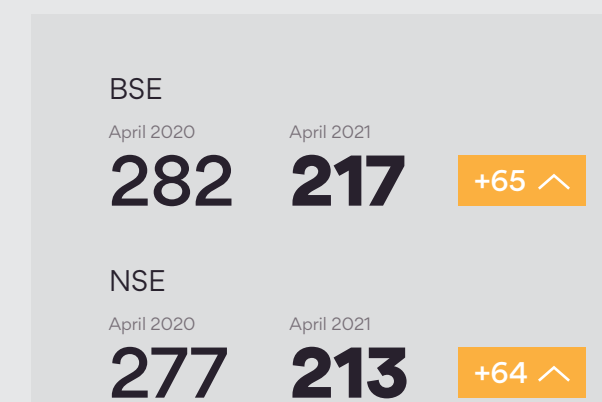
Market Capitalization

Our Market Capitalization increased **4 times** between April 1, 2020 and June 10, 2021.



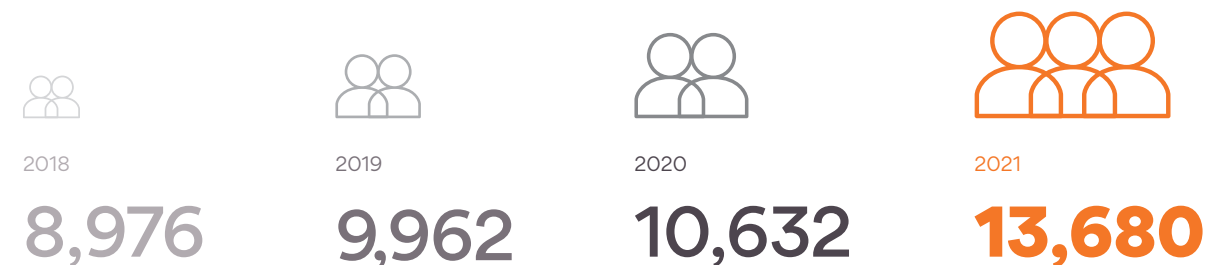
Ranking

Our BSE and NSE ranks improved by **64 points**.



Headcount

We saw a **28.7%** uptick in our employee growth last year.



Environmental, Social and Governance

We acknowledge that success is not a stand-alone concept, rather it is an intricate combination of many factors including environmental and social responsibility, and corporate governance.

We recognize that a strong ESG proposition can create long lasting value for all our direct and indirect stakeholders. Our core values — **Ingenious, Responsible, Persistent and Confident** — are all about transforming new ideas while optimizing our resource utilization, being responsible and communicating with

clarity. Our global practice demands respect and openness towards each other, the global communities around us and society at large. We are determined to help our clients and people around the world to succeed. We are constantly on a journey of finding innovative ways to improve our business conduct.



Environmental

Conserving our climate

2 windmills 2.1 MW each

1.2 MW solar rooftop

Reducing ~6K tons of CO2 per year

Adopted ISO 14064

GHG Emission Monitoring and Reduction/
Neutralization



Social

Nurturing our people, diversity & inclusion



45

nationalities

32%

women

Work-Life Balance

Ensured with comprehensive employee welfare policies

Flagship social programs

Including hackathons to drive innovation and training to nurture talent



Governance

Leading with integrity



Excellence in Corporate Governance

Code of Conduct

Strong adherence

60%

Independent directors on board

Our value in the era of digital acceleration

Today, Persistent creates value across a continuum of client needs, leveraging our deep Digital Engineering expertise and extensive industry knowledge.

We imagine.

We design and deliver new digital experiences, revenue streams and business models to meet rising customer expectations and accelerate growth.



Reimagined transplant patient care with a patient mobile application to manage and adhere to their daily and long term health goals by staying engaged, informed and connected.



Integral part of digital health initiatives enabling self and home care for dialysis patients in the UK and North America.

We modernize.

We reinvent applications, infrastructure, and processes for greater agility by taking full advantage of automation, AI and cloud.



Accelerated its digital transformation journey, reducing manual efforts and increasing agility with an Azure-based data platform.



Developed automation to support real-time fund accounting including operational transaction recording and overall financial close management.

We engineer.

We streamline software engineering to drive greater innovation, efficiency and resiliency across products and platforms.



Engineered a new services assurance platform for 5G, delivering a 50% reduction in the time to market.



Responded to disruption with accelerated development of cloud-enabled solutions for the connected enterprise using modern architectures.

We manage.

We transform and optimize operations, systems, and product development to reduce costs and facilitate growth.



Improved speed-to-market and performance through cloud-led transformation and software development.



Enabling seamless onboarding of the buyers, sellers and financial institutions, facilitating efficient trade finance and increase the adoption of the platform.

Banking, Financial Services and Insurance



The industry played a critical role in responding to the unprecedented challenges of the past year. Financial institutions were required to quickly rally to deploy new government programs designed to provide vital financial resources to businesses and citizens as economies were shuttered. All of this while the institutions themselves

were dealing with the same challenges as others — not the least of which was enabling their entire employee population to work from home. This real-world stress test exposed the maturity of individual institutions' digital journey and highlighted the need to accelerate the transformation.

These unprecedented challenges have led institutions to turn to their trusted partners. I'm pleased that our clients view us as that trusted partner, and we continue to deepen and expand our relationships. Additionally, we have made significant inroads with industry analysts and associations to increase market awareness of our deep industry and technology expertise.

Bipin Sahni, Head of BFSI Strategy at Persistent

Partnering with our clients to drive Digital Acceleration

Resilience

Partnering with large financial institutions to simplify their IT ecosystem to reduce cost, improve resiliency and enable employees to work from anywhere.

Relationships

Enabling mid-size banks and insurance carriers to seamlessly deliver services via digital channels, providing customers with value added interactions that improve their financial well-being.

Reinvention

Helping established financial institutions modernize back-office operations by implementing automation to reduce complexity, cost and improve customer experience.

We selected Persistent to help us build our platform for a number of reasons, including their deep experience and expertise in the digital banking space and with the core component technologies we have chosen, and also because our strategy aligns closely with Persistent's own thinking on Digital Mosaic. We took great comfort in finding that alignment, and as a result, our relationship is proving to be a great fit.

Sudip Dasgupta, Chief Technology Officer at Monument Bank



Persistent benefited through increased demand across all of these trends. Our largest clients are trusting Persistent with responsibilities previously delivered by our competitors. We continue to see demand to streamline operations through the use of RPA, machine learning and artificial intelligence. Both established and emerging financial institutions are looking to the cloud and distributed ledger technologies to both cut costs and deliver innovative services.

We continue to deepen our relationships with strategic partners, most notably Salesforce and Amazon Web Services. And we continue to establish relationships with strategic FinTech players, such as FinMkt, to bring innovative digital solutions to the market.

The Way Forward

1

Enabling **embedded and decentralized finance solutions** that offer traditional financial instruments, without relying on established financial intermediaries.

2

Established banks and credit unions are accelerating their **adoption of Banking-as-a-Service (BaaS)** to capitalize on innovation brought on by Open Banking initiatives.

3

Industry consolidation to gain market access and efficiencies will drive technology integration initiatives.

Healthcare and Life Sciences

Healthcare and Life Sciences organizations faced unique challenges over the past year. Responding to the pandemic strained the entire system and accelerated industry transformation. While the industry responded to a common challenge, the impact ranged from devastating to accelerating. The adoption of technology, especially virtual and telemedicine, was advanced 5-10 years in months. And, it led to an unprecedented acceleration of pace for delivery of diagnostic capabilities, including PCR tests and vaccines.

However, a common theme across all industry sectors was the adoption of technology to improve care, accelerate discovery and reduce costs. The heavy financial burden on healthcare providers led to the unbundling of the hospital, with primary care emerging as the cutting edge of care moving ahead, a positive trend as many have identified the crucial role of primary care in the triple aim of care.



The healthcare and life sciences industries rallied to respond to the events of the past year and we are proud to partner with our clients in their response, be it extending patient engagement and care beyond physical facilities, bringing COVID diagnostics to market or ensuring the safe delivery of vaccines. We look forward to helping our clients leverage technology to address the lessons learned over the past year.

Joe Paxton, SVP Healthcare and Life Sciences at Persistent

Partnering with our clients to drive Digital Acceleration

Resilience

Supporting healthcare and life sciences organizations as they reprioritized resources to accelerate discovery of new diagnostics and enable frontline employees to respond to the pandemic.

Relationships

Partnering with healthcare providers to fully exploit digital channels to ensure patient and clinician relationships were sustained when facilities were overburdened or closed.

Reinvention

Working with device and scientific instrument providers to modernize their offerings by utilizing technologies like AI and ML to improve performance and provide better patient outcomes.

We selected Persistent based on their breadth of expertise, including building microservices, data integration, and understanding how healthcare data comes in and resides in our system — then bringing it all together by creating a software solution that helps us interact easily with patients and patients with us.

Amitabh Shukla, SVP Technology at CareDx



As priorities shifted in response to the pandemic, Persistent had to be agile in order to align with our clients' priorities. Accordingly, Persistent benefited through increased demand in the areas of patient engagement, Digital Engineering and digital health platform development. The unprecedented challenges of the past year facilitated the deepening of our relationships with many of our largest clients. And, healthcare and life sciences organizations of all sizes are looking to the cloud as they strive to cut costs and deliver on heightened customer digital experience expectations.

The accelerated adoption of cloud in the industry aligns with the strategic partnerships we continue to invest heavily in, including Salesforce, Microsoft and ClearData. And, we will continue to identify new healthcare technology providers to partner on solutions that reduce the cost of care and deliver better patient outcomes.

The Way Forward

1

Enabling **interoperability, connectivity and data sharing** through the adoption of regulatory compliant cloud solutions.

2

Expanded and sustained use of **digital health platforms and devices** to enable care delivery regardless of location and time.

3

Software-driven devices, diagnostics and therapeutics that increase speed and accuracy and deliver improved outcomes.

Software and Hi-tech

The ‘once-in-a-100-years’ black swan event forced a reset on business models, operations and, hence engineering roadmaps. While non-discretionary spending was scrutinized, discretionary engineering spend was largely unaffected or even enhanced. This shifted focus on revamping product and platform strategy to reimagine, engineer and manage new software required to run cloud-centric, digitally-focused sets of services and work patterns.

Technology waves fueled by cloud, 5G and Edge, AI/ML, rising customer needs, activist investors, cybersecurity imperatives, speed to market, and the war for talent are all defining software roadmaps amid intense competition.

Against this backdrop, software companies are reinventing themselves — by building resilient new software, reimagining legacy systems with greater efficiency and lower cost structures.



The past year has emphasized a shift in client buying and operating behavior with software engineering and modernization being key priorities. Our expertise in Digital Engineering and strategic investments in solution accelerators along the software lifecycle, play a crucial role in helping software companies build software faster and efficiently.

Karthik Balasubramanian, SVP Software and Hi-Tech at Persistent

Partnering with our clients to drive Digital Acceleration

Resilience

Partnering with HealthTechs and FinTechs to maintain continuity and engagement during the pandemic while helping them reimagine systems to enable hyper-personalized, touchless digital experiences.

Relationships

Working with software clients across every stage of the software product lifecycle to improve engineering velocity, expand ecosystems, accelerate product roadmaps, and speed to market.

Reinvention

Helping enterprise software providers reinvent applications, operations, and infrastructure to support remote workforces and services.

There's so much about the way we work with Persistent. I'm extremely impressed by the technical depth of the team but also their flexibility. They have been very open to new ideas and how we work together. We don't view Persistent as a partner; we view Persistent as an extension of our team, and they are committed. Committed to winning with us. And that has really impressed me.

Michael Miller, CIO at Fusion Connect



Persistent saw increased demand as software companies accelerated cloud-led engineering and modernization initiatives around products, platforms, and technology stacks. Speed was key as they rapidly transformed their systems to enable remote collaboration and contactless digital experiences while optimizing product operations to improve efficiency, resilience, and security.

Our software clients demonstrated incredible agility as they reprioritized their growth levers. It allowed us to forge stronger partnerships as we helped them increase engineering velocity and expand their customer and partner ecosystem.

The Way Forward

1

Edge computing to be the new norm. Increasingly workloads will migrate to the edge as customers demand private, secure, low latency cloud-to-edge models.

2

More code will be generated than written. Automated code generation and AI will democratize software development enabling code reusability, speed, and resilience.

3

Human-centric design and low aperture interfaces will accelerate the shift towards modern software architectures like micro frontends, progressive web applications and AR/VR.

Telecom & Media



The rapid evolution of technology is transforming this industry. The reality of cloud native virtual networks, the prospect of 5G and the established growth of AI and automation have changed how telco networks are built and operated. Likewise, the ubiquity of cloud platforms has enabled media and innovative unified communication as a services (UCaaS) companies to create highly customized, experience-led over-the-top (OTT) applications while unlocking new business models.

Yet in many ways it was COVID-19 which proved to be the unwelcome industry catalyst in 2020. Disruption caused by the pandemic reached every corner of the industry, supercharging digital transformation as mature peers and laggards alike accelerated investments in exciting ways.



The opportunities in telecom and media are vast. We have successfully expanded our relationships in many of our largest accounts with clients trusting us to bring the right combination of industry skills and flexibility. We are excited to build on this strong foundation to bring business value to new clients in this space.

Jiani Zhang, EVP Enterprise Modernization and Telco Unit at Persistent

Partnering with our clients to drive Digital Acceleration

Resilience

Helping telecom provide next-gen networks with AI and network automation technologies that deliver new services and innovation at speed while providing exceptional CX.

Relationships

Assisting media and UCaaS players evolve faster by transforming the entire value chain with innovative solutions across the collaboration ecosystem.

Reinvention

Partnering with all sectors to develop 5G networks and hybrid clouds that are more flexible to operate and experiences that are engineered to be game changing.

Our customers need custom features for their deployment, but we can't overturn our entire roadmap to develop customized features. With the help of Persistent, who understands our technology at a fundamental level, we are able to create custom solutions which we can then roll into our standard product. It creates a multi-million-dollar business which we would not be able to touch otherwise.

Vince Fortin, SVP Engineering at Empirix



Persistent saw momentum continue to build throughout the year as a nexus of powerful technology trends came together to mitigate pandemic-driven disruption. Cloud became the foundation for new business models and platforms while driving demand for our cloud-native development and application modernization services. AI and automation drove faster and more flexible operating decisions. And hyperconnectivity began to fuel growth in 5G and edge-powered applications.

Our industry clients led the way with a balance of tactical decisions and a transformational vision. And across several categories we deepened our relationship with key partners like IBM, Red Hat, Amazon Web Services, Microsoft and Salesforce as we brought solutions forward.

The Way Forward

1

The hyperconnected age will lead to AI-powered closed-loop network operations driving greater flexibility and reduced costs.

2

5G will drive a virtuous cycle of innovation in new products which will spur additional demand and more investment.

3

Transformations will evolve as cloud-to-edge use cases drive new investments in intelligent edge capabilities.



Partnerships

Resilience, relationships, and reinvention also reflect our work with our partner ecosystem.

With the complexities and challenges brought on by the pandemic, we realized how critical our partnerships were and how much we would have to further lean on them to maintain continuity for our clients.

As clients across every industry demanded new ways of engaging with their customers and employees, we were able to work in lockstep with our partners to continue to deliver exceptional results. The changing landscape also brought to the fore the need for new relationships that enabled us to keep improving the way we solve client

problems — and more cost effectively. We therefore expanded our partner ecosystem in key strategic areas.

Finally, we continue to reinvent the way we work with our partners and clients. With the urgency of moving to a new way of business, time to value became ever more critical. Automation and speed became the mantra.

We closed the year with a stronger partner ecosystem, deeper relationships and with goals firmly focused around client value and centrality.

Resilience

“For years, OutSystems and Persistent have maintained a strong strategic partnership. Together, we help businesses of all sizes develop, deploy and manage critical apps at speed — enabling them to respond to market opportunities and continuously deliver value through software-driven innovation.”

Paulo Rosado
CEO and Founder at OutSystems



 **outsystems**



DataStax

Relationships

“Enterprises are modernizing their data for the next 10 years of innovation. The DataStax and Persistent partnership brings leading enterprises and developers the open data stack and the domain and implementation expertise that accelerates their success.”

Chet Kapoor
Chairman and CEO at DataStax

Reinvention

“The adoption of cloud and other cutting-edge technologies including machine learning, automation, and artificial intelligence have rapidly become necessary for so many credit unions as they reinvent their business during this period of digital acceleration. As NAFCU’s Preferred Partner for Digital Transformation, Persistent will help our industry continue to grow and innovate with proven technologies and best practices.”

Randy Salser
President at NAFCU



 **NAFCU**

Awards and Recognition

ISG Star of Excellence Overall Award 2020 Winner

Based on feedback of 100+ of our clients, ISG recognized us as the **leader for Customer Excellence** across our core service delivery and **exceptional culture alignment** with our clients' organizations.

ISG Star of Excellence
BFSI
2020 Winner

ISG Star of Excellence
Healthcare and Life Sciences
2020 Winner

[Learn More →](#)

ISG Star of Excellence
North America Region
2020 Winner

ISG Star of Excellence
APAC Region
2020 Winner



Leader for 8 Years

Leader in consumer and enterprise software engineering as well as digital, AI, cybersecurity and platform categories.

[Learn More](#)


Forrester Wave™

Cited as a Strong Performer in the The Forrester Wave™: Digital Process Automation Service Providers, Q3 2020

[Learn More](#)


Ecological Sustainability Award

At iNFHRA's Workplace Excellence Awards 2020-21



CLO of the Year Award

At TISS LeapVault CLO Awards 2019



Constellation Research

Shortlisted for Innovation in Services and Engineering for 2nd year in a row

[Learn More](#)


Everest PEAK Matrix®

Star Performer and a Major Contender in Software Product Engineering Services (2021) →

Major Contender for Salesforce Healthcare Services (2020) →



Best Corporate University Winner

7 times at TISS-LeapVault Awards 2019



Excellence in Learning & Development

At SHRM HR Excellence Awards 2019



Leader in ISG's Salesforce Ecosystem Partners 2021 Report for Salesforce Services in U.S. →

Rising Star for Digital Transformation in 2020 ISG Provider Lens™ — Healthcare Digital Services U.S. →

Leader in Digital Transformation in 2020 ISG Provider Lens™ Archetype report for Next-gen ADM Services →

Top 15 Sourcing Standout for Managed Services in ISG Global Index™ "Booming 15" — 5 consecutive quarters →



Golden Peacock

Two times Winner for Excellence in National Training (2018-2020)

For Excellence in Corporate Governance (2020, IT sector)



Most Successful LnD Programs

Recognized for the 5th time under Training magazine's Training Top 100 (formerly Top 125) award winners (2017-21)



Partner of the Year 2020

In the category of Innovation across OutSystems, Banking and Snowflake

[Learn More](#)


Rising Star Partner

Recognized for accelerated relationship growth in 2020.



Healthy Workplace Award

At Arogya World's 2019 Platinum Healthy Workplaces



Talent Development Winner

5 times as per ATD's 2020 BEST Award Winners List



Preferred Partner

Preferred Partner for Digital Transformation including Cloud-Based Technologies, serving credit unions in the U.S.

[Learn More](#)


Client & Partner Profiles

Several profiles highlighting our joint work with clients/partners Dassault Systèmes, Ellie Mae and IBM for Cloud Paks

[Learn More](#)


Distinguished Services in IT Sector

Runner-up at The Economic Times Rotary CSR Awards (2019)



LearningElite

One of the best organizations worldwide for learning and development, and for exemplary workforce development strategies.



Persistent Foundation





Message from the Chairperson

What an unforgettable year this has been! The coronavirus pandemic hit the world like a hurricane more than a year ago and humankind continues to be in its path of destruction even today. This past year has been incredibly challenging as the virus surged across geographies inflicting the loss of loved ones on so many people. Bound

to our homes, we expended ourselves in every direction like never before.

The vaccine is a silver lining to these dark clouds, and we hope the sun will shine upon us again one day very soon.

The Foundation's activities suffered greatly due to the frequent lockdowns in India, but we adapted to these changes and were able to gather speed later in the year. Schools remained closed for students for the entire academic year. We modified our education related initiatives to provide LAN and Wi-Fi connections to study centers and support classes. This was aimed at helping students of grades 9 and 10 to complete their curriculum and get extra coaching in science and mathematics. We were able to help and touch the lives of 5,000 students! The Kiran Girls Scholarship Program took place in the month of February as soon as college admissions were completed.

The Cleft Lip and Palate Program had to be curtailed because of travel restrictions, but despite these limitations, we performed more than 400 surgeries. We also conducted more than 3,700 cataract surgeries. The Mobile Medicare Unit helped us reach many people to execute our health projects. Community development projects were delayed but gained momentum towards the end of the year. The construction of open-wells and vocational training in bamboo art helped generate income and a source of livelihood for many households.

The Persistent Board members and the Foundation Trustees have been very supportive and encouraging of all our ideas and thoughts. The Persistent COVID Relief Fund has proved extremely helpful in carrying out extensive initiatives to help overcome this difficult time. This Fund has helped to provide cooked meals and food kits to more than 35,000 people and medical help to more than 65,000 individuals. We have been able to provide ventilators, oxygen concentrators, neonatal ventilators, refrigerators for vaccine storage, multipara monitors, heart-lung machines, RNA and DNA extraction machines, and much more. We also funded research on the epidemiological and serological survey done by IISER, Pune, India. We helped set up two COVID care centers and equipped them with furniture and consumables. PPE kits were provided to hospitals to protect the staff while treating patients. A lifesaving oxygen supply pipeline was funded at a charitable hospital to help patients requiring oxygen. One of the largest beneficiaries has been sanitation workers, senior citizens at old age homes, differently abled individuals, and daily wage earners who lost their jobs. We feel a sense of moral responsibility in enabling and empowering those around us to live healthy, safe lives.

In all this turmoil, I find strength, optimism, and motivation to continue helping society in this time of need. It is indeed heartening to see the collective dedication of so many like-minded individuals and corporations. The community has come together to face the calamity by sourcing medical equipment,

hospital consumables, vaccines, and food kits to help people in need. This show of unity and collaboration between the corporations and the Indian Government has been the true epitome of democracy.

I am sincerely grateful to all our dear colleagues for their generous donations. We were able to increase the scope of our contributions quite significantly because of your generosity. The food kit distribution drives demonstrated the spirit of camaraderie and dedication during these trying times. My gratitude to those who helped us in the procurement of the medical equipment at reasonable prices. My team has been working tirelessly throughout and has been very committed and enthusiastic in driving our mission forward.

As the new year begins, we were faced with tougher challenges and the need to provide faster and quicker solutions to address the current situation and to be prepared for all possibilities in the days to come. I would like to send out a collective prayer into the universe to end these trying times and for the world to be a happy and safe place for humankind, once again!

Sonali Deshpande
Chairperson

Areas of focus

COVID-19 Relief Work



Persistent committed to COVID-19 relief, coordinated by **Persistent Foundation**.

We helped organizations as well as migrant laborers, urban poor, tribal, disabled, sex workers and transgenders by offering food and medical support.

Food Support

16K+

Families with ration kits

29K+

Individuals with cooked meals

Medical Care Support

4

Government departments

14

Hospitals and NGOs

700K+

Population disinfected

Health



- Supported **14** centers for **5** services (surgery, orthodontic treatment, speech therapy, nutrition support and follow-up)
- Support across **8** curative healthcare services

Support for individuals affected by facial cleft and cleft palate

1,756

PPE kits provided for surgeries

4

PPE kits per surgery

51:49

Male:Female gender ratio (%)

3,735

Total Individuals supported

Education



- Associated with **11** partners impacting **5,063** students
- IT support to **3** schools
- Specialized programs for students from **6** schools to help enhance reading and writing skills

Kiran — Girls Scholarship and Mentoring Program

34

Placed in leading IT companies

164

Students being supported

42

New students onboarded

122

Mentored virtually by employees

Community Development



- Honeybee keeping training and distribution of solar insecticide
- Livestock Support Center — **₹ 142.53 L** saved over **3** years
- 33** individuals trained in bamboo craft by experts
- 4,000+** trees planted

Integrated watershed development program (Varude village)

4K+

Total beneficiaries

600+

Families benefited by constructing open wells

40M+

Liters of storage capacity created

2.1K

Hectares of land treated

Appreciation

The prompt and timely support from Persistent Foundation ensured that the city's most marginalised frontline workers — the waste pickers — survived the crippling pandemic and the lockdown, and their nuanced requirements going beyond requirements of immediate relief, were taken care of. On behalf of the waste pickers, we deeply appreciate the sensitivity, flexibility, openness and promptness of the support given.

Laxmi Narayanan

Managing Trustee at Kashtakari Panchayat



On behalf of Seva Sahayog Foundation, I would like to thank Persistent Foundation for their timely response and financial support provided for various COVID-19 relief activities undertaken by us. The support positively impacted hundreds of families and children from low income groups in and around Pune where no other support was formerly available. Families of school van drivers, salon shop workers were able to survive these lockdown phases on this support even though their only source of income was lost. Students from the underprivileged communities could continue to learn from home using the free Wi-Fi internet provided by Digital Setu project. This has helped them continue education in new normal times. We are grateful for the continued support extended in these challenging times.

Shailesh Ghatpande

Operations Director at Seva Sahayog Foundation

I would like to express my sincere gratitude towards Persistent Foundation for providing aid in the form of 20 oxygen concentrators in this time of need. Such contributions strengthen our efforts to provide relief to those in need. These are truly unprecedented times but we're grateful that organizations like Persistent Foundation are stepping up to do their bit in this fight against COVID-19.

Dr. Pramod Sawant

Honourable Chief Minister of Goa

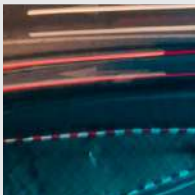


Ronald McDonald House Charities® is grateful to our partners at Persistent Systems for their generosity despite the tremendous challenges in 2020 as a result of the COVID-19 global pandemic.

Thanks to their gift of support, Persistent Systems helped RMHC provide mission critical resources to families with ill or injured children in 62 countries and regions around the world. In addition, support enabled RMHC Global to continue to move our mission forward and support local Chapters that temporarily re-purposed programs to provide places of respite for healthcare professionals that are fighting on the frontlines of the pandemic. During these unprecedented times, we extend our sincerest appreciation to Persistent Systems for helping us provide overnight stays, meals, comfort and compassionate care to families who must travel long distances to seek medical care for their child, healthcare workers and communities across the globe.

Kelly Dolan

President and CEO at Ronald McDonald House Charities®



Corporate Information

Financial Performance

Based on consolidated figures

Profit and Loss Statement

In ₹ million

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Income					
Revenue	41,878.88	35,658.08	33,659.41	30,337.03	28,784.39
Other Income	1,077.72	1,323.77	876.55	1,191.01	958.45
Total	42,956.60	36,981.85	34,535.96	31,528.04	29,742.84
Personnel expenses (including cost of professionals)	30,721.67	25,475.34	22,739.98	21,497.09	19,826.63
Operating and other expenses	4,327.06	5,260.15	5,357.03	4,152.68	4,304.29
Profit before interest, depreciation and amortization, exceptional item and tax	7,907.87	6,246.36	6,438.95	5,878.27	5,611.92
Interest*	57.94	63.32	3.05	0.79	0.91
Depreciation and amortization	1,755.50	1,659.62	1,572.51	1,584.87	1,490.17
Exceptional item (expense)	-	-	-	-	114.11
Provision for taxation	1,587.66	1,120.53	1,346.60	1,061.73	992.08
Profit After Tax (PAT)	4,506.77	3,402.89	3,516.79	3,230.88	3,014.65
Dividend (including proposed dividend) and tax thereon	1,528.50	1,023.25	1,034.50 [@]	921.44	866.58

Profit and Loss Account (Ratios)

In ₹ million

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Personnel expenses/Revenue (%)	73.36	71.44	67.56	70.86	68.88
Operating and other expenses/Revenue (%)	10.33	14.75	15.92	13.69	14.95
Profit before interest, depreciation and amortization, exceptional item and tax/Revenue (%)	18.88	17.52	19.13	19.38	19.50
Interest/Revenue (%)	0.138	0.178	0.009	0.003	0.003
Depreciation and amortization/Revenue (%)	4.19	4.65	4.67	5.22	5.18
Exceptional item/Revenue (%)	-	-	-	-	0.40
Tax/Revenue (%)	3.79	3.14	4.00	3.50	3.45
PAT/Revenue (%)	10.76	9.54	10.45	10.65	10.47
ROCE (%)**	17.59	14.63	15.73	16.03	16.93

* Includes notional interest on lease liability FY21: Rs. 57.53 million (FY 20: Rs. 61.22 million) recognised in accordance with IND AS - 116 on Leases.

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

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

Financial Highlights

Financial Year ending on March 31



Committees of the Board

As on June 10, 2021

Audit Committee	\	Praveen Kadle	Chairman of the Committee and Independent Director
	\	Roshini Bakshi	Independent Director
	\	Pradeep Bhargava	Independent Director

Risk Management Committee	\	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	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 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

Executive Committee	\	Pradeep Bhargava	Chairman of the Committee and Independent Director
	\	Roshini Bakshi	Independent Director
	\	Dr. Anant Jhingran	Independent Director
	\	Praveen Kadle	Independent Director
	\	Sandeep Kalra	Executive Director and Chief Executive Officer
	\	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

Executive Director and Chief Executive Officer



Sunil Sapre

Executive Director and Chief Financial Officer



Roshini Bakshi

Independent Director



Pradeep Bhargava

Independent Director



Guy Eiferman

Independent Director



Dr. Anant Jhingran

Independent Director



Praveen Kadle

Independent Director



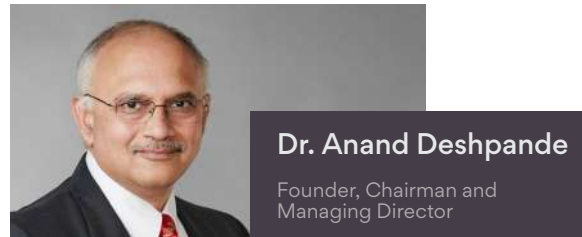
Thomas Kendra

Non-Executive Non-Independent Director



Prof. Deepak Phatak

Recipient of Padma Shri Award and Independent Director



Dr. Anand Deshpande is the Founder, Chairman and Managing Director of Persistent Systems since its inception. As a true technology visionary, Anand's strengths lie in identifying and investing in next-generation technologies and encouraging internal entrepreneurship to ensure that Persistent Systems stays at the forefront of technology innovation.

Anand holds a B. Tech. (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 his alma mater, IIT Kharagpur, as a Distinguished Alumnus in 2012 and by the School of Informatics of Indiana University with the Career Achievement Award in 2007.

Before founding Persistent Systems, Anand began his professional career at Hewlett-Packard Laboratories in Palo Alto, California, where he worked as a member of the technical staff from May 1989 to October 1990.

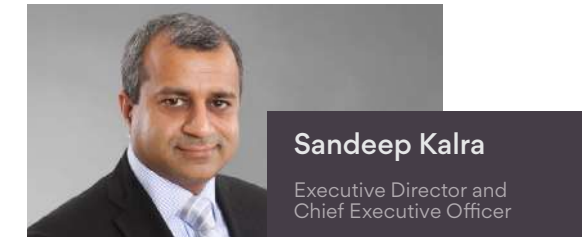
Anand has served in numerous positions at various professional and non-profit organizations viz. NASSCOM's Executive

Council, ACM (Association for Computing Machinery) India, where he was the first President, SEAP (Software Exporters' Association of Pune), Pune Chapter of CSI (Computer Society of India), CII's Pune Zonal Council, Trustee in the Computer History Museum, Dean's Advisory Council in the School of Informatics, Computing and Engineering of Indiana University, iSPIRT where he is a founding member.

Currently, he is a Trustee of Persistent Foundation, part-time member of the [UID Authority of India \(Aadhaar\)](#), Chairman of the Board of Governors of IIT Patna, Member of the Board of Governors of the College of Engineering, Pune, Vice President of the [MCCIA](#), Trustee of the [VLDB Endowment](#), Trustee of BAIF and Director of the ICGA Foundation and Ekagrid Foundation.

With members of his family, he has established [DeAsra Foundation](#), a Section 8 Company which focuses on creating self-employment at scale.

Anand is married to Sonali who is the Chairperson of Persistent Foundation and they have a daughter and a son.



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 - Calcutta, Sandeep spent about 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. Subsequent to HCL Technologies, Sandeep joined Symphony Teleca (then part of Symphony Technology Group) to lead its growth and was instrumental in its successful acquisition by HARMAN. Sandeep then led a 7000+ 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, USA office.

Sandeep is married to Jyotika and they have three daughters.



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 & 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 has been an Independent Director at Persistent since July 2014.

Roshini holds a Bachelor's degree in Economics from Delhi University and a Master's degree in Business Administration from IIM, 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 also 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.



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

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 US\$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.

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, BHEL, 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 Mahratta 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.



Guy Eiferman has been an Independent Director at Persistent Systems since April 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 with responsibility 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, a 20-country region in Europe. 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.

He is married to Noelle and they have three children.



Dr. Anant Jhingran has been on the Board of Persistent from November 10, 2011 to November 3, 2016 and from November 21, 2017.

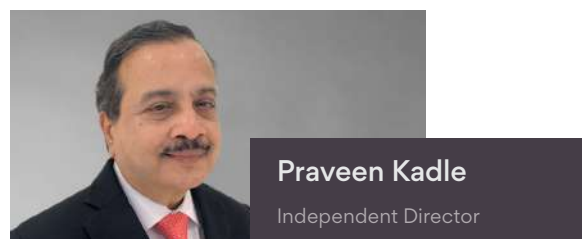
Dr. Anant Jhingran received his Bachelor of Technology degree in Electrical Engineering from IIT Delhi in 1985 where he was the recipient of the President of India's Gold Medal. He subsequently received his Ph.D. in Computer Science from the University of California, Berkeley in 1990.

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.



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

Praveen is currently the non- executive Chairman of Tata Auto- Comp Systems Limited. Parveen is associated with the Tata Group for close to last three decades.

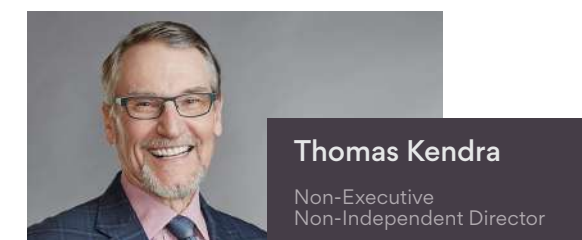
He is on the boards of various Tata and non-Tata companies.

Praveen is a recipient of many recognitions and awards such as CFO of the Year Award in the years 2004 and 2006, as well as Best CFO in Auto Sector in 2007. Praveen was inducted into "CFO Hall of Fame" in 2008. Praveen was recognized "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 artist, and they have a son and a daughter in law.



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 as Executive Vice President of Enterprise Products, and prior to that was Group

President of Security and Data Management Group at Symantec Corporation. He joined Symantec after a 26-year career at International Business Machines Corp. (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 the 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.



Prof. Deepak Phatak
Recipient of Padma Shri Award
and Independent Director

Dr. 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, ReBIT, IBPS, VJTI, IIT Indore etc.

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

Global Locations

Persistent Systems Limited

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

Pune

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

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

Bengaluru

4th and 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

Goa

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

Hyderabad

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

Capiot Software Private Limited

Amrutha Ville, S. No. 14 & 15
Flat No. 210, Raj Bhavan Road
Opp. Yashoda Hospital, Somajiguda
Hyderabad 500 082

Nagpur

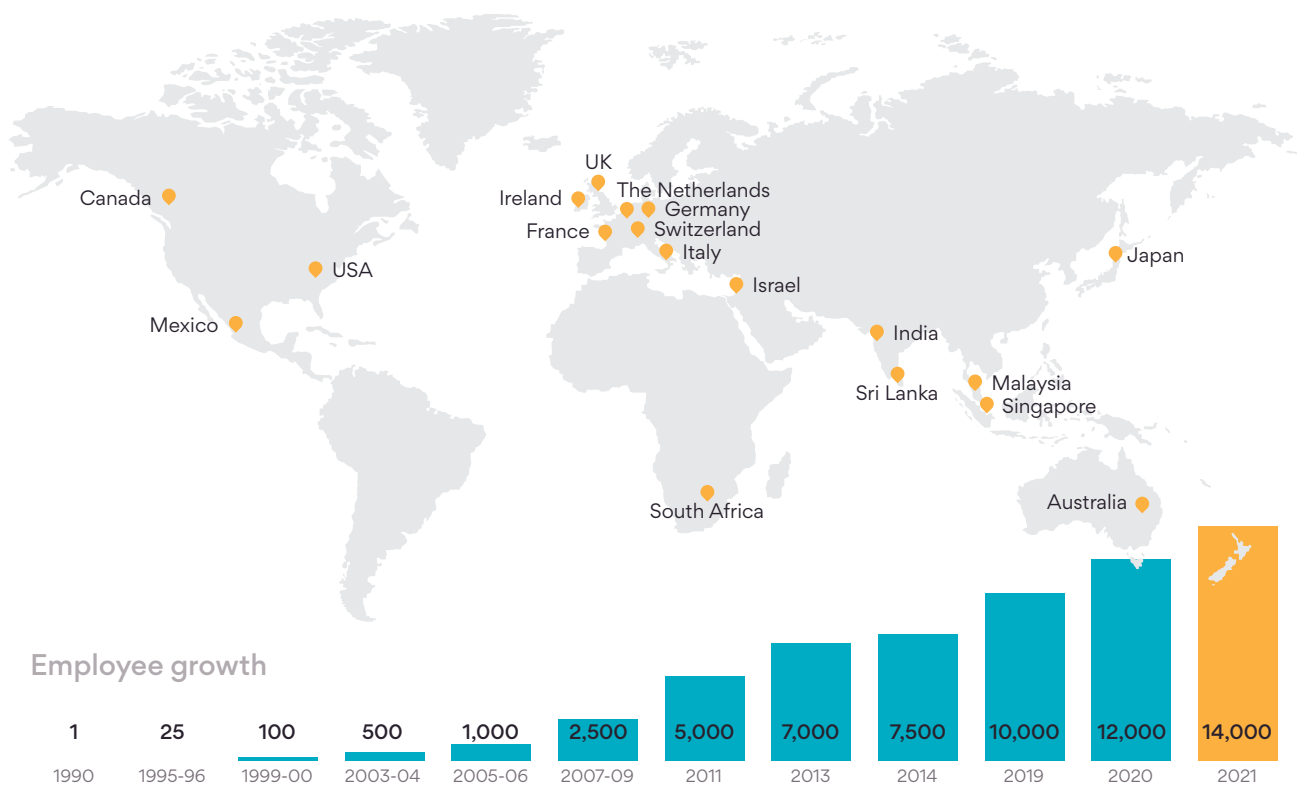
Gargi-Maitreyi
Plot No. 8 and 9, IT Park
MIDC Parsodi, Nagpur 440 022
Tel: +91-0712-6692960
Fax: +91-0712-6692111

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

Mumbai

Unit No. 401 & 402
4th Floor, Alpha Building
Hiranandani Gardens
Powai
Mumbai 400 076

Growing presence in 18 countries



Employee growth

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

Australia

Persistent Systems Limited
Level 12, 680 George Street
Sydney NSW 2000
Tel: +61 02 8280 7355
Fax: +61 02 9287 0350

Capiot Software Pte. Ltd.

Unit 2, 79-81
Oldcastle Hill Road
Castle Hill, NSW 2154

Canada

Persistent Systems Limited

Ottawa

515 Legget Drive, Suite 920
Ottawa, ON, K2K 3G4

British Columbia

Pacific Centre
400-725 Granville Street
Vancouver, BC V7Y 1G5
Tel: +1 604 687 2242
Fax: +1 604 643 1200

Ontario

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

Quebec

1000 De La Gauchetière Street
West, Suite 3700 Montréal, QC,
H3B 4W5

Tel: +1 514 875 5210

Fax: +1 514 875 4308

France

**Persistent Systems
France S.A.S.**

Registered Office
31-35, rue de la Fédération
75015 Paris

Branch Office
1 Rue Berlioz
38600 Fontaine
Tel: +33 4 7653 3580
Fax: +33 4 7653 3589

22 Mail Pablo Picasso
44000 Nantes

Germany

**Persistent Systems
Germany GmbH**
Lyoner Straße 14
60528 Frankfurt am Main

PARX Consulting GmbH

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

Uhlandstraße 175
D-10719 Berlin

Christoph-Rapparini-
Bogen 25
80639 München

Youperience GmbH

Breslauerstraße 9
85435 Erding

Ireland

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

Israel

**Persistent Systems
Israel Limited**

Registered Office
3, Pekeris Street, Tamar Park
Ruhrberg Science Centre
Rehovot 76121

Italy

Persistent Systems S.r.l, Italy

Corso Di Porta Vittoria 9
Milano (MI) CAP 20122

Japan

Persistent Systems Limited
2-21-7-703 Kiba, Koto-ku
Tokyo 135-0042

Malaysia

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

Mexico

**Persistent Systems
Mexico S.A. de C.V.**

Development Centre
Lopez Mateos Sur 1450
Piso 2 - Plaza LasVillas
Tlajomulco, Jalisco, 45640

Singapore

Persistent Systems Pte. Ltd.
Co. Reg. No. 200706736G
8 Shenton Way
21-07 AXA Tower
Singapore 068811
Tel: +65 6223 4355
Fax: +65 6223 7955

Capiot Software Pte. Ltd.

30 Cecil Street, #19-08
Prudential Towers
Singapore 049712

Sri Lanka

**Persistent Systems
Lanka (Private) Limited**
4th Floor
123, Buddhaloka
Mawatha Colombo 4

South Africa

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

Switzerland

Parx Werk AG
Birmensdorferstrasse 108
CH-8003 Zürich
Tel: +41 43 500 97 00
Fax: +41 43 500 97 01

Av. de la Rasude 2
CH-1006 Lausanne

The Netherlands

Persistent Systems Limited

WTC Tower B — 9th floor
Strawinskylaan 937
1077 XX Amsterdam
Tel: +31 20 312 1212
Fax: +31 20 312 1210

United Kingdom

Persistent Systems Limited

184 Shepherds Bush Rd
Hammersmith
London W6 7NL
Tel : +44 0 20 3008 7203

Aepona Limited

Forsyth House,
Cromac Square
Belfast BT2 8LA

Development Centre
3rd Floor, 101 George Street
Edinburgh, EH2 3ES

Youperience Limited

3000 Hillswood Drive
Chertsey
Surrey KT16 ORS
Tel: +44 0 1932 895000

USA

Persistent Systems Limited

USA Branches

California

2055 Laurelwood Road
Suite 210
Santa Clara, CA 95054

North Carolina

160 Mine Lake CT
Suite 200
Raleigh, NC 27615-6417

Persistent Systems Inc.

2055 Laurelwood Road
Suite 210
Santa Clara, CA 95054
Tel: +1 408 216 7010
Fax: +1 408 451 9177

Branch Office

555 U.S. Highway 1 South
Suite 210
Iselin, NJ 08830

Persistent Telecom Solutions Inc.

2055 Laurelwood Road
Suite 210
Santa Clara, CA 95054

Branch Offices

Atlanta

12600 Deerfield Parkway
Suite 100
Alpharetta, GA, 30004

Dublin

5080 Tuttle Crossing Blvd.
Suite 150
Dublin, OH 43016

Irvine

15375, Barranca Parkway
A-205
Irvine, CA 92618

Littleton

1 Monarch Drive
Littleton, CO 01460

New Jersey

555 U.S. Highway 1 South
Suite 210
Iselin, NJ 08830

Raleigh

3005 Carrington Mill Blvd
Suite 175
Morrisville, NC 27560

Seattle

3380 146th PI SE
Suite 220
Bellevue, WA 98007

Capiot Software Inc.

2055 Laurelwood Road
Suite 210
Santa Clara, CA 95054

Corporate Information

As on June 10, 2021

Board of Directors

Dr. Anand Deshpande

Founder, Chairman and Managing Director

Sandeep Kalra

Executive Director and Chief Executive Officer

Sunil Sapre

Executive Director and Chief Financial Officer

Independent Directors

Roshini Bakshi

Pradeep Bhargava

Guy Eiferman

Dr. Anant Jhingran

Praveen Kadle

Prof. Deepak Phatak

Non-Executive Non-Independent Director

Thomas Kendra

Company Secretary

Amit Atre

Auditors

M/s. Walker Chandiok & Co. LLP

Bankers

ABSA Capital Bank

Axis Bank

Bank of Baroda

Bank of India

Barclays Bank

Banco Nacional de Mexico S. A.

BNP Paribas

Bank of Tokyo-Mitsubishi

Citibank NA

HDFC Bank Limited

Hongkong and Shanghai Banking Corporation

Silicon Valley Bank

State Bank of India

Standard Chartered Bank

Syndicate Bank

Union Bank of India

Wells Fargo Bank

CommonWealth Bank

DBS Bank

Kotak Mahindra Bank Limited

ICICI Bank Limited

VR-Bank Ismaning Hallbergmoos Neufahrn eG

Registered Office

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

Contact Info

Tel: +91 20 6703 0000

Fax: +91 20 6703 0008

Email: info@persistent.com

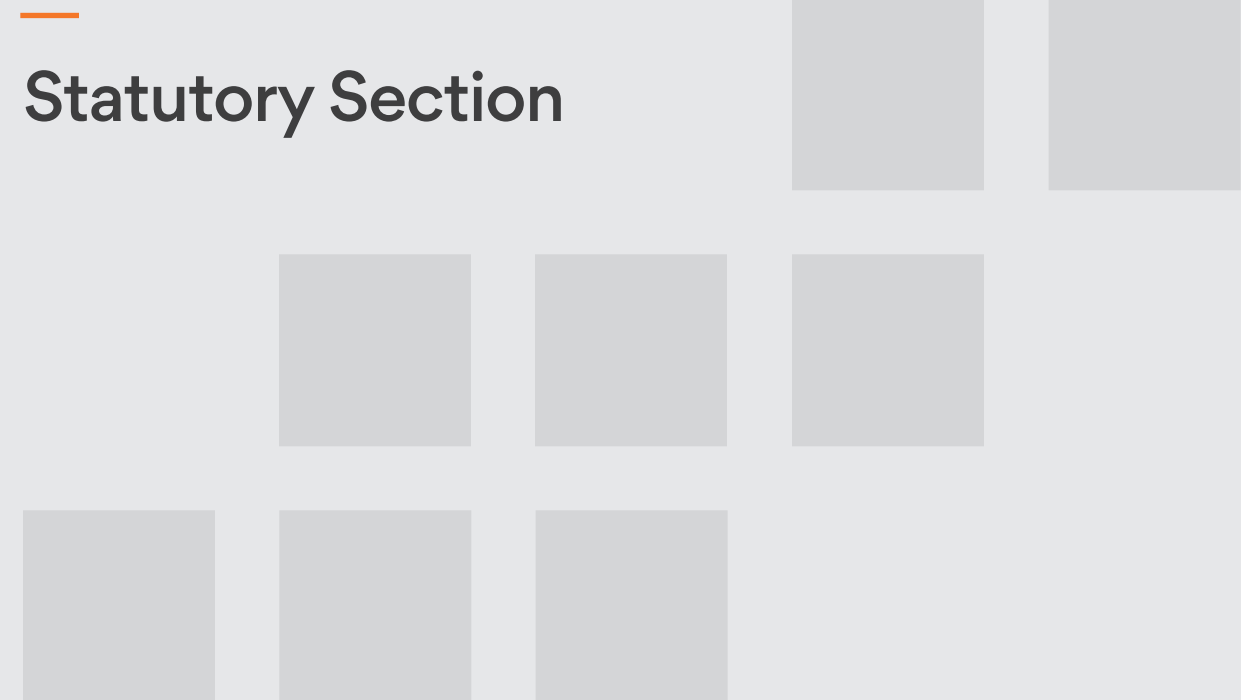
Website: www.persistent.com

 [persistent-systems](https://www.linkedin.com/company/persistent-systems)

 [persistentsys](https://twitter.com/persistentsys)

 [persistentsystems](https://www.facebook.com/persistentsystems)

 [persistent_systems](https://www.instagram.com/persistent_systems)



Message from the CFO

Dear Shareowners,

The year 2020-21 was an unusual year which changed the world. The pandemic which started early in the year was an uncharted territory for all of us. Our focus shifted to safety and wellbeing of our people. As we shifted from office to home, our priorities moved to creating safe remote working environment with minimal possible disruption to the business. To ensure continuous services to our customers, we leveraged our business continuity and crisis management teams to handle this exceptional situation. We are proud of the determination and resiliency shown by our employees in dealing with such an adversity.

As we defined our new normal, we elevated collaboration to deliver value to our customers. While remote working became a part of life, accelerated digital adoption presented enormous opportunities for the companies in our space and it was heartening to see how we stepped up during the year which had one of most severe crisis the world has seen.

We registered double-digit growth for the year @ 12.9% in USD terms and 17.4% in INR terms. Our CAGR of revenue since IPO stands at 14.6%. PAT for the year grew by 32.4%. Improved revenue, continuing focus on cost management and savings infrastructure and travel expenses helped us improve margins.

Our DSO as on March 31, 2021 was at 55 days demonstrating significant improvement in customer collections. The cash position of the Company continues to be healthy, with cash and cash equivalents of ₹ 19,630 million as on March 31, 2021.

We acquired CAPIOT Group, an IT services provider having presence in India and US. The acquisition will help us in strengthening MuleSoft, TIBCO and API-led integration capabilities.

On the CSR front, we pledged to contribute ₹ 250 million to support the global response to COVID-19 pandemic. We have already contributed major portion of this amount during the year FY21 while the balance is being utilised for the vaccination drive.

The Board has recommended a final dividend of ₹ 6 per share and this along with an interim dividend declared in January 2021 of ₹ 14 per share would make a total dividend of ₹ 20 for the year with a pay-out ratio of 33.8%. The EPS for the year was at ₹ 58.97 per share with a YoY growth of 32.9%

With collective and focused efforts of our leadership team and all the employees, we look forward to continuing the momentum generated over the last several quarters.

I would like to extend my sincere thanks to all our investors who have invested in our vision. I would also to thank all our employees for the resilience shown by them. We will strive to deliver value to our customers and enhance shareholder value.

Sincerely,

Sunil Sapre

Executive Director and Chief Financial Officer

DIN: 06475949

Report of the Directors

Your Directors are pleased to present the Thirty-First Annual Report of your Company along with the Audited Financial Statements for the financial year ended March 31, 2021.

Business Update

This financial year was one of your Company's strongest performance over the last decade and one that demonstrates the unquestionable value and dedication that your Company brings to clients every day. With the uncertainty of the pandemic front and centre, your Company came together like no other to ensure the safety and well-being of all employees, to maintain strong business continuity for all clients, and to contribute to global COVID-19 relief in the markets we operate.

Through Persistent Foundation, your Company committed to donate \$3.3M (\$300 per employee) to COVID-19 relief efforts globally. This funding went to various highly regarded organizations working on the front lines to provide critical medical equipment, PPE kits, food to affected families and more. In addition to the funding, the Foundation logged over 5,000 volunteer hours, with more each day as the second wave bears down hard in India.

Despite the many challenges brought on by the pandemic, your Company ended the year at US \$566.08M, representing year on year growth of 12.9%. In addition, improved operational rigour and optimization across all units and enabling functions delivered significant improvements in EBIT, ending 55.2% year on year. This performance and market momentum enabled record-high stock performance, driving our market capitalization beyond \$2.0B.

Your Company proudly welcomed over 3,000 new team members to support this growth, bringing the total strength to 13,680 employees globally. This infusion of talent included the acquisition of CAPIOT, bolstering our expertise in the fast-growing enterprise integration market. In addition, Persistent continues to strengthen our leadership team for the future, including the promotion of Mr. Sandeep Kalra, previously President of TSU to the Chief Executive Officer of your Company on October 23, 2020.

At the same time, your Company executed industry-leading delivery excellence and customer satisfaction. Competing against 4,000 other companies in the IT industry, your Company won the prestigious [ISG 2020 Star of Excellence Award™](#) for core technologies globally, as well as for North America, APAC, BFSI and HCLS. These coveted awards are significant because they result from direct feedback which ISG received from over 100 Persistent clients – more than any provider.

Delivering this strong performance during such uncertain and challenging times was not easy. Reflecting upon the year gone by, the following three key pillars were fundamental to your Company's success:

1\ Resilience

Despite many pressures and unique challenges each of our employees faced during the pandemic, they remained focused on delivering robust performance and consistent business continuity for the Company, and more importantly, for the clients.

2\ Relationships

Our teams carefully listened to their clients' needs and proactively partnered with them as they charted their path to digital acceleration providing differentiated, higher value and outcome-based engagement models to strengthen our relationships for the long term.

3\ Reinvention

With 30+ years of digital engineering DNA and deep expertise in the latest cloud technology, your Company worked diligently with its clients to quickly reimagine, develop, integrate, and manage the new software required to run their now fully digital business.

We will continue to put great focus on these dimensions in the coming year, as they will no doubt be the bedrock of Persistent's growth in the future. Your Company has the team to make it happen – it is now all about disciplined execution.

A. Financial Section

Financial Results

The highlights of the financial performance on a consolidated basis for the year ended March 31, 2021 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 ₹)
	2020-21	2019-20	2020-21	2019-20	
Revenue from Operations	566.08	501.61	41,878.88	35,658.08	17.45%
Earnings before interest, depreciation, amortization and taxes	92.32	69.34	6,830.15	4,929.54	38.56%
Finance Cost*	0.78	0.89	57.94	63.32	(8.50%)
Depreciation and amortization	23.73	23.35	1,755.50	1,659.62	5.78%
Other income	14.57	18.53	1,077.72	1,316.82	(18.16%)
Tax expense	21.46	15.76	1,587.66	1,120.53	41.69%
Net profit	60.92	47.87	4,506.77	3,402.89	32.44%
Transfer to general reserve	27.31	22.94	2,020.34	1,630.89	23.88%
Net worth**	381.61	314.56	27,899.35	23,799.84	17.22%
Earnings per share (EPS) (Basic)	0.80	0.62	58.97	44.38	32.88%
Earnings per share (EPS) (Diluted)	0.80	0.62	58.97	44.38	32.88%
Book value per equity share	4.99	4.12	365.06	311.41	17.22%
Market value per equity share as on March 31					
BSE Limited	-	-	1,918.75	551.00	248.23
National Stock Exchange of India Limited	-	-	1,922.05	550.95	248.86

[Conversion Rate USD 1 = ₹ 73.98 for Profit and Loss items; USD 1 = ₹ 73.11 for Balance Sheet items (Financial Year 2020-21) and USD 1 = ₹ 71.09 for Profit and Loss items; USD 1 = ₹ 75.66 for Balance Sheet items (Financial Year 2019-20)]

*Includes notional interest on lease liability ₹ 57.53 million recognized in accordance with IND AS - 116 on Leases for the year ended March 31, 2021. (Financial Year 2019-20: ₹ 61.22 million)

**Net worth = Equity Share Capital + Reserves and Surplus (excluding Gain on bargain purchase) + Other Comprehensive Income

The highlights of the financial performance on an unconsolidated basis for the year ended March 31, 2021 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 ₹)
	2020-21	2019-20	2020-21	2019-20	
Revenue from Operations	335.17	296.54	24,796.08	21,081.22	17.62%
Earnings before interest, depreciation, amortization and taxes	82.58	60.90	6,109.04	4,329.65	41.10%
Finance Cost*	0.52	0.63	38.21	44.51	(14.15%)
Depreciation and amortization	7.66	7.81	566.79	555.12	2.10%
Other income	15.90	22.49	1,176.16	1,599.04	(26.45%)
Tax expense	22.02	17.61	1,629.34	1,251.83	30.16%
Net profit	68.27	57.35	5,050.86	4,077.23	23.88%
Transfer to general reserve	27.31	22.94	2,020.34	1,630.89	23.88%
Net worth**	378.27	303.80	27,655.24	22,985.38	20.32%
Earnings per share (EPS) (Basic)	0.89	0.75	66.09	53.17	24.30%
Earnings per share (EPS) (Diluted)	0.89	0.75	66.09	53.17	24.30%
Book value per equity share	4.95	3.98	361.86	300.76	20.32%
Market value per equity share as on March 31					
BSE Limited	-	-	1,918.75	551.00	248.23
National Stock Exchange of India Limited	-	-	1,922.05	550.95	248.86

[Conversion Rate USD 1 = ₹ 73.98 for Profit and Loss items; USD 1 = ₹ 73.11 for Balance Sheet items (Financial Year 2020-21) and USD 1 = ₹ 71.09 for Profit and Loss items; USD 1 = ₹ 75.66 for Balance Sheet items (Financial Year 2019-20)]

*Includes notional interest on lease liability ₹ 38.09 million recognised in accordance with IND AS – 116 on Leases for the year ended March 31, 2021. (Financial Year 2019-20: ₹ 43.86 million)

**Net worth = Equity Share Capital + Reserves and Surplus + Other Comprehensive Income

Material Events Occurring after Balance Sheet Date

There were no material changes and commitments affecting the financial position of your Company between the end of the financial year 2020-21 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, 2021. Your Directors believe that the consolidated financial statements present a more comprehensive picture as compared to standalone financial statements. These documents are available for inspection during the business hours at the Registered Office of your Company and the respective subsidiary companies. A statement showing 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 in soft copy 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, 2021 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

Appointment of Statutory Auditors

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

Further, in terms of 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 Chandiok & Co LLP have confirmed that they hold a valid certificate issued by 'Peer Review Board' of ICAI and have provided a copy of the said certificate to your Company for reference and records.

Secretarial Audit Report

Pursuant to Section 204 of the Act, the Board of Directors had appointed M/s. PVS and Associates, Practicing Company Secretary as the Secretarial Auditors of your Company for the financial year 2020-21.

Accordingly, the Secretarial Auditors have given their report, which is annexed hereto as [Annexure A](#). A single observation mentioned therein by the Secretarial Auditors is self explanatory in nature.

Reporting of frauds by auditors

During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the Audit Committee, under Section 143(12) of the Companies Act, 2013, 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 in respect of 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 generation of 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, your Company claimed exemptions from the requirement of the Cost Auditor for the said purposes and accordingly, 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, 15, 16, 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 ₹ 2,020.34 million has been transferred to the General Reserve and an amount of ₹ 2,026.45 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, 2021 is ₹ 11,888.23 million.

Fixed Deposits

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

Liquidity

Your Company continues to maintain adequate amount of 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, 2021, your Company, on an unconsolidated basis, had cash and cash equivalents (including investments) amounting to ₹ 17,711.05 million as against ₹ 12,687.08 million as at March 31, 2020.

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

Particulars	(In ₹ million)	
	As on March 31, 2021	As on March 31, 2020
Investment in Mutual Funds at fair value	7,181.94	7,339.28
Fixed Deposits with scheduled banks	7,108.47	2,643.65
Bonds (quoted)	2,557.92	2,171.52
Cash and Bank balances	862.72	532.63
Total	17,711.05	12,687.08

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

Particulars	(In ₹ million)	
	Year ended on March 31	
	2021	2020
Capital expenditure	-	1.04
Revenue expenditure	196.72	243.05
Total research and development expenditure	196.72	244.09
As a percentage of total income	0.76%	1.08%

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

Particulars	(In ₹ million)	
	Year ended on March 31	
	2021	2020
Earnings	21,209.15	19,207.33
Outgo	3,770.79	5,241.20

Update on Fixed Deposits with IL&FS

One of the investments in your Company's treasury portfolio, is in the form of fixed deposits with Infrastructure Leasing and Financial Services Limited (IL&FS) and IL&FS Financial Services Limited (IL&FS Group) to the extent of ₹ 430 million. 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, your Company has fully provided for these deposits along with interest accrued thereon till the date, as the deposits had become doubtful of recovery. Your Company continues to be hopeful of recovery though with a time lag and 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 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/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. 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 related parties were in conflict with your Company's interest. The list of Related Party Transactions entered into by your Company for FY 2020-21 (on consolidated basis) are available on <https://www.persistent.com/investors/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 forms 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 2020-21 are given in the [Report on Corporate Governance](#) forming part of this Annual Report.

Directors and Key Managerial Personnel

During the year under report, the Members of your Company in 30th AGM confirmed the appointment/re-appointment as follows:

- a. Re-appointment of Dr. Anand Deshpande (DIN: 00005721), Chairman and Managing Director of your Company as the Managing Director of the Company liable to retire by rotation, to hold office for a period of 5 (Five) years i.e. up to the conclusion of the 35th Annual General Meeting of the your Company to be held on or before September 30, 2025.
- b. Confirmation of appointment of Mr. Praveen Kadle (DIN: 00016814) as an Independent Director of your Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years i.e. up to April 22, 2025.

Further, Mr. Prakash Telang and Mr. Kiran Umrootkar, Independent Directors of your Company, retired at the conclusion of the 30th AGM of your Company held on July 24, 2020.

During the year under report, Mr. Christopher O'Connor, Executive Director and Chief Executive Officer resigned effective from August 9, 2020 due to his personal reasons. He has confirmed that there were no material reasons for his resignation other than the reason mentioned above.

Subsequently, the Board of Directors, at its meeting held in October 2020, appointed Mr. Sandeep Kalra, Executive Director and President as the Chief Executive Officer of your Company with effect from October 23, 2020. Accordingly, his designation changed to 'Executive Director and Chief Executive Officer'.

Also, Mr. Sunil Sapre, Executive Director and Chief Financial Officer was appointed as the Executive Director of your Company for a period of 3 (Three) consecutive years for a term up to January 26, 2021. Accordingly, his term of appointment ended on January 26, 2021.

During the year under report, your Board has appointed Mr. Sunil Sapre as an Additional Director (Executive Member) with effect from January 27, 2021 till September 30, 2024 subject to the approval of the Members at the ensuing AGM.

The Board of Directors of your Company at the meeting held on June 10, 2021 recommended Mr. Sapre's appointment as an Executive Director for the term up to September 30, 2024. Your Board considered his expertise, wide industry experience and financial acumen for recommending his appointment. Pursuant to the provisions of the Act, he is liable to retire by rotation.

Mr. Sapre has confirmed his eligibility and willingness to accept the office of the Director of your Company, if confirmed by the Members at the ensuing AGM. In the opinion of your Directors, Mr. Sapre has requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the appointment of Mr. Sapre be passed with the requisite majority. Mr. Sapre's profile forms part of this Annual Report and has also been provided in the Notice of the 31st AGM.

In terms of Section 152(6) of the Act and Article 137 of the Articles of Association of your Company, Mr. Sandeep Kalra, Executive Director and Chief Executive Officer 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. 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 possess requisite qualifications and experience and therefore, your Directors recommend that the proposed resolution relating to the re-appointment of Mr. Kalra be passed with the requisite majority.

At present, your Company has 6 (Six) Non-Executive Directors who are Independent Directors. Pursuant to the 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 Chairman is an Executive Director. Your Company complies with this requirement.

There is no inter-se relationship between the Directors.

In terms of the Listing Regulations, your Company conducts the Familiarization Program for Independent Directors about their roles, rights and responsibilities in your Company, 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 Rules framed thereunder and Regulation 16 of the Listing Regulations.

They have been already registered with MCA Databank of Independent Directors.

During the Financial Year 2020-21, a separate meeting, exclusively of the Independent Directors was held on April 25, 2020, 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 appointment of a new director on the Board is as follows:

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

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 specialized in Board evaluations. The performance of the Board was evaluated by seeking inputs from all the directors and senior management. The evaluation criteria include aspects such as the board composition and structure, effectiveness of board processes, information and functioning, etc. The evaluation was conducted in March and April 2021 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 2021.

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

- 1\ 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.
- 2\ The risks are changing very fast. More work needs to be done to ensure that we are managing risks adequately.
- 3\ The Investment Committee is a welcome new group which could be leveraged more by the Management.

Proposed actions based on current year's comments:

- 1\ The impact assessment of risks in Risk Repository is a regular activity and is being conducted on quarter to quarter basis. This activity will be conducted more rigorously henceforth.
- 2\ The Investment Committee of the Company was reconstituted in July 2020 to focus and particularly assess the investment opportunities through acquisitions, mergers and joint ventures. The Committee also reviews the previous investments made by your Company during its periodic meetings.

Previous year's observations (For FY 2019-20) and actions taken are as follows:

For the previous year, the comments received from the external management consultant were generic in nature and hence there were no specific actions required.

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 plans

Your Company has various stock option plans for its employees. Details of the stock options granted under various employee stock option schemes are provided as [Annexure D](#) to the Report.

During the year under report, no employee has been granted stock options, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of your Company at the time of grant.

In line with the Ind AS 102 – “Share Based Payments”, your Company has computed the cost of equity-settled transactions by using the fair value of the options at the date of the grant and recognized as employee compensation cost over the vesting period.

During the year under report, 187 employees were granted 1,832,500 options under the Employee Stock Option Plan 2017. No new options or shares were granted to the Independent Directors of your Company during the year under report.

Shares held by the Independent Directors and Non-Executive Non-Independent Director as on March 31, 2021 are as under:

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
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

* Granted before April 1, 2014.

During the year under report, the Nomination and Remuneration Committee have granted RSU's to the following Director and senior executive of your Company:

Name of the RSU Grantee	Designation	Date of Grant	No. of RSU's
Sandeep Kalra	Executive Director and Chief Executive Officer	November 1, 2020	50,000
Charles Owen	Chief Corporate Development Officer	February 1, 2021	15,000

During the year under report, pursuant to the resolutions passed by the Nomination and Remuneration Committee of the Board of Directors by way of circulation, employees including ex-employees exercised their stock options for shares which were already vested in their name. During this year, 391,382 (Three Hundred Ninety-One Thousand Three Hundred and Eighty-Two) i.e. 0.51% Equity Shares of the total Paid-up Capital were transferred by PSPL ESOP Management Trust to the eligible employees including ex-employees at an aggregate value of ₹ 66.56 million under various ESOP Schemes of your Company.

Your Company has 13 (Thirteen) ESOP Schemes as on March 31, 2021 under which options were granted to various Independent Directors, employees of the Company and its subsidiaries, details of which are given elsewhere in this Annual Report.

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 the process of grant of donations.

Last year, Persistent Foundation (the 'Foundation') celebrated its eleventh year of establishment. During these 12 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 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 ₹ 140 million to the Foundation, your Company made a donation of ₹ 10 million to PM CARES Fund directly. Thus, during the year under report, your Company donated ₹ 150 million i.e. more than 2% of the Average Net Profits of your Company made during three immediately preceding financial years. The Company has also donated ₹ 10 million to Chief Minister's Relief Fund (COVID-19), Maharashtra which is not considered as CSR Activity in terms of Sch. VII of the Act.

In the growing concern of COVID-19 pandemic, your Company has taken a decision to make worldwide donations and has allocated USD 3.30 million towards the same. Details of these donations form an integral part of [Report on CSR activities](#).

[Report on CSR activities](#) of your Company under the provisions of the Act during the Financial Year 2020-21 is annexed hereto as [Annexure E](#).

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

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 has 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.

C. Equity and Related Information

Listing with the stock exchanges

The Equity Shares of your Company are listed on BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) since April 6, 2010. Listing fees for the Financial Year 2020-21 have been paid to both BSE and NSE.

Institutional Holding

As on March 31, 2021, the total institutional holding in your Company stood at 48.85% of the total share capital.

Dividend for the Financial Year 2020-21

The details of the Dividend for the Financial Year 2020-21 and 2019-20 are as follows:

Type of Dividend	Financial Year 2020-21		Financial Year 2019-20	
	Interim	Final	Interim 1	Interim 2
Month of Declaration/recommendation	Jan-21	Apr-21	Jan-20	Mar-20
Amount of Dividend Per Equity Share of ₹ 10 each (In ₹)	14	6	9	3
% of Dividend	140%	60%	90%	30%
Total Dividend (Amt. in ₹ million)	1,069.95	458.55	687.83	229.28
Dividend Distribution Tax (Amt. in ₹ million)*	-	-	87.47	18.67
Total Outflow (Including Dividend Distribution Tax) (Amt. in ₹ million)	1,069.95	458.55	775.30	247.95
Total Dividend Outflow for the year (Amt. in ₹ million)	1,528.50		1,023.25	

*The Finance Act, 2020 in India has repealed Dividend Distribution Tax (DDT). The dividend income is taxable in the hands of shareholders w.e.f. April 1, 2020.

The payment of final dividend of ₹ 6 per share is subject to your approval during the 31st AGM of your Company. The Dividend will be paid out of profits of your Company.

Out of the interim dividend declared in January 2021, ₹ 0.19 million remained unclaimed as on March 31, 2021.

Your Company has 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 pay-out 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 and the pay-out ratio for the Financial Year 2020-21 is 33.92% subject to approval by the shareholders for the proposed final dividend.

Pursuant to the Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and your connect this paragraph for various categories, 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 documents (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, 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 ₹ 209,720 to the IEPF Authority. Further, 210 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 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, 2021 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\	Aggregate number of allottees in the Unclaimed Securities Suspense Account lying at the beginning of the Financial Year 2020-21	7 allottees
2\	Aggregate number of the outstanding equity shares in the Unclaimed Securities Suspense Account lying at the beginning of the Financial Year 2020-21	140 Equity shares
3\	Number of allottees who approached issuer for transfer of shares from Unclaimed Securities Suspense Account during the Financial Year 2020-21	Nil
4\	Number of shares transferred from Unclaimed Securities Suspense Account during the Financial Year 2020-21	Nil
5\	Aggregate number of allottees in the Unclaimed Securities Suspense Account lying at the end of the Financial Year 2020-21	7 allottees
6\	Aggregate number of outstanding equity shares in the Unclaimed Securities Suspense Account lying at the end of the Financial Year 2020-21	140 Equity shares

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

D. ESG

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: Existing AC's based on R-22 gas replaced with energy efficient Inverter based ACs based on environment friendly gases R-32/R-410 /R 407 C
- 2\ Regulated & optimized the schedules of lifts, vending machines, ventilation system, HVAC system etc. as per occupancy
- 3\ Great emphasis on Energy Conservation with an in-house team of experts:
 - a. LEDs in place of CFLs
 - b. Ozonators in ACs (which also disinfects the air and makes the air healthier)
 - c. Setting optimum temp settings for ACs as a SOP
 - d. Upgradation of ACs to better VRV technology on an ongoing basis
 - e. Culture of 'switching off when not in use', actually practiced
- 4\ Thermal Solar water heaters for our cafeterias and Gym saved 44,352 kWh per annum
- 5\ 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.
- 6\ Updated EHS (Environment Health and Safety) Policy
- 7\ Usage of Renewable energy for self-use, 54% Units Generated of total requirement through Rooftop Solar powerplants and owned two Windmills
- 8\ Your Company is an ISO 14064: 2018 [Green House Gases (GHGs) Monitoring and Reduction] certified company, for India operations and facilities, but including global travel
 - a. Only IT Company in India to be certified to this standard (latest version)
 - b. Yearly Target is 3% reduction, which we have been surpassing each year
 - c. We have reduced over 27% of our carbon footprint in last 5 FYs
- 9\ All the facilities of your Company in India are ISO certified by DNVGL for Environment Management Systems ISO 14001:2015 and Occupational Health and Safety Management System Standard by ISO 45001:2018 certifications, after surveillance audit (January 2021)

Renewable Energy Initiatives, Water Management and Waste Management Initiatives of the Company for the FY 2020-21 are given in the [Business Responsibility Report](#) forming part of this Annual Report.

Customer experience, operational excellence on Green activities

- 1\ Employees feel proud of belonging to a green company and volunteer more for green initiatives like tree plantation, tree maintenance & society awareness related to sustainability. Employees contributing regularly for Tree Plantation
- 2\ LED lighting has improved the ambience and freshness of workplace
- 3\ Customers appreciate our initiatives and sense of Social Responsibility during their visits, including our ISO 14001 and ISO 14064 certification
- 4\ Ozonates improved indoor air quality and higher oxygen levels, clearly felt by inmates as well as visitors. We are the very few IT companies to have this feature installed in our AC systems
- 5\ We are the very few IT companies to have solar panels on almost all our rooftops and to own two 2.1 MW windmills
- 6\ In addition, also installed Solar panels on Pune and Hyderabad Railway Stations and at Tarachand Hospital, Pune under CSR activity
- 7\ Appreciation from NASSCOM for Green IT Initiatives in Pune city
- 8\ Insistence on ecofriendly & high efficiency products, is promoting vendors with such products
- 9\ Impact caused by the implementation of Green initiatives on 'employee/end user satisfaction'
- 10\ Better, healthy and working environment with freshness, greenery, and brighter workspaces

- 11\ Greater bonding with local community and environmental groups
- 12\ Zero Accidents till date in our entire Organization
- 13\ Best practices to preserve the environment/health and safety are undertaken by your Company even during constructing its various premises by using crush sand, fly ash bricks and double glass unit, use of gypsum and recycled wood to protect the environment
- 14\ It is your Company's constant endeavor to conserve and save the Environment and hence your Company has launched the 'Green Persistent Movement' to support the same. This is aimed at encouraging employees to save energy at their homes. Though power cost constitutes an insignificant part of the total expenses, the financial impact of these measures may not be material, but it brings in considerable awareness in the employees and their families
- 15\ Lower insurance premiums as risks and liabilities are reduced
- 16\ Building corporate image of organization globally
- 17\ Reducing Operation and maintenance costs
- 18\ Star Rating Scheme by BEE for two commercial buildings of your Company

ESG Journey at Persistent

Our vision goes beyond business and compliance. We acknowledge that success is not a stand-alone concept, rather it is an intricate combination of many factors including environmental and social responsibility, and corporate governance (ESG). We recognize that a strong ESG proposition can create long lasting value for all our direct and indirect stakeholders. Our core values- Ingenious, Responsible, Persistent and Confident are all about 'transforming new ideas while optimizing our resource utilization', 'Be responsible and communicate with clarity', and our global practice demands 'Respect and openness towards each other, the communities around us and global society at large', 'Stay determined in our activities to help our customers and people around the world to succeed'. We are constantly on a journey of finding innovative ways to improvise our business conduct.

For this, we understand that it is crucial to identify and assess how we mitigate our non-financial risks, and take steps in the right direction accordingly.

Our Environmental commitment

'Ingenious' - one of our core values is all about doing more with less. In doing so, we believe in being versatile in action and agile in thought. Our Environment, Health and Safety (EHS) Policy provides guidelines on conserving environment and continually improving our EHS performance. It has been our constant endeavor to ensure that we reduce the carbon footprint of our business activities. We continue to monitor and work towards reducing our carbon footprint by sourcing energy from renewable sources like solar and wind energy, and improving energy efficiency. Similarly, as part of our efforts to safeguard the environment, we have undertaken watershed and rainwater harvesting projects in rural Maharashtra, regular tree plantation drives, and plastic free campuses. During FY 2020-21, we planted 10,000+ saplings to celebrate increase in the headcount beyond 10,000 mark. Our efforts were recognized with the "Excellence in Sustainability" award by iNFHRA for the year 2020-21.

All the facilities of your Company in India are certified to the international environment, health and safety standards namely ISO 14001:2015 and ISO 45001:2018. Also, all the facilities of your Company in India are certified by AGS for ISO 14064-1:2006 is upgraded to ISO 14064-1:2018 for greenhouse gas inventory.

Our Social Commitment

As a responsible organization, it is central to our values to give back to the community and the environment in which we operate. Our CSR Policy guides us for our CSR activities. Through Persistent Foundation, we continue to support CSR initiatives focusing on the three pillars viz. Education, Health and Community Development. In the Financial Year 2020-21, we supported 14 centers for facial cleft and cleft palate. Out of 14 centers, 12 centers have served COVID-19 patients. Your Company equally pays attention on the social hygiene among the employees.

Corporate Governance

We believe in exceeding the highest standards of corporate governance as it enhances the long-term value of the company for its stakeholders. The Management at Persistent is fully committed to implementing best practices in corporate governance to ensure transparency, accountability and integrity. All the regulatory compliances applicable to your Company's operations globally are monitored and tracked through a web-based Compliance Management Tool. We have established policies and committees to deal with different corporate governance issues. The Company's Ethics Policy, Code of Conduct for Director and Employees, Vendor Code of Conduct, Code of Conduct for prevention of insider trading Anti-Corruption, Fraud Risk Management Policy, Anti-human trafficking policy and Whistle Blower Policy provide guidance for the highest standards of business ethics and corporate governance.

ESG — Way Forward

Year 2021 marks a milestone year for us as we undertake a review of the progress we have made so far in our sustainability journey, and chart our future path and ambitions.

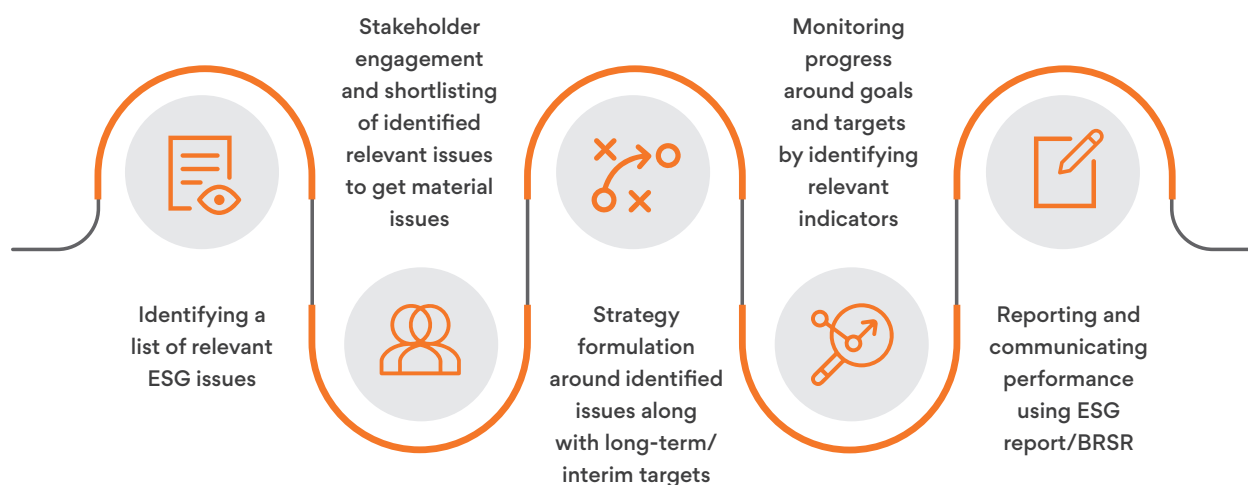
As the demand and expectations from the larger society, Governments, regulators and various other stakeholders for transparent and responsible business conduct keep rising, we see integration of ESG in our business as a business imperative. ESG analysis and transparent reporting can provide valuable insights and help create long-term value for our stakeholders. We are also aware that ESG is linked directly to facilitating top-line growth, reducing costs. This will also relate to minimizing regulatory and legal interventions, increasing employee productivity, optimizing investment and capital expenditures.

We will engage more with our stakeholders

We look forward to understanding our stakeholders better by identifying them and engaging with them more comprehensively. Our objective would be to identify priority areas for our stakeholders under the broad domains of environment, social and governance. This will help us to broaden our ESG focus and rank our priorities in consultation with our stakeholders. Through stakeholder consultations, we would identify the topics material to our stakeholders. The material topics will be shortlisted and prioritized based on their impact on our stakeholder and business and initiating actions.

We will establish an ESG strategy and roadmap

The materiality assessment would form the first step towards developing a long term ESG strategy and goals for Persistent. We intend to establish clear ESG targets as our “ESG Ambition – 2030” by focusing on the right issues where we want to create the most impact over long term. A detailed road map to achieve these strategic ESG goals will be charted with clear milestones, action plans and responsibilities. The status of our commitment to the ESG Ambition - 2030 will be communicated in the annual Sustainability Reporting.



Typical ESG Strategy

We will communicate more comprehensively

Your Company has been communicating its performance on the various ESG aspects through its Annual Report and the Business Responsibility Report (BRR). We are looking forward to strengthening our communication on ESG by aligning it with global sustainability goals and ESG reporting frameworks such as the UN sustainable development goals and the GRI sustainability reporting standards. The report will set out a structured process for reviewing and updating our priorities, focus areas and goals, measuring, reporting and accountability, and will also help us and our stakeholders to benchmark our ESG performance and practices. We are working towards coming out with our first stand-alone ESG report based on the GRI standards by early next year.

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 forms an integral part of this Report.

Compliance Certificate from the Practicing Company Secretary regarding 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 2020-21 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 forms 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 2020-21 forms an integral part of this Annual Report.

Vigil Mechanism (Whistle Blower Policy)

The details of the vigil mechanism (whistle blower 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/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 constitution of such committee.

During the year under report, your Company has received one complaint of harassment of non-sexual nature which was immediately disposed by following the due process. As on March 31, 2021, 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 F](#) to this Report and which 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 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, Valista Limited, Ireland, step down subsidiary of your Company was dissolved w.e.f. June 24, 2020 as a part of your Company's corporate restructuring.

Further, your Company acquired 100% shares of Capiot Software Private Limited, India ('Capiot India') in October 2020. Consequently, Capiot India has become wholly owned subsidiary of your Company. Additionally, Persistent Systems Inc., USA (PSI), wholly owned subsidiary of your Company acquired 100% shares of Capiot Software Inc., USA ("Capiot US") in November 2020. Consequent to the above, Capiot US has become a wholly owned subsidiary of PSI and Capiot Software Pte Ltd, Singapore and Capiot Software Pty Ltd, Australia which are the subsidiary companies of Capiot US have become step-down subsidiary companies of PSI.

On March 23, 2021, Persistent Systems Inc., USA, wholly owned subsidiary of your Company incorporated Persistent Systems S.R.L, Italy.

The details of the subsidiaries and associates of your Company as on March 31, 2021 are as under:

Name of the Entity and Country of incorporation	Status	Period of Establishment/Acquisition*	Total Income		Net Profit/(Loss)	
			For the period/year ended March 31, 2021 (Amount in ₹ million)	For the period/year ended March 31, 2020 (Amount in ₹ million)	For the period/year ended March 31, 2021 (Amount in ₹ million)	For the period/year ended March 31, 2020 (Amount in ₹ million)
Persistent Systems Inc., USA (PSI)	Wholly Owned Subsidiary	October 2001	24,243.90	21,359.80	(167.87)	(320.62)
Persistent Systems Pte. Ltd., Singapore (Co. Reg. No. 200706736G)	Wholly Owned Subsidiary	April 2007	9.96	24.66	(8.59)	8.55
Persistent Systems France S.A.S., France	Wholly Owned Subsidiary	April 2011	911.80	950.48	11.51	(11.02)
Persistent Systems Malaysia Sdn. Bhd., Malaysia	Wholly Owned Subsidiary	September 2013	376.16	419.34	40.80	56.29
Persistent Systems Germany GmbH, Germany	Wholly Owned Subsidiary	December 2016	185.45	85.63	(5.02)	(55.87)
Persistent Telecom Solutions Inc., USA	Step-down Subsidiary (Wholly Owned Subsidiary of PSI)	January 2012	758.90	1,001.84	59.96	167.32
Persistent Systems Mexico S.A. de C.V., Mexico	Step-down Subsidiary (Wholly Owned Subsidiary of PSI)	March 2016	286.43	251.29	(10.35)	23.05
Persistent Systems Israel Ltd, Israel	Step-down Subsidiary (Wholly Owned Subsidiary of PSI)	February 2016	257.64	504.06	29.29	(3.09)
Aepona Group Limited, Ireland	Step-down Subsidiary (Wholly Owned Subsidiary of PSI)	October 2015	44.84	8.3	33.73	(122.16)
Valista Limited, Ireland (Dissolved with effect from June 24, 2020)	Step-down Subsidiary (Wholly Owned Subsidiary of Aepona Group Limited)	October 2015	0.10	0.89	(1.08)	0.23
Aepona Limited, United Kingdom	Step-down Subsidiary (Wholly Owned Subsidiary of Aepona Group Limited)	October 2015	364.20	332.74	115.93	71.99
Persistent Systems Lanka (Private) Limited, Sri Lanka	Step-down Subsidiary (Wholly Owned Subsidiary of Aepona Group Limited)	October 2015	221.01	215.66	32.46	33.04
PARX Werk AG, Switzerland	Step-down Subsidiary (Wholly Owned Subsidiary of Persistent Systems Germany GmbH)	August 2017	655.85	527.33	11.50	(2.72)
PARX Consulting GmbH, Germany	Step-down Subsidiary (Wholly Owned Subsidiary of PARX Werk AG)	August 2017	495.38	551.02	17.62	(48.85)
Youperience GmbH, Germany	Step-down Subsidiary (Wholly Owned Subsidiary of Persistent Systems Germany GmbH)	July 2019	539.36	223.01	(44.45)	(83.36)

Name of the Entity and Country of incorporation	Status	Period of Establishment/Acquisition*	Total Income		Net Profit/(Loss)	
			For the period/year ended March 31, 2021 (Amount in ₹ million)	For the period/year ended March 31, 2020 (Amount in ₹ million)	For the period/year ended March 31, 2021 (Amount in ₹ million)	For the period/year ended March 31, 2020 (Amount in ₹ million)
Youperience Limited, United Kingdom	Step-down Subsidiary (Wholly Owned Subsidiary of Youperience GmbH)	July 2019	93.84	101.11	(9.29)	2.33
Capiot Software Private Limited, India**	Wholly Owned Subsidiary	October 2020	136.47	NA	2.30	NA
Capiot Software Inc., USA**	Step-down Subsidiary (wholly owned subsidiary of PSI)	November 2020	17.81	NA	(1.54)	NA
Capiot Software Pty Limited, Australia**	Step-down Subsidiary (Wholly Owned Subsidiary of Capiot Software Inc.)	November 2020	8.53	NA	2.92	NA
Capiot Software Pte Limited, Singapore**	Step-down Subsidiary (Wholly Owned Subsidiary of Capiot Software Inc.)	November 2020	-	NA	1.97	NA
Persistent Systems S.R.L., Italy**	Step-down Subsidiary (Wholly Owned Subsidiary of PSI)	March 2021	-	NA	(0.05)	NA
Klisma e-Services Private Limited, India^	Associate Company	March 2012	-	-	-	-

* Period of Establishment/Acquisition mentioned above is the period in which the entities are acquired by your Company directly or through its subsidiaries.

** Acquired/incorporated during FY 2020-21.

^ Under Corporate Insolvency Resolution Process for liquidation.

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

Infrastructure

During the Financial Year 2020-21, the total built-up capacity owned by your Company in India and abroad was 115,478 m² which is adequate for 8,800+ 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
Goa			
1\ Charak	1997*	3,280	313
2\ Bhaskar	2014	3,762	411

Location	Year of Acquisition/Completion	Total Built-up Area (m ²)	Total Seating Capacity (Nos)
Nagpur			
1\ IT Tower	2003	3,708	352
2\ Gargi and Maitreyi	2011	17,279	1,183
Grenoble, France	2000**	1,022	50
Total		115,478	8,861

* Company occupied this premises in October 2005 as a part of local entity acquisition.

** Company occupied this premises in August 2011 as part of acquisition of the Grenoble team.

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

During the financial year 2020-21, due to the pandemic, the majority of employees were given an option to work from home and only the employees working in essential category such as Administration and Information Technology attended 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 2020-21 is available at <https://www.persistent.com/wp-content/uploads/2021/06/annual-return-2021.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 its subsidiaries. However, Mr. Christopher O'Connor, Executive Director and Chief Executive Director (resigned w.e.f. August 9, 2020) and Mr. Sandeep Kalra, Executive Director and Chief Executive Officer have received remuneration from Persistent Systems Inc., USA in addition to remuneration received from your Company.
- 2\ 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 future.

Awards and recognitions during the Financial Year 2020-21

- 1\ 'Recognition Award' among 200+ companies in India for "Excellence in Sustainability" by iNFHRA for the year 2020-21.

iNFHRA is an industry body & member-based organization representing Infrastructure, Facility Management, Human Resource & Realty industry. This an annual award and is awarded after rigorous scrutiny by a Juries from the Industry from all over India.

The award categories include:

- i. Excellence in Best Project — Architecture & Corporate
- ii. Excellence in BCP for Corporates, Excellence in Corporate Social Responsibility
- iii. Excellence in Sustainability
- iv. Excellence in Employee Wellness & Health program for remote workers
- v. Excellence in Logistics movement
- vi. Excellence in CRE (negotiations, rental, space and consolidation)
- vii. Excellence in Return to work strategy/new normal
- viii. Excellence in Technology/Transport Management
- ix. Excellence in Use of Space Planning & Facility Reservation Systems during & post COVID-19 crisis

- 2\ Named among the top service providers in two Zinnov Zones categories — consumer and enterprise software engineering — and recognized as a leader across digital engineering, AI engineering, cybersecurity and platform engineering
- 3\ Golden Peacock Award by Institute of Directors (IOD) for Excellence in Corporate Governance 2020 in a national category of IT Sector
- 4\ Technology Wizards 2020 award — Persistent IT team won the prestigious Technology Wizards Award 2020
- 5\ Training Top 125 (T125) 2018 Award (International) from Training magazine
- 6\ Named a Top 15 Sourcing Standout for Managed Services in the Q1 2021 ISG Global Index™ “Booming 15” category for the 5th consecutive quarter
- 7\ Recognized as a Star Performer in Everest Group Software Product Engineering Services PEAK Matrix® Assessment 2021
- 8\ Persistent cited as ‘Leader’ in ISG’s Salesforce Ecosystem Partners 2021 Report for Salesforce Services in U.S. & Germany
- 9\ ISG names Persistent a “Rising Star” for Digital Transformation in its 2020 ISG Provider Lens™ — Healthcare Digital Services U.S. report
- 10\ Training Top 100 has honored Persistent for the 4th year for demonstrating successful & creative learning and development program
- 11\ Won the third annual ISG Star of Excellence™ Award 2020, for the quality of its core technology services, based on direct feedback from more than 100 enterprise customers. In addition, ISG also named Persistent as a winner in BFSI and Healthcare and Life Sciences industries, and in North America and APAC region
- 12\ Named to ISG’s Booming 15 list (service providers with under US \$1 billion in revenue) globally, as well as in the Americas and EMEA regions, as part of the second-quarter ISG Index™. This is the first time the company has been recognized for its success in the EMEA region
- 13\ Winner of the 2020 Workato Partner Awards in the category of Innovation across OutSystems, Banking and Snowflake. The award was announced at Workato’s recent 2020 Partner Summit, held virtually on June 10th and attended by over 600 registered partners
- 14\ Cyber Sentinel Award 2020 was presented to Mr. Avinash Dharmadhikari, CISO Persistent Systems in December 2020
- 15\ Resilient CISO Award was presented to Mr. Avinash Dharmadhikari, CISO Persistent Systems as part of the 7th Annual Dynamic CISO Excellence Awards 2021

Directors’ Responsibility Statement

Your Directors state that:

- 1\ In the 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, 2021 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

While brighter days are ahead thanks to the rollout of vaccinations, the pandemic has caused a permanent and long-lasting impact on each of us as individuals and society. What's more, every single industry sector was disrupted – forcing a reset for many businesses in terms of the fundamentals of their operations, business model, and value chain. While certainly this last year was one of the most challenging in recent times, we will hopefully all be better prepared for similar events and circumstances in the future. Thanks to substantial technology innovation and adoption and greater confidence in our resilience as a society for this preparedness.

Organizations that survived and thrived during this challenging period were those that quickly understood the power of cloud and data, as well as the role both would need to play in enabling rapid digital acceleration. If organizations did not fully comprehend that software was the foundation of the business before the pandemic, they most certainly realize it today. This realization puts Persistent in an advantageous position in the market as we look ahead. Fundamentally, our client's most pressing needs have come into a greater phase with our core strengths in digital engineering, CX transformation, cloud and many other domains.

Today, your Company creates value along a continuum of client needs, pervasive across industries.

Imagine — We design and deliver new digital experiences, revenue streams and business models to meet rising customer expectations and accelerate growth.

Engineer — We streamline software engineering to drive greater innovation, efficiency, and resiliency across your products and platforms.

Modernize — We reinvent applications, infrastructure, and processes for greater agility by taking full advantage of automation, intelligence and cloud.

Manage — We transform and optimize operations, systems, and product development to reduce costs and facilitate growth.

Your Company will continue to work aggressively to bolster capabilities in these areas, both organically and inorganically -- extending the value we bring to existing clients and supporting the development of new client relationships. In addition, we will continue to enhance our partner ecosystem to complement our expertise, open up new channels and deliver innovation.

During this period of rapid change, we bring to our clients the depth of expertise delivered with speed, flexibility, accountability and a sense of urgency unmatched in the market – truly boutique with scale. As a result, we see our growth momentum continuing as our clients entrust us with more and more critical aspects of their digital transformation.

As we continue our path to becoming a \$1B Company by FY25, we have established several key initiatives designed to accelerate our pace, with a focus on enhancing our value propositions, partner ecosystem, operations, account excellence as well as talent acquisition and development.

In summary, we are optimistic about your Company's future – as the alignment between client need and our capabilities are fully aligned, and our ability to execute on this demand has dramatically enhanced.

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 and Mumbai, 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, Maharashtra 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, MIHAN Authority, Hinjawadi Industries Association (HIA).

Your Board also extends its sincere thanks to M/s. Walker Chandiok & Co LLP, Chartered Accountants, Statutory Auditors, M/s. Joshi Apte & Co., Chartered Accountants, Tax Auditors, M/s. 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 for their services to your Company.

Your Board also extends its thanks to ABSA Capital Bank, Axis Bank, Bank of Baroda, Bank of India, Barclays Bank, Banco Nacional de Mexico S. A., BNP Paribas, Bank of Tokyo-Mitsubishi, Citibank NA, CommonWealth Bank, DBS Bank, HDFC Bank Limited, Hongkong and Shanghai Banking Corporation, ICICI Bank Limited, Kotak Mahindra Bank Limited, Silicon Valley Bank, State Bank of India, Standard Chartered Bank, Syndicate Bank, Union Bank of India, VR-Bank Ismaning Hallbergmoos Neufahrn eG, Wells Fargo 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 in 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 10, 2021

This space is intentionally kept blank

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, 2021

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, 2021. 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 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 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, 2021, 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, minutes book, forms and returns filed and other records maintained and made available to me, by the Company for the Financial Year ended on March 31, 2021, 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;

- 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;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, to the extent applicable.
 - e. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018;
 - f. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - g. Securities and Exchange Board of India (Registrar to an issue and Share Transfer Agents), Regulations, 1993 regarding the Companies Act, 2013 and dealing with client.
 - h. Securities and Exchange Board of India (Issue and Listing of Debt Securities), Regulations, 2008, to the extent applicable.
 - i. Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, to the extent 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.

I have conducted online verification and examination of records as facilitated by the Company due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

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 observation:

Under the Foreign Exchange Management Act, 1999, one Form ESOP was filed with delay. The Reserve Bank of India has taken the form on record after payment of late submission fees by the Company.

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 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: F005640C000405732

Pune, June 1, 2021

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: F005640C000405732

Pune, June 1, 2021

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 2020-21.

- 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 10, 2021

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 2020-21, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2020-21 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 2020-21* (₹ million)	% increase in Remuneration in the Financial Year 2020-21	% increase in remuneration in the Financial Year 2020-21** (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	26.26	9.97%	NA	23.87	NA	
b.	Sandeep Kalra® Executive Director and Chief Executive Officer, USA	110.53^^	153.28%	48.24%			
	Ratio of remuneration to median remuneration of employees located in India				100.48	58.81	The increase in revenue was 17.62% and in Profit After Tax was 23.88%
	USA				11.32	6.62	
c.	Sunil Sapre Executive Director and Chief Financial Officer India	46.42	248.76%	10.44%	42.20	13.36	
d.	Amit Atre Company Secretary India	3.40	8.00%	NA	3.09	NA	
Non-Executive Directors							
e.	Roshini Bakshi Independent Director	2.48	0.00%	NA	2.25	NA	
f.	Pradeep Bhargava Independent Director	2.64	-15.65%	NA	2.40	NA	
g.	Guy Eiferman Independent Director	2.18	-4.39%	NA	1.98	NA	
h.	Dr. Anant Jhingran Independent Director	2.21	-0.90%	NA	2.01	NA	
i.	Praveen Kadle# Independent Director	2.47	NA	NA	2.25	NA	

Sr. No.	Name of Director/ KMP and Designation	Remuneration of Director/ KMP for Financial Year 2020-21* (₹ million)	% increase in Remuneration in the Financial Year 2020-21	% increase in remuneration in the Financial Year 2020-21 (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
j.	Thomas Kendra Non-Independent Non-Executive Director	2.08	-10.73%	NA	1.89	NA	
k.	Prof. Deepak Phatak Independent Director	2.19	-8.75%	NA	1.99	NA	

* The key managerial personnel though appointed during the year, their remuneration for the financial year has been disclosed for the entire financial year.

** 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. April 23, 2020.

^^ 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 incentives exercised during the period, determined in accordance with the provisions of the Income-tax Act, 1961. Accordingly, the value of stock incentives granted during the period is not included. Independent directors are not entitled to any stock options effective from April 1, 2014.
- \ The above details are provided only for those directors and KMPs who have drawn remuneration from the Company for full Financial Year 2020-21 and are associated with the Company as on March 31, 2021.
- \ 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 2020-21 was ₹ 1,100,004. The median remuneration of employees of Persistent Systems Inc. during the Financial Year 2020-21 was USD 131,750 (Equivalent ₹ 9.76 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.
- 3\ In FY 2020-21, there was an increase of 5.87% in the median remuneration of employees.
- 4\ As on March 31, 2021, there were 11,037 permanent employees who were on the payroll of the Company.
- 5\ 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)	Nature of Employment	Qualification	Experience in years	Date of Commencement of employment	Age in years (Approx.)	Last employment before joining the company	% of Equity Shares held	Relation with any Director of the Company
1\	Dr. Anand Deshpande	Chairman and Managing Director	26.26	-	26.26	Regular employee	B. Tech. (Hons.), M.S. Ph.D.	33	19-Oct-90	59	Hewlett-Packard	29.90	No
2\	Sandeep Kalra*	Executive Director and Chief Executive Officer	1.31	-	1.31	Regular employee	Engineer, MBA from IIM Calcutta	26	1-May-19	49	HARMAN International	0.15	No
3\	Sunil Sapre	Executive Director and Chief Financial Officer	14.70	31.72	46.42	Regular employee	Chartered Accountant	32	29-Jun-15	56	L&T Infotech	0.04	No
4\	Mukesh Agarwal	Chief Planning Officer	9.23	1.28	10.51	Regular employee	B.E.	25	3-Jul-95	45	Veteran from Persistent	0.04	No
5\	Deodatta Deshpande	Head of Engineering	4.39	7.64	12.03	Regular employee	B.E. (Mech.)	23	16-Sep-02	44	Amdocs Development Ltd., Cyprus	0.02	No
6\	Dr. R. Venkateswaran	Chief Information Officer	8.29	5.68	13.97	Regular employee	Ph.D. (Comp. Science)	29	9-Dec-02	54	Lucent Technologies	0.04	No
7\	Shreekanth Joshi	Vice President – Engineering	7.67	4.80	12.47	Regular employee	M.S. (Electrical)	24	1-Jan-03	46	Minerva Networks	0.00	No
8\	Sameer Bendre	Chief People Officer	8.83	2.24	11.07	Regular employee	B. E. (Ele. & Comm.)	32	6-Dec-04	53	Nagpur Motors Private Limited	0.02	No
9\	Peeyoosh Pandey	Senior Vice President – Sales	10.78	1.27	12.05	Regular employee	B.E. (Electronics)	11	1-May-13	44	Wipro Technologies	0.01	No
10\	Nilesh Mankikar	Enterprise Architect	3.24	9.59	12.83	Regular employee	B.E. (Comp. Technology)	26	20-Sep-10	47	Wipro Technologies	0.01	No
11\	Apoorva Singh	Chief Delivery Officer	4.88	-	4.88	Regular employee	B.Tech., MBA	26	14-Dec-20	51	Mu Sigma	0.00	No
12\	Rahul Shrivastava	Senior Vice President, Sales	3.81	-	3.81	Regular employee	B.E. (Comp. Science)	22	14-Dec-20	44	Harman Connected Services India Pvt. Ltd.	0.01	No

* 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 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 10, 2021

Annexure D to the Report of the Directors

Details of the options granted under various employee stock option schemes as on March 31, 2021:

Summary of all ESOP Schemes of the Company till date

Particulars	ESOP I	ESOA II	ESOP III	ESOA IV	ESOA V	ESOA VI	ESOA VII	ESOA VIII	ESOA IX	ESOA X	ESOA XI RSU — PESOS 2014	ESOA XII Silver Jubilee Scheme	ESOA XIII ESOP 2017	Total
Options granted	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	1,534,000	67,300	3,007,500	28,784,534
Pricing formula	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is Book Value of the Equity Share as per the latest quarterly audited Balance Sheet at the time of grant	Grant price of Options is ₹ 10	Grant price of Options is ₹ 10	Grant price of Options is Market Price, or such price including discount not exceeding 10% on the Market Price, as the Board/Committee may determine in accordance with the regulations and guidelines prescribed by the Securities and Exchange Board of India or other appropriate authority, from time to time	Grant price of Options is Market Price, or such price including discount not exceeding 15% on the Market Price, as the Board/Committee may determine in accordance with the regulations and guidelines prescribed by the Securities and Exchange Board of India or other appropriate authority, from time to time
Total options vested	3,220,858	477,085	1,696,517	4,705,452	1,333,722	785,750	792,455	35,000	914,710	2,206,617	212,200	52,450	257,500	16,690,316
Options exercised from vested options	3,208,212	477,085	1,549,241	4,353,609	1,260,725	785,750	789,115	28,000	782,006	1,844,707	198,200	52,450	126,200	15,455,300
Total number of Equity Shares arising as a result of full exercise of options granted	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	1,534,000	67,300	3,007,500	28,784,534
Options forfeited/lapsed/cancelled	1,352,940	276,115	914,038	2,328,500	625,436	430,500	992,660	14,000	482,104	1,219,015	764,800	14,850	256,875	9,671,833
Variations in terms of options	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Money realised by exercise of options (purchase of Equity Shares)	15,096,510	9,328,180	39,718,135	159,807,477	31,210,202	19,687,636	29,172,329	1,349,760	42,971,227	447,285,828	1,982,000	524,500	55,839,714	853,973,498
Options outstanding (in force)	12	-	70,721	276,141	4,435	-	3,200	-	110,352	-	571,000	-	2,624,425	3,660,286
Person wise details of options granted to														
i. Directors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	#	#	#	#	
ii. Key Managerial Personnel	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	#	#	#	#	
iii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during that year	The details are available on the website of the company i.e. www.persistent.com/investors							The details are available on the website of the company i.e. www.persistent.com/investors						
iv. Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with Ind AS 33 (In ₹)	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97	58.97

The Employee Stock Option Schemes of the Company are in compliance with the SEBI (Share Based Employee Benefits) Regulation, 2014

Details of the options granted to the Directors/Key Managerial Personnel of your Company under our ESOP Schemes during last 3 financial years.

Sr. No.	Name of Director/ Key Managerial Person	ESOA X	RSU 2014 ESOA XI	ESOA XII	ESOP 2017 ESOA XIII	Total
1\	Amit Atre	NIL	NIL	25	5,000	5,025
2\	Mritunjay Singh	80,000	9,600*	NIL	NIL	89,600 (Resigned)
3\	Sunil Sapre	NIL	3,200* 75,000	NIL	NIL	78,200
4\	Christopher O'Connor	NIL	400,000	NIL	NIL	400,000 (Resigned)
5\	Sandeep Kalra	NIL	450,000	NIL	NIL	450,000

* Based on the Company performance only 9,600 and 3,200 options, respectively, were eligible for vesting (against original grant of 48,000 and 16,000 options, respectively) and the same were vested during the Financial Year 2017-18. The balance options were lapsed.

The complete details of options granted to the Directors/Key Managerial Personnel (including past) of your Company under our ESOP Schemes is available on the website of the Company at www.persistent.com/investors.

Annexure E to the Report of the Directors

1\ A brief outline of the Company's CSR policy, including 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 guide the Company's CSR activities. The CSR Policy is displayed on your Company's website at

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

The Company is committed to contributing to the society not just because it is the law but the Company sincerely believes that as a responsible member of the society, the Company must play its part in supporting activities and people in need.

Your Company has had a tradition to donate 1% profit for social causes since 1995. To institutionalize these CSR initiatives and to develop a systematic approach to administer and monitor donations, your Company formed a Public Charitable Trust - '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 own. The Foundation started with a humble purse of a few lakhs which gradually increased to ₹ 144.77 million as your Company grew in size and revenue.

Your Company's CSR policy recommends Persistent Foundation to contribute to the following focus areas:

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

Moreover, as your Company would like employees of the Company to be associated with and participate in the activities of the Foundation, your Company encourages the Foundation to work in areas that are in close proximity of your Company's locations in India.

Projects and programs proposed to be undertaken

Persistent Foundation is committed to contribute towards improving the quality of life that every individual enjoys and thus, benefiting the community at large. The work of the Foundation focuses on three areas – Health, Education and Community Development, in both Urban and Rural areas.

In each of these focus areas, the key areas of work chosen by the Foundation for executing its own projects are as follows:

a. Education

- \ Girls Scholarship Program for supporting girls who are undergoing their graduation in computers. The key highlight of this program is the engagement of your Company's employees in student selection process and in mentoring these students for 4 years of engineering.
- \ Through 12 schools, 25 study centers, two schools for the specially abled and one residential center, we were able to reach 5,363 students through nine initiatives.
- \ School kit donation drive — Over 1,600 students were supported through the donations from your Company's employee.

b. Health

- \ Curative Health program by conducting Cataract surgeries, facial cleft surgeries, Jaipur foot, pediatric surgery and support for dialysis.
- \ Preventive Health Program through health check-ups at schools, Mobile Medical unit and blood donation camps.

c. Community Development

- \ Integrated watershed program: Created water storage capacity of 4.26 cr. liters. Beneficiary count – 4,260. Total treatable land – 2,100 hectares.
- \ Tree Plantation: 4,000+ trees planted with 95% survival rate.
- \ Support for Drinking Water: 3 villages with 600+ families benefitted by construction of open wells
- \ Livestock Support Center: ₹ 142.53 L saved over 3 years.
- \ Support for Bamboo Craft: 33 individuals trained in bamboo craft by experts.

d. Assistance in Natural Calamities**\ Flood Relief in Bhandara, Maharashtra**

In September 2020, Bhandara district (Around 65KM from Nagpur) got severely affected by flood from Wainganga River, nearly 2,700 families were moved to rescue centres and many villages have drowned completely while few of the others got affected partially.

While already grappling with a pandemic, Bhandara district was severely affected by floods. To help bhandara in this difficult situation, Persistent foundation was approached by two NGO's - Robinhood Army and Agraser Foundation. Going beyond boundaries in times of need, Persistent Foundation donated 300 food kits for flood affected people and were able to reach 300 families through these two NGO's.

\ Flood relief Hyderabad

The deluge in Hyderabad has turned lives and livelihoods of scores of communities' upside down with severe damages. Already communities were battling with COVID-19 pandemic, with that unprecedented rains and deluge have pushed many families to dire straits. Many families were not able to go out of their houses as water was stagnated in their homes. Effected regions across Hyderabad were (Old City, Faluknama, Tolichowki, Saroornagar, Meerpet & ECIL). Persistent Foundation supported 315 families with the grocery kits. Each grocery kit contents:- Rice, Wheat flour, Toor dal/Pigeon pea, Oil, Salt, Spices to sustain the family for one month.

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\	Pradeep Bhargava	Chairman of the Committee and Independent Director	2	2
2\	Dr. Anand Deshpande	Chairman and Managing Director	2	2
3\	Prof. Deepak Phatak	Independent Director	2	2
4\	Christopher O'Connor*	Executive Director and Chief Executive Officer	2	1
5\	Prakash Telang [#]	Independent Director	2	1

* Resigned as an Executive Director and Chief Executive Director w.e.f. August 9, 2020

[#] Retired as an Independent Director w.e.f. July 24, 2020

3\ Provide the web-link where Composition of 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: [csr-policy.pdf \(persistent.com\)](#)
- \ 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: [Covid-19 contributions by Persistent Systems | Donations](#)

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

The average CSR obligation of your Company was below ₹ 10 Crores. Therefore, the Company was not required to undertake impact assessment for the projects undertaken. In 2019, on the tenth anniversary of the Foundation, the Foundation conducted an impact assessment study of its important implementations since its inception. Also, the 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 2020-21 are as follows:

(In ₹ million)	
Financial Year	CSR Obligation
2017-18	72.51
2018-19	79.08
2019-20	85.05
Total	236.64
Average Obligation	78.88

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) — ₹ 4,724.50 Million

7\ a. Two percent of average net profit of the Company as per section 135(5) — ₹ 94.49 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 — Not Applicable

d. Total CSR obligation for the Financial Year 2020-21 (7a+7b-7c) — ₹ 94.49 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
150	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

b. Details of CSR amount spent against ongoing projects for the financial year:

Amounts in ₹ Lakhs

Location of the project.										Mode of Implementation — Through Implementing Agency		
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
1\	School Development Program	Promoting education.	Yes	Maharashtra and Karnataka	Pune, Nagpur and Bangalore	1 year	27.93	26.92	NA*	No	Persistent Foundation	CSR00002967
2\	Kiran- Girl's Scholarship Programme	Promoting gender equality, empowering women, and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	62.57	57.60	NA*	Yes	Persistent Foundation	CSR00002967
3\	Cyber Champ	Promoting education.	Yes	Maharashtra	Pune	1 year	1.35	1.35	0.00	Yes	Persistent Foundation	CSR00002967
4\	Smart School Hackathon	Promoting education.	Yes	Goa	South and North Goa	1 year	2.73	2.73	0.00	Yes	Inter Institutional Inclusive 55Innovations 6Center	NA
5\	Skill Development	Promoting gender equality, empowering women, and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	33.74	28.10	NA*	No	Swa-Roopwardhinee and Sambhav Foundation	NA
6\	Study Center	Promoting education.	Yes	Maharashtra and Telangana	Pune, Nagpur, Hyderabad	1 year	39.07	39.08	NA*	No	Seva Sahayog Foundation, Niramay Bahuuddeshiya Seva Sanstha and Youth for Seva	NA
7\	Reading Writing Skills Improvement project	Promoting education.	Yes	Maharashtra	Pune	1 year	0.91	0.83	NA*	No	Manthan Educational Initiative	NA
8\	Student Sponsorship Program	Promoting education.	Yes	Maharashtra	Pune	1 year	3.15	3.15	0.00	Yes	Persistent Foundation	CSR00002967
9\	Special Education for HI child	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	1 year	10.31	10.31	0.00	No	Ashray Akruti	NA
10\	Emp Donation- Education	Promoting education.	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	18.38	18.38	0.00	Yes	Persistent Foundation	CSR00002967
11\	NGO Donation- Education	Promoting education.	Yes	Maharashtra	Pune and Nagpur	1 year	11.50	7.25	NA*	Yes	Persistent Foundation	CSR00002967
12\	Second Chance	Promoting gender equality, empowering women, and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Maharashtra	Pune	1 year	0.63	0.63	0.00	Yes	Suprabhat Mahila Mandal	NA
13\	Support to Competitive Exams Center	Promoting education.	Yes	Maharashtra	Pune	1 year	5.12	5.12	0.00	No	Swa-Roopwardhinee	NA
14\	Support to Pediatric Surgeries	Promoting health care including preventinve health care	Yes	Maharashtra	Nagpur	1 year	28.00	16.37	NA*	No	Nagai Narayanji Memorial Foundation and GSB Sabha Nagpur	NA
15\	Support for Facial Cleft	Promoting health care including preventinve health care	Yes	Maharashtra, Telangana and Karnataka	Pune, Nagpur, Hyderabad, and Bangalore	1 year	148.82	137.83	NA*	No	Akila Bharatha Mahila Seva Samaja	NA
16\	Support for Cataract	Promoting health care including preventinve health care	Yes	Maharashtra, Telangana and Karnataka	Nagpur, Hyderabad, and Bangalore	1 year	11.94	11.94	0.00	No	H. V. Desai Eye Hospital, Swami Vivekanand Medical Mission, Hyderabad Eye Institute and Sri Vivekananda Sevashrama	NA
17\	Mobile Medical Unit	Promoting health care including preventinve health care	Yes	Goa	South Goa and North Goa	1 year	33.69	33.69	0.00	No	HelpAge India	NA
18\	Individual Medical Cases	Promoting health care including preventinve health care	Yes	Maharashtra	Pune and Nagpur	1 year	12.63	11.38	NA*	Yes	Persistent Foundation	CSR00002967
19\	Emp Donation- Health	Promoting health care including preventinve health care	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	9.41	9.30	NA*	No	Persistent Foundation	CSR00002967
20\	NGO Donation- Health	Promoting health care including preventinve health care	Yes	Maharashtra	Pune	1 year	1.50	1.50	0.00	Yes	Persistent Foundation	CSR00002967
21\	Support to oldage home	Setting up old age homes, day care centres and such other facilities for senior citizens	Yes	Maharashtra	Pune	1 year	4.33	4.33	0.00	No	Radha Medical Trust	NA
22\	Pad for Daughter	Promoting gender equality, empowering women	Yes	Maharashtra	Pune	1 year	1.08	1.08	0.00	No	Allforasmile Foundation	NA
23\	Support to Dialysis	Promoting health care including preventinve health care	Yes	Maharashtra	Pune	1 year	2.70	2.70	0.00	No	Seth Tarachand Ramnath Charitable Ayurvedic Hospital Trust	NA

Location of the project.						Mode of Implementation — Through Implementing Agency						
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
24\	Solar Power Project	Ensuring environmental sustainability	Yes	Maharashtra and Telangana	Pune and Hyderabad	1 year	2.88	2.88	0.00	Yes	Persistent Foundation	CSR00002967
25\	Tree Plantation	Ensuring environmental sustainability	Yes	Maharashtra and Karnataka	Pune and Bengalore	1 year	18.95	18.95	0.00	No	TERRE Policy Centre, GreenLife Social Welfare Association and Sparsha Trust	NA
26\	Watershed	Rural development projects, ensuring environmental sustainability	Yes	Maharashtra	Pune and Nagpur	1 year	118.18	117.38	NA*	No	Bhartiya Agro Industries Foundation (BAIF)	NA
27\	Drinking Water project	Rural development projects	Yes	Maharashtra	Pune	1 year	35.81	26.17	NA*	No	Jnana Prabhodhini, Torana Rajgad Parisar Sammajonnati Nyas	NA
28\	Rural Livelihood Project	Rural development projects	Yes	Maharashtra	Pune	1 year	8.34	8.35	NA*	No	Bhartiya Agro Industries Foundation (BAIF)	NA
29\	Entrepreneurship Development	Promoting gender equality, empowering women	Yes	Maharashtra	Pune	1 year	4.76	4.76	0.00	No	Poornam Ecovision and Paoolwat foundation	NA
30\	Support for blind students hostel	Promoting education, including special education	Yes	Maharashtra	Pune	1 year	6.00	5.99	NA*	No	National Association For The Welfare Of Physically Challenged (NAWPC)	NA
31\	Emp Donation- Community Development	Rural and urban area development	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	18.94	18.94	0.00	Yes	Persistent Foundation	CSR00002967
32\	NGO Donation- Community Development	Rural and urban area development	Yes	Maharashtra	Pune	1 year	6.75	3.75	NA*	Yes	Persistent Foundation	CSR00002967
33\	Disaster Management- Flood relief work Bhandara District	Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Maharashtra	Nagpur	1 year	1.50	1.50	0.00	No	Robin Hood Army and Agresar Foundation	NA
34\	Disaster Management- Flood relief work at Hyderabad	Disaster management, including relief, rehabilitation and reconstruction activities	Yes	Telangana	Hyderabad	1 year	1.50	1.50	0.00	No	Youth for Seva	NA
35\	Award for research	Contribution to incubators or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government	Yes	Maharashtra	Pune	1 year	22.50	22.50	0.00	Yes	Association for Computing Machinery	NA
36\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	1.50	1.50	0.00	No	Abhijit Madhyamik Vidyalay	NA
37\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	1.50	1.50	0.00	No	Abhyudaya Global Village School	NA
38\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	5.00	5.00	0.00	No	Akshaya Patra	NA
39\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	12.42	12.42	0.00	No	Anandvan	NA
40\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	5.00	5.00	0.00	No	Annamitra	NA
41\	Support for COVID relief work	Covid 19 Relief work	Yes	Telangana	Hyderabad	1 year	46.00	46.00	0.00	No	Ashray Akriti	NA
42\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	1.44	1.44	0.00	No	Bharatiya Samaj Seva Kendra	NA
43\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	47.58	47.58	0.00	No	Centre For Youth Development and Activities	NA
44\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	100.00	100.00	0.00	No	Deenanath Mangeshkar Hospital	NA
45\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	5.00	5.00	0.00	No	District Collector Nagpur	NA
46\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Amravati	1 year	9.94	9.94	0.00	No	General Hospital Amravati	NA
47\	Support for COVID relief work	Covid 19 Relief work	Yes	Goa	South and North Goa	1 year	0.34	0.34	0.00	No	Goa Police	NA
48\	Support for COVID relief work	Covid 19 Relief work	Yes	Goa	South and North Goa	1 year	4.78	4.78	0.00	No	Govt. Hospital Goa	NA
49\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	1.47	1.47	0.00	No	Green Earth and Poornam Eco Vision	NA
50\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	3.77	3.77	0.00	No	IGMC	NA
51\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	75.00	75.00	0.00	No	IISER	NA
52\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	0.59	0.59	0.00	No	Jan Kalyan Blood Bank	NA
53\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	37.51	37.51	0.00	No	Kashtakari Panchayat	NA

Location of the project.						Mode of Implementation — Through Implementing Agency						
Sr. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	State	District	Project duration	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation — Direct (Yes/No)	Name	CSR Registration number
54\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	2.20	2.20	0.00	No	KEM hospital	NA
55\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	70.43	70.43	0.00	No	Lokmanya Hospital	NA
56\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	3.00	3.00	0.00	No	Maitreyi Pariwar & Civic Action Goodwill	NA
57\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	5.00	5.00	0.00	No	MCCIA	NA
58\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	0.27	0.27	0.00	No	Nagai Narayanje Memorial Foundation- Dr. Viraj Shingade	NA
59\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	14.75	14.75	0.00	No	Nagpur Municipality Corporation	NA
60\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	4.47	4.47	0.00	No	Nagpur Police	NA
61\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	7.00	7.00	0.00	No	NCL	NA
62\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	16.29	16.29	0.00	No	Pimpri Chinchwad Municipal Corporation	NA
63\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	36.72	36.72	0.00	No	Pune Municipal Corporation	NA
64\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	0.50	0.50	0.00	No	Rise Foundation	NA
65\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	3.60	3.60	0.00	No	Robinhood Army (New)	NA
66\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	15.00	15.00	0.00	No	Rotary Club Nagpur	NA
67\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	6.00	6.00	0.00	No	Saad Pratishthan	NA
68\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	27.41	27.41	0.00	No	Sahyadri Hospital	NA
69\	Support for COVID relief work	Covid 19 Relief work	Yes	Karnataka	Bangalore	1 year	50.77	50.77	0.00	No	Samarthanam Trust for the Disabled	NA
70\	Support for COVID relief work	Covid 19 Relief work	Yes	Goa	North Goa	1 year	5.00	5.00	0.00	No	Sambhav Foundation	NA
71\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Sangli	1 year	4.50	4.50	0.00	No	Sampada Gramin Mahila Sanstha	NA
72\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	4.84	4.84	0.00	No	Saraswati Shishu Mandir school	NA
73\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	63.72	63.72	0.00	No	Sassoon Hospital	NA
74\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	62.23	62.23	0.00	No	Seth Tarachand Ramnath Charitable Ayurvedic Hospital Trust	NA
75\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	33.86	33.86	0.00	No	Seva Sahayog Foundation	NA
76\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Amravati and Nashik	1 year	67.85	67.85	0.00	No	Seva Vardhini	NA
77\	Support for COVID relief work	Covid 19 Relief work	Yes	Karnataka	Bangalore	1 year	2.50	2.50	0.00	No	Sparsha Trust	NA
78\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	28.48	28.48	0.00	No	Swami Vivekanand Medical Mission	NA
79\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	4.60	4.60	0.00	No	Swargiya Tatya Bapat Smriti Samiti	NA
80\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	1.83	1.83	0.00	No	Swa-Roopvardhinee	NA
81\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Pune	1 year	6.13	6.13	0.00	No	Technology Reuse Environment Empowerment Innovative Foundation	NA
82\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra, Goa, Telangana and Karnataka	Pune, Nagpur, Hyderabad, South Goa and Bangalore	1 year	41.49	41.49	0.00	Yes	Through Persistent Foundation	CSR00002967
83\	Support for COVID relief work	Covid 19 Relief work	Yes	Goa	South and North Goa	1 year	1.00	1.00	0.00	No	Verna Industries Association	NA
84\	Support for COVID relief work	Covid 19 Relief work	Yes	Maharashtra	Nagpur	1 year	7.73	7.73	0.00	No	Viveka Hospital	NA
85\	Support for COVID relief work	Covid 19 Relief work	Yes	Telangana	Hyderabad	1 year	15.62	15.62	0.00	No	Youth For Seva - Hyderabad	NA
Total							1,691.22	1,637.86				

* Persistent Foundation spent unspent allocated amount on other projects. The CSR spent of the Company is more than the statutory obligation. The additional amount spent by the Persistent Foundation is from its internal sources

Details of COVID related donations made by the Company in India and abroad in FY 2020-21

The growing concern of COVID-19 pandemic is causing the whole world an unprecedented challenge for the communities and economies. This virus has tremendously impacted the life of people directly as well as indirectly. Considering the concern of this threatening disease, the Company has taken decision to make donations in this burdensome situation. The details of donations made, and funds allocated across countries are as follows:

Country	Number of Employees	% of Total	Amount Allocated in US \$	Amount in INR @ ₹75/\$	% of Total	Amount Paid	Balance
India	8,336	87.69%	\$2,630,000	197,250,000	79.70%	120,000,000	77,250,000
USA	649	6.83%	\$400,000	30,000,000	12.12%	30,000,000	₹ 0
Germany	83	0.87%	\$40,000	3,000,000	1.21%	--	3,000,000
Sri Lanka	81	0.85%	\$40,000	3,000,000	1.21%	3,000,000	₹ 0
Mexico	63	0.66%	\$35,000	2,625,000	1.06%	2,625,000	₹ 0
UK	61	0.64%	\$35,000	2,625,000	1.06%	1,350,000	1,275,000
France	50	0.53%	\$25,000	1,875,000	0.76%	1,500,000	375,000
Malaysia	50	0.53%	\$25,000	1,875,000	0.76%	1,875,000	₹ 0
Israel	41	0.43%	\$25,000	1,875,000	0.76%	1,875,000	₹ 0
Canada	41	0.43%	\$25,000	1,875,000	0.76%	1,875,000	₹ 0
Switzerland	32	0.34%	\$20,000	1,500,000	0.61%	--	1,500,000
Rest of the World	19	--	--	--	--	--	--
Total Employed	9,506		\$3,300,000	247,500,000		164,100,000	83,400,000

c. Details of CSR amount spent against other than ongoing projects for the financial year

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 spent for the project (in ₹)	Mode of implementation — Direct (Yes/No)	Mode of implementation - Through Implementing Agency.	CSR Reg. Number
				State District			Name	
1\	PM CARES fund	Contribution to the Prime Minister's National Relief Fund [or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund)] or any other fund set up by the central govt. for socio economic development and relief and welfare of the scheduled caste, tribes, other backward classes, minorities and women.	No	NA	10,000,000	Yes	NA	NA

The Company has also donated ₹ 10 million to Chief Minister's Relief Fund (COVID-19) which is not considered as CSR Activity in terms of Sch. VII of the Act.

d. Amount spent in Administrative Overheads: ₹ 2.46 Million**e. Amount spent on Impact Assessment, if applicable: Not Applicable****f. Total amount spent for the financial year (8b+8c+8d+8e): ₹ 150.00 Million**

g. Excess amount for set off, if any

Sr. No.	Particular	Amount (in ₹ Million)
i.	Two percent of average net profit of the Company as per section 135(5)	94.49
ii.	Total amount spent for the financial year	150.00
iii.	Excess amount spent for the financial year [(ii)-(i)]	55.51
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	0.00
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	55.51

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 DeshpandeChairman and Managing Director
DIN: 00005721**Pradeep Bhargava**Independent Director, Chairman of the CSR Committee
DIN: 00525234

Pune, April 28, 2021

Annexure F 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 accelerate business unit for software products	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Nagpur, Bengaluru, Hyderabad, Goa, Malaysia, France	March 11, 2010	March 11, 2019 - March 10, 2022
2\	ISO 13485:2016 Quality Management System for Medical Devices	Software Product Design, Development, Testing, Enhancement and Support for Medical Device Software	Pune (AR-PG, Blueridge)	October 31, 2017	April 18, 2022
3\	ISO/IEC 27001:2013 Information Security Management System	Management of information security pertaining to software design, development, testing, maintenance, support services and business enabling functions for product engineering, platforms integration and solution, SMAC (social, mobility, analytics and cloud) services and accelerate business unit for software products as per statement of applicability version 6.0 dated 15.12.2017	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge, Panini), Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad, Goa, Bengaluru, France, Malaysia, Sri Lanka, Dublin (Ohio, USA), Jalisco (Mexico)	February 6, 2008	March 11, 2019 - March 10, 2022
4\	ISO 14001:2015 Environment Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge) Nagpur, Bengaluru, Hyderabad, Goa	May 21, 2012	March 11, 2019 - March 10, 2022
5\	ISO 45001:2018 Occupational Health and Safety Management System	Software Design and Development	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Nagpur, Bengaluru, Hyderabad, Goa	March 8, 2019	March 8, 2019 - March 8, 2022
6\	ISO 14064-1:2006 Quantification and Reporting of Greenhouse Gas Emissions and Removal	Specification with guidance at the organization level for Quantification and Reporting of Greenhouse Gas Emissions and Removal	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge), Nagpur, Bengaluru, Hyderabad, Goa	February 18, 2015	Not applicable Validity is extended after every financial year
7\	CMMI For Dev 1.3 Maturity Level 5	Technology Service Unit for Software Development, Maintenance and Testing Projects	Pune and Nagpur	May 25, 2018	May 11, 2021 The Company has applied for renewal of the Certificate and the Final Assessment is scheduled in June 2021.

Sr. No.	Certification Name	Scope	Locations	Initial Certification Date	Validity of the current certificate
8\	ISO 22301:2019 Management of BCP	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 marketsoperations, maintenance, support services for \ Product Engineering, Platform integration and solution, digital, cloud, security, internet of things (IOT), data analytics offerings \ Banking financial services & insurance, software products, life sciences & health care and industrial markets	Pune (Aryabhata-Pingala, Bhageerath, Hinjawadi, Blueridge, Panini) Nagpur (Gargi-Maitreyi, InfoTech Tower), Hyderabad, Goa, Bengaluru, France, Malaysia, Sri Lanka, Dublin (Ohio, USA), Jalisco (Mexico)	February 15, 2021	February 15, 2021 – February 15, 2024

Details of the Partner Certifications:

Sr. No.	Partner	Certification	Applicable Geo(s)
1\	Microsoft — CSP Tier 1	CSP Tier 1, ITes360 and Gold Partner. Gold Competencies — Application Development, Application Integration, Cloud Platform, Data Analytics, Datacenter, DevOps Silver Competencies — Security, Data Platform	US, India
2\	OutSystems — GSI Sales & Delivery Partner (Global Top 30 program)	Traditional Web Developer, Reactive Developer, Tech Lead, Mobile Developer Specialist, Architechure Specialist, Delivery Specialist, Pre-Sales Certification	US, India
3\	Mendix	Rapid Certification	US, India
4\	Appian	39 Associates, 91 Professionals, 1 Expert	US, India
5\	Unqork	21 Associates	US, India
6\	Automation Anywhere	10 Associates, 7 Experts	US, India
7\	Blueprism	14 Associates, 4 Experts	US, India
8\	UiPath	10 RPA Associates	US, India
9\	AWS	AWS Advanced Consulting Partner. Competencies in Data and Analytics, Financial Services, IoT, Dev Ops, and SaaS. Partner Programs: Public Sector, Solution Provider, and Immersion Day Service Delivery: Amazon EC2 Windows Server Delivery for Migration and AWS Lamda Delivery certified	US, India
10\	Salesforce	ISV, Sales Cloud, Service Cloud, Marketing cloud, community, Mulesoft, Tableau, Einstein, Health Cloud, Financial Service cloud, Field service lightning, Architect certifications, Sharing & security, Vlocity, B2B Commerce, B2C commerce, Platform	US, India, Europe, UK, Australia, Mexico, Canada

Report on Corporate Governance

Company's beliefs on Corporate Governance

“The real mechanism for corporate governance is the active involvement of the owners.”

- Louis Gerstner Jr., Former CEO of IBM

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 strict 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:

1\ The Society

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

2\ Customers

We provide services to our customers because of which we earn our revenue. Their satisfaction and delight are important focus areas of the Company operations. Therefore our customers are to be regarded as our stakeholders.

3\ Partners

Our partners help us deliver services to our customers. Partnerships are mutual and we believe that our success depends on the support we get from our partners and 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 which the Company acquires from suppliers. Efficiency and effectiveness of our own operations critically depend on the quality, efficiency and effectiveness with which our suppliers provide us their products and services. We believe, it is our responsibility to ensure the long-term success of our suppliers. Therefore the suppliers are considered as stakeholders of our Company.

5\ Our employees and their families

Everything that the Company does, is done by our employees. It is indeed their expertise, hard work, efficiency and dedication which permits 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 well-being. 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 tracking and improving 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 (NRC) of the Board specifically caters to our relations

with our employees. The Stakeholder Relationship Committee (SRC) specifically looks after the interests of our investors, shareholders and any other security holders as mandated by the law.

In order to comprehensively cater to building and nurturing harmonious relations with all our stakeholders, the Company additionally requires the SRC to specifically collect inputs from management and other committees responsible for relationship 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 background. As on March 31, 2021, the Company's Board consisted of Ten Directors — Three Executive Directors, Six Independent Directors and One Non-Executive Non-Independent Director. Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Board is chaired by a full time Executive Director. Table 1 gives the composition of the Board and the number of outside directorships held by each of the Directors as on March 31, 2021:

Table 1: Board of Directors

Name of the Director and Director's Identification Number (DIN)		Directorships			Number of Committee Positions held **	
		Indian Companies		Foreign Companies	Chairman	Member
		Public*	Private			
Dr. Anand Deshpande (DIN 00005721)	Founder, Chairman and Managing Director	1	1	5	Nil	1
Roshini Bakshi (DIN: 01832163)	Independent Director	2	Nil	1	Nil	1
Pradeep Bhargava (DIN: 00525234)	Independent Director	2	1	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	7	1	4	5
Sandeep Kalra (DIN: 02506494)	Executive Director and Chief Executive Officer	Nil	Nil	2	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	1	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	Nil	
Pradeep Bhargava (DIN: 00525234)	Independent Director	2 (Two)	1\ Independent Director, Automotive Stampings and Assemblies Limited 2\ Independent Director, Himatsingka Seide Limited
Guy Eiferman (DIN: 08101854)	Independent Director	Nil	
Dr. Anant Jhingran (DIN: 05116722)	Independent Director	Nil	
Praveen Kadle (DIN: 00016814)	Independent Director	2 (Two)	1\ Independent Director, Andhra Paper Limited 2\ 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 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.

There is no inter-se relationship between the Directors.

In addition to 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) as on March 31, 2021 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	6	5
Guy Eiferman	Independent Director	2	Nil
Dr. Anant Jhingran	Independent Director	1	Nil
Praveen Kadle	Independent Director	9	5
Sandeep Kalra	Executive Director and Chief Executive Officer	2	Nil
Thomas (Tom) Kendra	Non-Executive Non-Independent Director	1	Nil

Name of the Director	Category	Membership in Committees	Chairmanship in Committees
Prof. Deepak Phatak	Independent Director	2	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 own 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 protection of environment
- iv. To exercise due care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances and shall also exercise independent judgement
- v. To participate directly or through its Committees, in developing and approving the mission of the business, its objectives and goals and the strategy for their achievement
- vi. To ensure congruence between shareholders' expectations, Company's goals, objectives and management performance
- vii. To monitor the Company's progress towards its goals and to revise and alter its direction in light of changing circumstances
- viii. To approve and monitor compliance with all significant policies and procedures by which the Company is operated
- ix. To ensure that the Company operates at all times within applicable laws and regulations and ethical and moral standards
- x. To ensure that the performance of the Company is adequately reported to shareholders, other stakeholders and regulators on a timely and regular basis
- xi. To ensure that the audited annual financial statements are reported fairly and in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India and other processes and procedures as per the notified Secretarial Standards issued by the Institute of Company Secretaries of India
- xii. To ensure that any developments that have a significant and material impact on the Company are reported from time to time to the concerned authorities
- xiii. Not to involve in a situation which may have a direct or indirect interest that conflicts, or possibly may conflict with the interest of the Company
- xiv. Not to achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company
- xv. Not to assign his office and any assignment so made shall be void; and
- xvi. To act in accordance with the laws and regulations of the country and the Memorandum and Articles of Association of the Company

c. Chart setting out the competencies of the Board

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

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

In the table below, the specific areas of focus and expertise of individual Board Members have been highlighted. However, the absence of 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	-	✓	✓	✓	✓
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. 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, if 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 tele-conferencing. The Business Unit Heads, Chief Financial Officer, Chief People Officer 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 need basis. In terms of 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 2020-21 was Ninety-Six days i.e. from October 23, 2020 to January 28, 2021.

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 2020-21, six meetings of the Board of Directors were held on

- 1\ April 23, 24, 25 & May 5, 2020
- 2\ June 9, 2020
- 3\ July 22, 23 & 25, 2020
- 4\ September 29, 2020
- 5\ October 21, 22, 23 & 24, 2020 and
- 6\ January 27, 28 & 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.

Table 5 below gives the attendance record of the Directors at the Board meetings and at the last Annual General Meeting held on July 24, 2020. In this report, the signs below, wherever they appear, denote the following:

Y — Attended through Video Conferencing; N — Absent for 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 ----->						AGM held on July 24, 2020
	April 23, 24, 25 & May 5, 2020	June 9, 2020	July 22, 23 & 25, 2020	September 29, 2020	October 21, 22, 23 & 24, 2020	January 27, 28 & 29, 2021	
Dr. Anand Deshpande	C	C	C	C	C	C	C
Roshini Bakshi	Y	Y	Y	Y	Y	Y	Y
Pradeep Bhargava	Y	Y	Y	Y	Y	Y	Y
Guy Eiferman	Y	Y	Y	Y	Y	Y	Y
Dr. Anant Jhingran	Y	Y	Y	Y	Y	Y	Y
Praveen Kadle	Y	Y	Y	Y	Y	Y	Y
Sandeep Kalra	Y	Y	Y	Y	Y	Y	Y
Thomas Kendra	Y	Y	Y	N	Y	Y	Y
Christopher O'Connor*	Y	Y	Y	NA	NA	NA	Y
Prof. Deepak Phatak	Y	Y	Y	Y	Y	Y	Y
Sunil Sapre**	Y	Y	Y	Y	Y	Y	Y
Prakash Telang***	Y	Y	Y	NA	NA	NA	Y
Kiran Umrootkar***	Y	Y	Y	NA	NA	NA	Y

* Resigned as an Executive Director and Chief Executive Officer w.e.f. August 9, 2020.

** Retired as an Executive Director on January 26, 2021 and was reappointed as an Additional Director (Executive Member) w.e.f. January 27, 2021.

*** Retired as an Independent Director w.e.f. July 24, 2020.

2\ Committees of the Board of Directors

As on March 31, 2021, the Company has 7 (Seven) Committees of the Board of Directors viz. Audit Committee, Nomination and Remuneration Committee, Risk Management Committee, Stakeholders Relationship 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 is 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 take decision 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 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 Board and its Committees 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 on March 31, 2021:

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

In addition to the Audit Committee members, Statutory Auditors, Chief Financial Officer, Chief Planning Officer, Head – Internal Audit, Chief People Officer, Chief Administrative Officer, Business Unit Heads and other executives are invited to the Audit Committee Meetings, on 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 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 judgement by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Compliance with the listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
- iii. To review, with the management, the quarterly financial statements and auditor's report before submission to the Board for approval
- iv. To recommend to the Board, the appointment, re-appointment and if required, the replacement or removal of the statutory auditor and fixation of audit fees

- v. To grant approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- vi. To hold discussion with the Statutory Auditors before the audit commences about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern
- vii. To review management letters/letters of internal control weaknesses issued by the Statutory Auditors
- viii. To recommend appointment, removal and terms of remuneration of the Chief Internal Auditor
- ix. To hold discussion with Internal Auditors on any significant findings and follow up there on
- x. To review internal audit reports relating to internal control weaknesses
- xi. To review, with the management, performance of statutory and internal auditors and adequacy of internal control systems
- xii. To review adequacy of 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 a 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 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 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 past association with the Company management
- xxii. To review certificates regarding compliance of legal and regulatory requirements
- xxiii. To review the functioning of the Whistle Blower mechanism
- xxiv. The Company, the statement of funds utilised 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

Four meetings of the Audit Committee were held during the Financial Year 2020-21.

Table 7 gives the details of the attendance of the members of the Audit Committee at its meetings held during the Financial Year 2020-21. 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 2020-21

Name of the Director	<----- Audit Committee Meeting ----->			
	May 5, 2020	July 23, 2020	October 22, 2020	January 25, 2021
Praveen Kadle*	NA	Y	C	C
Kiran Umrootkar**	C	C	NA	NA
Roshini Bakshi*	NA	N	Y	Y
Pradeep Bhargava	Y	Y	Y	Y
Prakash Telang**	Y	Y	NA	NA

* Inducted as the member of the Committee w.e.f. July 23, 2020.

** Retired as an Independent Director w.e.f. July 24, 2020.

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, Compensation and Remuneration Committee and Nomination and Governance Committee.

The Chairman 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 on March 31, 2021.

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 for 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 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 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 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 authorise 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 2020-21. 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 2020-21.

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 2020-21

Name of the Director	<----- Nomination and Remuneration Committee Meeting ----->		
	April 1, 2020	April 23, 2020	October 16, 2020
Pradeep Bhargava	C	C	C
Roshini Bakshi*	Y	Y	NA
Guy Eiferman	Y	Y	Y
Dr. Anant Jhingran*	N	Y	NA
Thomas Kendra	Y	Y	Y
Prof. Deepak Phatak**	NA	NA	Y
Prakash Telang*	Y	Y	NA

* Ceased to be the member upon reconstitution of the Committee w.e.f. July 23, 2020.

** Inducted as the member of the Committee w.e.f. July 23, 2020.

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/2021/06/persistent-systems-remuneration-policy.pdf>

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

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

- a. Company Performance Bonus (CPB)
 - i. Based on Company Revenue and
 - ii. Based on Company EBIT/PBT/PAT
- b. Individual Performance Bonus (IPB)
 - i. Based on Individual Objectives as set in Performance Management & Health Management system (PHMS)
- c. Soft Parameters
 - i. As decided by reporting manager
- ii. All the Independent Directors are entitled to payment of commission at a sum not exceeding 1% per annum of net profits. Few Independent Directors have been granted Stock Options before April 1, 2014. Out of them, no Independent Director has excised any option during the year under report.
- iii. The total managerial remuneration not to exceed 11% of the net profits of the Company (₹ 722.99 million for FY 2020-21) and the total remuneration to the managerial persons not to exceed 10% of the net profits of the Company (₹ 657.27 million for FY 2020-21) in accordance with Section 197 of the Act.

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 2019-20 and 2020-21.

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	2021	12.70	11.32	2.24	-	26.26
		2020	11.65	10.05	2.18	-	23.88
Sandeep Kalra**	Executive Director and Chief Executive Officer	2021	46.38	14.76	3.55	45.84	110.53
		2020	39.54	1.91	2.19	-	43.64

Name of the Director	Category	Year ended March 31	Salary and allowance	Performance Linked	Company's	Perquisite	Total
				Incentive/ Commission	contribution to provident and superannuation fund	and other payments#	
Christopher O'Connor*	Executive Director and Chief Executive Officer	2021	33.66	25.59	2.88	96.37	158.50
		2020	38.78	17.60	1.97	-	58.35
Sunil Sapre	Executive Director and Chief Financial Officer	2021	7.10	6.35	1.25	31.72	46.42
		2020	7.07	5.03	1.21	-	13.31
Total		2021	99.84	58.02	9.92	173.93	341.71
		2020	97.04	34.59	7.55	-	139.18

^ Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 657.27 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).

* Resigned as an Executive Director and Chief Executive Officer w.e.f. August 9, 2020.

** Appointed as the Chief Executive officer w.e.f. October 23, 2020.

\ The complete details of the options granted to the Executive Directors of your Company is available on the website of the Company at 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 2020-21, the aggregate commission to all the Non-Executive Directors paid was ₹ 12.906 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	2021	NA	1.733	0.744	NA	2.477
		2020	NA	1.800	0.675	NA	2.475
Pradeep Bhargava	Independent Director	2021	NA	1.733	0.912	NA	2.645
		2020	NA	1.800	1.325	NA	3.125
Guy Eiferman	Independent Director	2021	NA	1.733	0.444	NA	2.177
		2020	NA	1.800	0.475	NA	2.275
Dr. Anant Jhingran	Independent Director	2021	NA	1.733	0.481	NA	2.214
		2020	NA	1.800	0.425	NA	2.225
Praveen Kadle**	Independent Director	2021	NA	1.656	0.812	NA	2.468
		2020	NA	NA	NA	NA	NA
Thomas Kendra	Non-Executive Non-Independent Director	2021	NA	1.733	0.344	NA	2.077
		2020	NA	1.800	0.525	10.63	12.955
Prof. Deepak Phatak	Independent Director	2021	NA	1.733	0.462	NA	2.195
		2020	NA	1.800	0.600	NA	2.400
Prakash Telang#	Independent Director	2021	NA	0.425	0.319	NA	0.744
		2020	NA	1.800	1.200	NA	3.000

Name of the Director	Category	Year ended March 31	Salary and allowance	Commission*	Sitting fees*	Others**	Total
Kiran Umrootkar [#]	Independent Director	2021	NA	0.425	0.319	NA	0.744
		2020	NA	1.800	1.250	NA	3.050
Total		2021	NA	12.906	4.837	NA	17.743
		2020	NA	14.400	6.475	10.630	31.505

[^] Overall Ceiling as per the Act and Remuneration Policy of the Company: ₹ 65.73 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 Independent Director w.e.f. April 23, 2020.

[#] Retired as an Independent Director w.e.f. July 24, 2020.

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 a reduction of 25% in their remuneration for a period from April to July 2020.

In case of in-person meetings, all outstation Directors are provided travel and accommodation for attending the Board and Committee Meetings.

Table 12 gives the following details:

- A. Details of stock options granted to Independent Directors and stock options granted and vested but not exercised as on March 31, 2021. (Refer Table 12A)
- B. Details of shares held by Independent Directors as on March 31, 2021. (Refer Table 12B)

Table 12A: Stock Options granted to Independent Directors and Non-Executive Non-Independent Director, which are vested but not exercised as on March 31, 2021:

Name of the Director	Year ended March 31, 2021	Scheme under which options are granted	Number of stock options granted	Stock options vested but not exercised
Roshini Bakshi*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Pradeep Bhargava	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Guy Eiferman*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Dr. Anant Jhingran*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Praveen Kadle*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Thomas Kendra*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Prof. Deepak Phatak*	2021	ESOP X	Nil	Nil
	2020	ESOP X	Nil	Nil
Prakash Telang [#]	2021	ESOP X	NA	NA
	2020	ESOP X	Nil	Nil
Kiran Umtoorkar [#]	2021	ESOP X	NA	NA
	2020	ESOP X	Nil	8,000
Total	2021	ESOP X	Nil	0.00
	2020	ESOP X	Nil	8,000

* Not eligible for ESOPs as their appointment was post April 1, 2014.

[#] Retired as an Independent Director w.e.f. July 24, 2020.

Table 12B: Shares held by Independent Directors and Non-Executive Non-Independent Directors as on March 31, 2021:

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
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 on March 31, 2021.

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

Four meetings of the Risk Management Committee were held during the Financial Year 2020-21.

Table 14 gives the details of the attendance of the members of the Risk Management Committee at its meetings held during the Financial Year 2020-21.

Table 14: Details of the attendance at the Risk Management Committee meetings held during the Financial Year 2020-21

Name of the Director	<----- Risk Management Committee Meeting ----->			
	May 5, 2020	July 23, 2020	October 22, 2020	January 22, 2021
Praveen Kadle*	NA	Y	C	C
Kiran Umrootkar**	C	C	NA	NA
Pradeep Bhargava***	Y	NA	NA	NA
Sandeep Kalra	Y	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y
Major General Amarjit Singh (Veteran) #	Y	Y	Y	NA
Dr. R. Venkateswaran#	NA	NA	NA	Y

* Inducted as a member of the Committee w.e.f. July 22, 2020.

** Retired as an Independent Director w.e.f. July 24, 2020.

*** Ceased as a member of the Committee upon reconstitution w.e.f. July 22, 2020.

Major General Amarjit Singh (Veteran) ceased to be the Member of the Committee and Dr. R. Venkateswaran was inducted as the Member of the Committee w.e.f. November 1, 2020.

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 Committee

Brief description

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

The Committee specifically looks into the redressal of shareholders' and investors' grievances such as transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, etc.

The Chairman of the Committee is an Independent Director.

Table 15 gives the composition of the Stakeholders Relationship Committee of the Board of Directors as on March 31, 2021.

Table 15: Composition of the Stakeholders Relationship 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

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 pertaining to Registrar and Share Transfer Agent including appointment of new Registrar and Share Transfer Agent in place of existing one
- vi. To address all matters pertaining to 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 annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- viii. To review of measures taken for effective exercise of voting rights by shareholders
- ix. To review of 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 of 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 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 in every financial year. Two meetings of the Committee were held during the financial year 2020-21.

Table 16: Details of the attendance at the Stakeholders Relationship Committee meetings held during the financial year 2020-21

Name of the Director	<----- Stakeholders Relationship Committee Meeting ----->	
	April 23, 2020	October 22, 2020
Prof. Deepak Phatak	C	C
Kiran Umrootkar*	Y	NA
Dr. Anand Deshpande	Y	Y
Sunil Sapre	Y	Y

*Ceased as a member of the Committee upon reconstitution w.e.f. July 23, 2020

Key Stakeholders of the Company and our key initiatives

Traditionally, stakeholders of a public limited company are defined in legal terms as its shareholders, debenture-holders, deposit-holders and any other security holders.

The 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, as mentioned in the past years annual report, the 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

This year, we decided to go one step ahead and have enumerated the list of Key Stakeholders of the Company and key initiatives taken and practices followed by us to maintain good relationship and to safeguard rights and best interest of these stakeholders.

Key Stakeholders of the Company	Key initiatives taken/practices followed
Government Regulatory Authorities/Government bodies/ Chamber of Commerce	\ We Participate in every voluntary analytical surveys conducted by Government, Semi-Government bodies and Chamber of Commerce such as RBI and MCCIA and provide the detailed information about the Company so that these authorities can use this data base for formulation of various policies \ We maintain good relationship with the regulatory authorities by strengthening the same based on the respect for law, compliance with the provisions while understanding the true spirit of the law, fidelity, reliability, professionalism, cooperation, reciprocity and good faith \ We also participate in the various forums organized by the Chamber of Commerce to strengthen the relationship in the industry
Our Vendors	\ The Company have provided financial support to the vendors providing catering services to keep him afloat, during the pandemic time and also provided support to set up Kitchen facilities at our various locations \ We provide annual scholarships to the children of housekeeping Staff through Persistent Foundation and also celebrate annual day for them. \ We follow Complete transparency with the vendors about the evaluation process and the timelines \ During COVID times, instead of reducing the vendor fees, we increased the credit period for the Invoices which resulted into win-win situation for the Company and vendors. This provided the Company with grace period for payment and also vendors did not suffer any monetary loss. \ The Company has formulated Code of Conduct for the Vendors which provides for the ethical and governance practices required to be followed by the Vendors in compliance with the applicable local laws.

Key Stakeholders of the Company	Key initiatives taken/practices followed
Shareholders of the Company	\ We provide accurate and compliant information of the operations of the Company through financial statements, annual reports and providing detailed update on Company and business information through media and press releases, quarterly analyst presentations, website of the Com which helps shareholders to take informed decision \ We conduct Shareholders' Survey on various services provided to them to understand their views about the Company \ We send periodic reminder letters to concerned shareholders through registered post for claiming their unclaimed dividend
Senior Management including Board of Directors, MD, CEO, CFO	\ Providing information on timely basis as it is significant factor in making a business decision \ Suggesting cost optimization measures to improve overall profitability on an organization level \ Providing regulatory updates and Company/Industry related updates to the Board under the familiarization program
Our Customers	\ We undertake various endeavors to enhance the end-to-end Persistent brand experience in a consistent manner for all clients and prospects \ We collaborate with various partners to generate market buzz, interest and demand around our joint solutions and complementary technology. \ We follow complete transparency in our business and treat all our customers and prospects with fairness and integrity
Society at large	\ We always spend more than what we are required through our Corporate Social Responsibility projects \ Through Persistent Foundation, we undertake various projects for betterment of the Society \ We have made worldwide donations and have allocated INR 247.50 million and USD 3.30 million towards COVID relief work
Our Employees	\ We make periodic communication with our employees to create awareness about Learning and Development offerings at the Company which help them to enhance their key skills. We provide role specific training programs at organizational level \ Information Security is paramount for us and we have solutions in place to protect Persistent's assets and employees \ Under employee Care, we provide Medical and term Insurance Benefits, Covid care support including vaccinations, Wellness initiatives to our employees and their family members and special support for COVID death surviving member to families of our employees \ We have an Employee Benefit Trust which provides 'interest free loans' to its members for medical treatment and specified personal disaster/financial emergencies \ The Company has various beyond work initiatives which helps the employees to collaborate with their colleagues through different sessions, seminars, games. Also, it helps to maintain inter-se relationship in the Company

In coming years, we ensure to continue to strive for betterment of our stakeholders by providing them with the best possible services and adapting the best practices which will help to maintain good harmonious relationship with them and to safeguard their rights and best interest.

Shareholders' Satisfaction Survey — May 2021

It is a continuous endeavour of the Company to provide the best services to our esteemed stakeholders whilst maintaining the highest level of Corporate Governance in our conduct. As a part of our constant endeavor to improve shareholder services, an online Shareholders' Satisfaction Survey was conducted by the Company during May 2021. The main objective of the online survey was to assess performance of the Company on various parameters, to make sure whether the efforts of the Company are reaching to its shareholders in their desired manner and ultimately to check their Satisfaction on the Company's performance.

The Survey was categorized in the following 5 (five) sections which are most appropriate to the shareholders keep connected with the Company:

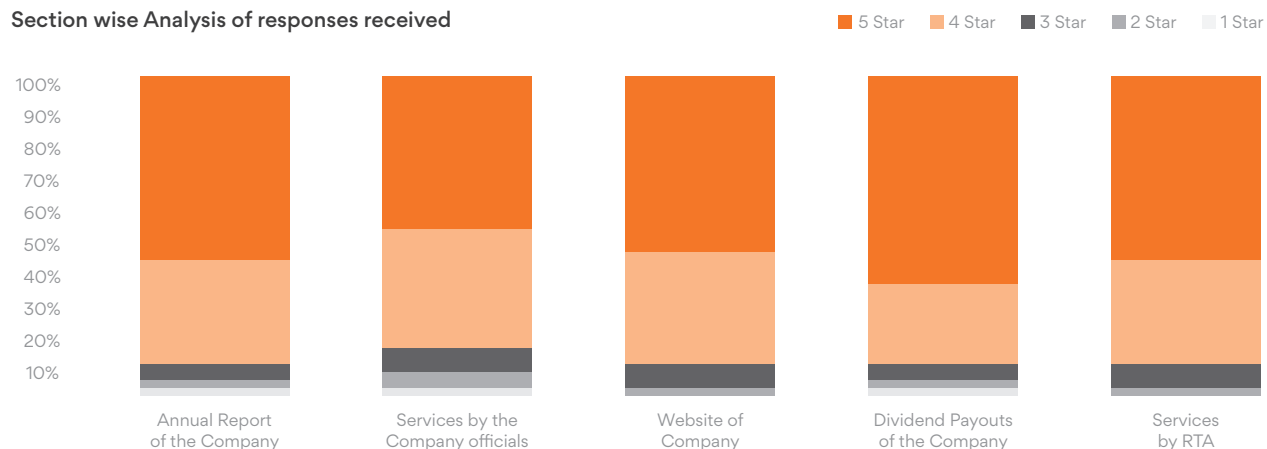
- 1\ Annual Report of the Company
- 2\ Services by the Company officials
- 3\ Website of the Company
- 4\ Dividend Payouts of the Company
- 5\ Services by RTA – Link Intime India Private Limited

Further, the shareholders were also prompted to give their feedback or submit any grievance related with any topic which has not been included in the survey.

The Company has experienced a commendable Shareholders participation. Around 4,000 shareholders participated in this survey. The Company was grateful to receive such response from the shareholders.

Brief analysis covering section wise responses are graphically presented as below:

Section wise Analysis of responses received



The response of shareholders for all the section was very satisfactory. The Company has received 4 out of 5 stars in each of the question and 75% of the total responses were of high rating i.e. between 4 and 5 stars. The Comments and suggestion section of the survey received most of the positive responses from the shareholders. The Company will consider these replies for raising the bar of current investor services. The Company will continue to conduct such surveys to track the performance, to improve the standards and to maintain the highest level of Corporate Governance.

Investors' Grievances

During the financial year ended March 31, 2021, the Company has attended to investors' grievances expeditiously.

Table 17: The details of the requests/complaints received and disposed of during the year are as under

Sr. No.	Nature of Request/Complaint	Opening Balance	Received	Attended	Pending
1\	Revalidation of warrants /issue of fresh drafts	1	47	48	0
2\	SCORES	0	0	0	0
3\	BSE/NSE	0	1	1	0

The Members may contact the Company Secretary of the Company for their queries, if any, at the contact details provided in the Shareholders' Information in this report and are 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 investor 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 Committee was reconstituted during the Financial Year 2020-21 due to resignation of Mr. Christopher O'Connor, Executive Director and Chief Executive Officer and retirement of Mr. Prakash Telang, Independent Director.

The Chairman 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 2020-21 in the manner approved by the Board of Directors and the same has been placed before the Board at its April 2021 meeting.

Table 18 gives the composition of the CSR Committee of the Board of Directors as on March 31, 2021.

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

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

- 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
- To recommend to the Board necessary amendments, if any, in the CSR Policy from time to time
- To monitor the budget under the CSR activities of the Company and
- 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:

- To seek information from any employee as considered necessary
- To obtain outside legal professional advice as considered necessary
- To secure attendance of outsiders with relevant expertise and
- To investigate any activity within terms of reference

The Ministry of Corporate Affairs, on January 22, 2021, updated the CSR Rules through the Companies (Corporate Social Responsibility) Amendment Rules, 2021. These Rules have made significant changes to the regulatory framework governing the monitoring and evaluation of CSR activities, and the utilization of CSR expenditure. The Company has taken cognizance of these Rules and has started its implementation with immediate effect. The Terms of Reference of the CSR Committee are in sync with the amended rules.

Meetings

The meeting of the Committee was held on April 23, 2020 to review the CSR activities of the Company being conducted during the Financial Year 2020-21. 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 ₹ 94.49 million. The Company spent ₹ 150 million by way of donations to various eligible institutions and has complied with the provisions of the Act. Consequently, Therefore, the Company is eligible to claim set-off of ₹ 55.51 million during the Financial Year 2021-22.

Based on the profits of three financial years ending on March 31, 2021, the Committee recommended to the Board of Directors, the amount of ₹ 98.47 million must be spent towards CSR activities as per Section 135 of the Act for the Financial Year 2021-22.

Table 19 gives details of attendance at the CSR Committee Meeting held during the Financial Year 2020-21.

Table 19: Details of the attendance at the CSR Committee meeting during the Financial Year 2020-21

Name of the Director	<----- CSR Committee Meeting ----->	
	April 23, 2020	February 24, 2021
Pradeep Bhargava	C	C
Dr. Anand Deshpande	Y	Y
Christopher O'Connor*	Y	NA
Prof. Deepak Phatak	Y	Y
Prakash Telang**	Y	NA

* Resigned on August 9, 2020.

** Ceased to be the member w.e.f. July 23, 2020.

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, 2021.

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
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:

- To review and follow up on the action taken on the Board decisions
- To review the operations of the Company in general
- To review the systems followed by the Company
- To examine proposal for investment in real estate
- To review, propose and monitor annual budget including additional budget, if any, subject to the ratification of the Board
- To review capital expenditure against the budget

- vii. To authorise opening and closing of bank accounts
- viii. To authorize additions/deletions to the signatories pertaining to banking transactions
- ix. To approve investment of surplus funds for an amount not exceeding ₹ 25 Crores as per the policy approved by the Board
- x. To approve transactions relating to foreign exchange exposure including but not limited to forward cover and derivative products
- xi. To approve donations as per the policy approved by the Board
- xii. To delegate authority to the Company officials to represent the Company at various courts, government authorities and so on and
- xiii. 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. Four meetings of the Executive Committee were held during the financial year 2020-21.

Table 21 gives the details of the attendance of the members of the Executive Committee at its meetings held during the financial year 2020-21.

Table 21: Details of the attendance at the Executive Committee meetings during the financial year 2020-21

Name of the Director	<----- Executive Committee Meeting ----->			
	June 18, 2020	August 28, 2020	November 26, 2020	February 23, 2021
Pradeep Bhargava	Y	C	C	C
Kiran Umrootkar*	C	NA	NA	NA
Roshini Bakshi	Y	Y	Y	Y
Dr. Anant Jhingran**	NA	Y	Y	N
Praveen Kadle**	NA	Y	Y	Y
Sandeep Kalra**	NA	Y	Y	Y
Sunil Sapre	Y	Y	Y	Y
Prakash Telang*	Y	NA	NA	NA
Christopher O'Connor**	NA	NA	NA	NA

* Ceased to be the member w.e.f. July 23, 2020.

** Inducted as the member w.e.f. July 23, 2020.

3\ Performance Evaluation of the Board, its Committees and Directors

Though the requirement of Board Evaluation was introduced in April 2014, the Company has been voluntarily following the practice of such evaluation since FY 2008-09.

The Company conducted the annual performance evaluation of the Board, the Chairman, its various Committees and the Directors individually including the Independent Directors. The performance evaluation was done by an external management consultant who is specialized in the 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 2021 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 2021.

The details of the previous year's observations and the actions taken thereon form part of the [Report of the Directors](#).

4\ Subsidiary Companies

During the financial year 2020-21, the Company and its 100% subsidiary Persistent Systems Inc., USA acquired Capiot Software Inc., USA along with its subsidiaries in India, Singapore and Australia. Accordingly, Capiot Software Private Limited became a Wholly Owned Subsidiary of the Company and Capiot Software Inc., USA along with its entities in Singapore and Australia became subsidiaries of Persistent Systems Inc., USA.

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, 2021:

Name of the Subsidiary Company	Country of Registration	Holding percentage
Persistent Systems Inc.	USA	100%
Persistent Telecom Solutions Inc.	USA	(100% subsidiary of Persistent Systems Inc. – Step down subsidiary of the Company)
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%
Aepona Group Limited	Ireland	(100% subsidiary of Persistent Systems Inc. - Step down subsidiary of the Company)
Valista Limited (Dissolved)*	Ireland	(100% subsidiary of Aepona Group Limited - 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 Werks AG	Switzerland	(100% subsidiary of Persistent Systems Germany GmbH - Step down subsidiary of the Company)
PARX Consulting GmbH	Germany	(100% subsidiary of PARX Werks 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 Private Limited**	India	100%
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)

* Valista Limited, Ireland, 100% subsidiary of Aepona Group Limited - Step down subsidiary of the Company was dissolved w.e.f. June 24, 2020 as a part of corporate restructuring of the Company

** Acquired/incorporated during the financial year 2020-21

5\ General meeting details

a. The details of the last three years Annual General Meetings are as follows:

Financial Year	Date	Time (IST)	Venue
2017-18 28 th AGM	July 27, 2018	1100 Hrs.	Persistent Systems Limited, Dewang Mehta Auditorium, Bhageerath, 402 Senapati Bapat Road, Pune 411 016
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

b. The following Special Resolutions were passed by the Members during the last three Annual General Meetings:

Date of AGM	Sr. No.	Venue
July 27, 2018 28 th AGM	i.	To appoint Dr. Anant Deep Jhingran (DIN: 05116722) as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years i.e. up to November 20, 2022
	ii.	To appoint Prof. Deepak B. Phatak (DIN: 00046205) as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years i.e. up to April 23, 2023
	iii.	To appoint Mr. Guy Eiferman (DIN: 08101854) as an Independent Director of the Company, not liable to retire by rotation, to hold office for 5 (Five) consecutive years i.e. up to April 23, 2023
	iv.	To appoint Mr. Sunil Sapre (DIN: 06475949) as an Executive Director of the Company, liable to retire by rotation to hold office for 3 (Three) consecutive years i.e. up to January 26, 2021
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 34 th 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 32 nd 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 30 th 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 30 th 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.

6\ Resolution passed by Postal Ballot:

During the Financial Year 2020-21, there were no resolutions passed through the Postal Ballot.

7\ 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 during financial year 2018-19.

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 <https://www.persistent.com/ethical-practices-at-persistent-systems/code-of-conduct-for-directors-and-employees/>

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 <https://www.persistent.com/investors/corporate-governance/other-disclosures/familiarisation-programme/>

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 2020-21, there were no offsite due to COVID-19 Pandemic restrictions.

D. Whistle Blower Policy

The Board of Directors of the Company has adopted a Whistle Blower Policy for employees and for the non-employee stakeholders in India and all global locations. The employees are encouraged to report to the Whistle Blower 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 Whistle Blower Administrator. The policy also provides for direct access to the Chairman of the Audit Committee. The Whistle Blower Policy is uploaded on the website of the Company at <https://www.persistent.com/ethical-practices-at-persistent-systems/whistle-blower-policy/>

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 <https://www.persistent.com/investors/policy-on-material-subsidiary/>

G. Disclosures on material significant related party transactions that may have potential conflict with the interests of the Company

During the financial year 2020-21, 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 <https://www.persistent.com/investors/related-party-transactions-policy/>.

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. 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.

K. 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.

L. 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, 2020 to March 31, 2021.

The Company has complied and disclosed all the mandatory requirements under the Listing Regulations.

M. Remuneration to the Directors of the Company

Information relating to the remuneration to the Directors during the financial year 2020-21 has been provided under the details of the Nomination and Remuneration Committee under this report.

8\ 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.

9\ Corporate Social Responsibility Report

A [Report on the Corporate Social Responsibility \(CSR\)](#) initiatives of the Company has been provided elsewhere in the Annual Report.

10\ 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 <https://www.persistent.com/investors/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, 2020	September 30, 2020	December 31, 2020	March 31, 2021
English	Date of Publication	July 27, 2020	October 25, 2020	January 29, 2021	April 30, 2021
	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 27, 2020	October 25, 2020	January 29, 2021	April 30, 2021
	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 Wednesday, July 21, 2021 at 1600 hrs. (IST) through Video Conferencing/Other Audio-Visual Means.

iv. Book Closure dates: From Thursday, July 15, 2021 to Wednesday, July 21, 2021 (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 ₹ 14 per equity share at its Board meeting held in January 2021 for the financial year 2020-21 to those members whose names were appearing in the Register of Members on February 10, 2021.

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 were 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, 2021 (In ₹)	Due date for transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)	Percentage of unclaimed dividend over Total Dividend
2020-21	January 2021 - Interim	1,069,950,000	185,956	March 27, 2028	0.0174
2019-20	March 2020 – 2 nd Interim	229,275,000	188,565	April 15, 2027	0.0822
2019-20	January 2020 – 1 st Interim	687,825,000	328,860	March 5, 2027	0.0478
2018-19	July 2019 – Final	229,275,000	105,267	August 28, 2026	0.0459
2018-19	January 2019 – Interim	640,000,000	299,152	March 1, 2026	0.0467
2017-18	July 2018 – Final	240,000,000	109,809	August 31, 2025	0.0458
2017-18	January 2018 – Interim	560,000,000	239,323	March 4, 2025	0.0427
2016-17	July 2017 – Final	240,000,000	126,321	August 23, 2024	0.0526
2016-17	January 2017 – Interim	480,000,000	254,442	February 26, 2024	0.0530
2015-16	March 2016 – 2 nd Interim	240,000,000	98,352	April 13, 2023	0.0410
2015-16	January 2016 – 1 st Interim	400,000,000	188,785	February 28, 2023	0.0472
2014-15	July 2015 – Final	400,000,000	148,760	August 29, 2022	0.0372
2014-15	January 2015 – Interim	400,000,000	341,600	March 1, 2022	0.0854
2013-14	July 2014 – Final	160,000,000	285,356	August 30, 2021	0.1783
Total		5,976,325,000	2,900,548.05		0.8233

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. 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, 2020	As on March 31, 2021
i	Total Dividend Declared	5,586,375,000	5,976,325,000
ii	Unclaimed Dividend	4,046,452	2,900,548.05

During the year under report, the Company has transferred the unclaimed and unpaid dividend of ₹ 209,720 (incl. rounded-up and interest amount) to the IEPF Authority. Further, 210 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 2020-21 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 mentioned above.

As on March 31, 2021, 76,057,791 Equity Shares comprising 99.52% of the Company's shares are held in dematerialized form.

Also, during the Financial Year 2020-21, the Company has made an appeal to the shareholders who hold shares in Physical Mode for converting their shares into the Dematerialization Mode to comply with the SEBI guidelines.

xiii. Share Transfer System

SEBI, effective April 01, 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, 2021

Shareholding of nominal value	Shareholders	Percentage%	Nominal value of Equity Shares (in ₹)	Percentage holding
1 - 5,000	71,144	99.1803	55,960,810	7.32
5,001 - 10,000	198	0.2760	14,549,720	1.90
10,001 - 20,000	148	0.2063	20,855,820	2.73
20,001 - 30,000	57	0.0795	14,116,110	1.85
30,001 - 40,000	31	0.0432	10,579,430	1.39
40,001 - 50,000	26	0.0362	11,950,270	1.56
50,001 - 100,000	51	0.0711	35,580,830	4.66
100,001 and above	77	0.1073	600,657,010	78.59
Total	71,732	100	764,250,000	100

xv. Shareholding pattern as on March 31, 2021

Sr. No	Category of Shareholders	No. of Shareholders	No. of Equity Shares	Nominal Value of Equity Shares (in ₹)	Percentage Holding
1\	Promoters	2	22,854,840	228,548,400	29.90
2\	Promoters Group	8	1,056,125	10,561,250	1.38
3\	Institutions				
a\	Mutual Funds	25	19,988,141	199,881,410	26.16
b\	Financial Institutions/Banks	1	25	250	0.00
c\	Foreign Portfolio Investors (Corporate)	180	14,718,578	147,185,780	19.26
d\	Foreign Venture Capital Investors	-	-	-	-
e\	Foreign Company	1	366,862	3,668,620	0.48
f\	Alternate Investment Funds	12	1,026,438	10,264,380	1.34
g\	Insurance Companies	9	1,601,002	16,010,020	2.09
h\	Central Government	-	-	-	-
4\	Non – institutions				
a\	Bodies Corporate	536	435,329	4,353,290	0.57
b\	Individuals	65,924	1,118,8253	111,882,530	14.65
c\	Any other				
i	NRI	1,998	830,836	8,308,360	1.09
ii	Foreign National	3	4,600	46,000	0.00
iii	Trust	2	148	1,480	0.00
iv	Directors/Relatives	5	80,600	806,000	0.11
v	Clearing Members	120	93,995	939,950	0.12
vi	Hindu Undivided Families	1,302	159,701	1,597,010	0.21
vii	IEPF	1	623	6,230	0.00
viii	NBFC	2	520	5,200	0.00
5\	Employee Benefit Trust [under SEBI(Share based Employee Benefit) Regulations, 2014]	1	2,018,384	20,183,840	2.64
Total		70,132	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, 2021

Sr. No.	Name of Shareholder	No. of Shares	Percentage holding
1\	PPFAS Mutual Fund - Parag Parikh Flexi Cap Fund	2,389,036	3.13
2\	HDFC Small Cap Fund	2,100,410	2.75
3\	HDFC Trustee Company Ltd - A/C HDFC Mid - Capopportunities Fund	2,042,436	2.67
4\	PSPL ESOP Management Trust*	2,018,384	2.64
5\	Kotak Emerging Equity Scheme	1,634,041	2.14
6\	Government Pension Fund Global	1,505,248	1.97
7\	ICICI Prudential Value Discovery Fund	1,295,374	1.70
8\	Ashutosh Vinayak Joshi	1,117,946	1.46
9\	Shridhar Bhalchandra Shukla	1,101,296	1.44
10\	Kotak Funds - India Midcap Fund	1,081,127	1.41
11\	L&T Mutual Fund Trustee Limited-L&T Emerging Businesses Fund	1,035,070	1.35
12\	L&T Mutual Fund Trustee Ltd -L&T India Value Fund	1,000,184	1.31
13\	TATA AIA Life Insurance Co Ltd-Whole Life Mid Cap Equity Fund	817,633	1.07
Total		19,138,185	25.04

* Shares of PSPL ESOP Management Trust are held in the name of its trustees.

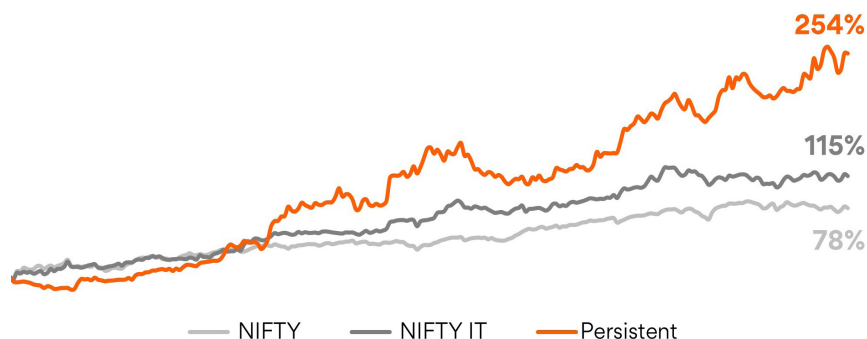
xvii. Market Price Data

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, 2020 to March 31, 2021 on a monthly basis are as below:

Month ended	<----- BSE ----->			<----- NSE ----->		
	High (₹)	Low (₹)	Total Volume (No.)	High (₹)	Low (₹)	Total Volume (No.)
Apr-20	550.00	464.05	194,088	558.75	464.20	1,796,427
May-20	558.00	460.00	96,492	551.00	460.00	3,857,841
Jun-20	640.00	530.10	67,081	641.15	528.55	1,838,651
Jul-20	931.10	627.05	385,524	930.00	628.00	6,517,575
Aug-20	1,128.35	918.00	264,099	1,128.00	908.00	3,927,614
Sep-20	1,384.65	950.00	315,820	1,385.85	956.50	5,400,816
Oct-20	1,389.95	1,125.05	565,569	1,390.60	1,063.40	4,742,963
Nov-20	1,250.00	1,075.00	175,752	1,248.20	1,103.15	2,439,865
Dec-20	1,542.05	1,163.75	240,867	1,549.00	1,164.75	3,955,323
Jan-21	1,690.00	1,480.00	238,949	1,700.00	1,477.80	3,830,244
Feb-21	1,850.00	1,505.40	304,465	1,850.00	1,505.95	2,965,072
Mar-21	1,990.00	1,641.30	236,082	1,997.00	1,641.05	3,504,886

(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, 2020 to March 31, 2021 is as follows:



xviii. American Depositary Receipts/Global Depositary Receipts/Warrants

As on March 31, 2021, the Company has no American Depositary Receipts/Global Depositary Receipts/Warrants or any such convertible instruments outstanding and there is no likely impact on the Company's Equity Shares in the financial year 2021-22.

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 2021-22 (tentative, subject to change)

Quarter Ending	Category
June 30, 2021	July 21, 2021, July 22, 2021 and July 23, 2021
September 30, 2021	October 20, 2021, October 21, 2021, and October 22, 2021
December 31, 2021	January 19, 2022, January 20, 2022, and January 21, 2022
March 31, 2022	April 25, 2022, April 26, 2022, and April 27, 2022

11\ ESOP Schemes of the Company

The status of various ESOP schemes as on March 31, 2021 is shown in the following table:

Scheme		i	ii	iii	iv	v	vi	vii	viii	ix	x	xi*	xii	xiii	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	1,534,000	67,300	3,007,500	28,784,534
Vested	b	3,220,858	477,085	1,696,517	4,705,452	1,333,722	785,750	792,455	35,000	914,710	2,206,617	212,200	52,450	257,500	16,690,316
Exercised	c	3,208,212	477,085	1,549,241	4,353,609	1,260,725	785,750	789,115	28,000	782,006	1,844,707	198,200	52,450	126,200	15,455,300
Lapsed	d	13,298	0	77,255	75,702	68,633	0	140	7,000	22,352	363,360	764,800	14,850	256,875	1,664,267
Available for Exercise	e	12	0	70,721	276,141	4,435	0	3,200	0	110,352	0	571,000	0	117,550	1,527,184
Not Vested (a - b)	f	1,339,642	276,115	836,783	2,252,798	556,803	430,500	992,520	7,000	459,752	855,655	1,321,800	-	2,750,000	12,079,368
Weighted average remaining contractual life		Note (i)	-	Note (i)	2.39	Note (i)	-	2.73	-	2.24	-	4.32	-	5.47	-
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	822.41	

*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

TThe Company has continued to 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 the same.

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 favours 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 2020-21, there were no offsite 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 Call at quarterly 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 answers 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 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

New Jersey, USA
June 10, 2021

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Pune
June 10, 2021

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 2021, 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 2020 to 31st March 2021.

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: FO05640C000441581

Pune, June 10, 2021

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, 2021 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\	Roshini Bakshi	01832163	26/07/2014
3\	Pradeep Bhargava	00525234	26/04/2012
4\	Guy Eiferman	08101854	24/04/2018
5\	Dr. Anant Jhingran	05116722	21/11/2017
6\	Praveen Kadle	00016814	23/04/2020
7\	Sandeep Kalra	02506494	11/06/2019
8\	Thomas Kendra	07406678	22/01/2016
9\	Prof. Deepak Phatak	00046205	24/04/2018
10\	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
 UDIN: F005640C000441537

Pune, June 10, 2021

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, 2020 to March 31, 2021																		
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	i. Number of International Locations – <table> <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. Israel c. Malaysia d. Singapore e. Sri Lanka </td></tr> <tr> <td>3\</td><td>Australia</td><td>Australia</td></tr> <tr> <td>4\</td><td>Europe</td><td> a. England 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> </tbody> </table> ii. Number of National (India) Locations – a. Pune, Maharashtra b. Mumbai, Maharashtra c. Nagpur, Maharashtra d. Hyderabad, Telangana e. Bengaluru, Karnataka f. Verna, Goa	Sr. No.	Continent	Country	1\	Africa	South Africa	2\	Asia	a. Japan b. Israel c. Malaysia d. Singapore e. Sri Lanka	3\	Australia	Australia	4\	Europe	a. England b. France c. Germany d. Ireland e. The Netherlands f. Switzerland g. Italy	5\	North America	a. Canada b. Mexico c. USA
Sr. No.	Continent	Country																		
1\	Africa	South Africa																		
2\	Asia	a. Japan b. Israel c. Malaysia d. Singapore e. Sri Lanka																		
3\	Australia	Australia																		
4\	Europe	a. England b. France c. Germany d. Ireland e. The Netherlands f. Switzerland g. Italy																		
5\	North America	a. Canada b. Mexico c. USA																		
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, 2021 (Audited Financials)

1\	Paid up Capital	₹ 764.25 million
2\	Total Turnover (Standalone)	₹ 24,796.08 million for the year ended March 31, 2021
3\	Total profit after taxes (Standalone)	₹ 5,050.86 million for the year ended March 31, 2021
4\	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax	2.97% (₹ 150.00 million for the year ended March 31, 2021)
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 – a. Persistent Systems Inc., USA (Wholly owned subsidiary) b. Persistent Systems Pte. Ltd., Singapore (Wholly owned subsidiary) c. Persistent Systems France S.A.S., France (Wholly owned subsidiary) d. Persistent Systems Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary) e. Persistent Systems Germany GmbH, Germany (Wholly Owned Subsidiary) f. Capiot Software Private Limited, India* (Wholly owned subsidiary) g. Persistent Telecom Solutions Inc., USA (Subsidiary of Persistent Systems Inc.) h. Persistent Systems Israel Ltd., Israel (Subsidiary of Persistent Systems Inc.) i. Persistent Systems Mexico S.A. de C.V., Mexico (Subsidiary of Persistent Systems Inc.) j. Aepona Group Limited, Ireland (Subsidiary of Persistent Systems Inc.) k. Aepona Limited, UK (Subsidiary of Aepona Group Limited) l. Persistent Systems Lanka (Private) Limited, Sri Lanka (Subsidiary of Aepona Group Limited) m. PARX Werks AG, Switzerland (Subsidiary of Persistent Systems Germany GmbH) n. PARX Consulting GmbH, Germany (Subsidiary of PARX Werks AG) o. Youperience GmbH, Germany (Subsidiary of Persistent Systems Germany GmbH) p. Youperience Limited, UK (Subsidiary of Youperience GmbH) q. Capiot Software Inc., USA* (Subsidiary of Persistent Systems Inc.) r. Capiot Software Pte Ltd, Singapore* (Subsidiary of Capiot Software Inc.) s. Capiot Software Pty Ltd, Australia* (Subsidiary of Capiot Software Inc.) t. Persistent Systems S.r.l., Italy* (Subsidiary of Persistent Systems Inc.)
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. They 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 2020-21

Section D: 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

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.								
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

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.
 - \ Within 3 months
- b. 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/annual-reports/>

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 by 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, vendor code of conduct which has 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 by 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 or so

During the Financial Year 2020-21, the Company has received one complaint from the shareholder about non-receipt of dividend which was resolved to his satisfaction.

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 and trade sanctions. The Company conducts due diligence on all its vendors and customers 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 customers are consistent with the law.

The Company gives attention on fostering of fair business practices while working with the internal and external stakeholders. Further, the Company is committed for creating an ethical and sustainable business environment. This commitment is reflected through various company policies and practices being observed towards the respective stakeholders of the Company.

Certifying the Code

All employees reaffirm their commitment to the Code of Conduct by signing an undertaking 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 one complaint of harassment of non-sexual nature which was heard by the Committee as per the guidelines and was 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 internal survey for obtaining feedback from the employees about the work culture in the Company, in the department and 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?

Data centres are the highest consumers of power and energy. We care about this and

- 1\ We monitor power consumption regularly and ensure that the consumption is optimized
- 2\ We invest in alternate sources of energy i.e. Rooftop Solar at Hinjawadi and Aryabhata-Pingala — our campuses in Pune and at Gargi Maitreyi — Campus at Nagpur. We also have two Windmills (each of 2.1 MW capacity) in Maharashtra, India. Together they contribute to 54% of total energy consumption, in India.
- 3\ During the year, Air Conditioners optimized in server rooms and data centers by removing unwanted heat loads, space optimization, reorganizing inlet and out flow and wall insulation
- 4\ Cold aisle containment work in Data center results 18% saving in power consumption of data center AC.
- 5\ Upgradation of ACs: Existing ACs based on R-22 gas replaced with energy efficient Inverter based and VRV technology ACs which use environment friendly gases like R-32/R-410 /R 407 C. This has resulted into 20% reduction in AC consumption of electricity.

- 6\ Regulated & optimized the schedules of Lifts, Vending machines, ventilation system, HVAC system etc. as per occupancy and usage timings.
- 7\ Great emphasis on Energy Conservation with an in-house team of experts: -
 - a. LED lights installed in place of CFLs (9365 No's)
 - b. Ozonators incorporated in ACs (which also disinfects the air and makes the air healthier)
 - c. Setting optimum temp settings (24-25°C) for ACs as a SOP
 - d. Culture of 'switching off when not in use', actually practiced.
- 8\ Thermal Solar water heaters for our cafeterias & Gym in our owned campuses, saves us 44,352 kWh per annum.
- 9\ Energy saving measures are taken right from design stage like double wall construction, low-e glass for facades, AC optimization, windows with DGUs, maximum use of natural light and ventilation, underdeck insulation, etc.
- 10\ Yearly reduction target for Green House Gases (GHG) is 3%, which we have been surpassing each year. Till end of FY 20, we have reduced over 27% of our carbon footprint in last 5 FYs.

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 or so.

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 requirement in the Procurement Policy and prefers earth friendly and green 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 & 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 in 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 give motivation for their business. The Company also guides its MSME vendors on improving their technical capabilities and strengthen them on improving quality and increasing the productivity. We take special care in paying MSMEs on priority, well in time. We provide opportunity 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 also on availing government benefit schemes like PMPRY and ABRY.

During the pandemic time, we have paid salaries of the vendor staff for the lockdown period last year, irrespective of their attendance. We have also provided with all safety, security measures in the campus along with food (when necessary) and stay arrangements during full lockdown.

Additionally, the Company through its CSR wing, Persistent 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 or so.

- a. All waste papers are shredded and disposed-off to 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.

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 well-being of all employees

- 1\ Please indicate the Total number of employees (including trainees and associates) as on March 31, 2021 – 13,680 (consolidated)
- 2\ Please indicate the total number of employees hired on temporary/contractual/casual basis – 1,267
- 3\ Please indicate the number of permanent women employees – 4,031
- 4\ Please indicate the number of permanent employees with disabilities – 18
- 5\ Do you have an employee association that is recognized by management? – No
- 6\ What percentage of your permanent employees is 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 2020-21	No. of complaints pending as on end of the Financial Year 2020-21
1\	Child labour/forced labour/involuntary labour	Nil	Nil
2\	Sexual harassment	Nil	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% of trainings and assessments are being offered in virtual classroom mode for 'Learn from Home'. The Company offers Anytime Anywhere learning through our e-learning courses 'selfie shots.'

The Company's approach for managing its core asset i.e. its people; is founded on the following beliefs:

- a. People's safety is our first priority
- b. 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 82 % of employees through at least one training this year. The Company trained about 1,100+ campus hires in the Entry Level Training Program (ELTP). We covered 900,000 hours of learning across average 11,000 employees, which translates to average 90 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 modification to policies which has also ensured improved engagement levels and ownership among employees.

The Company provides annual preventive health checks for all employees. Further, to enable employees manage work-life balance and related stress, if any, the Company has taken several initiatives, including:

- a. **Agile Working:** A core component of the Company's Diversity & Inclusion ambition, agile working encompasses a wide range of working options that enables employees to work flexibly at full potential. Part time working, job-share, home working and flexible hours are some options granted under this initiative.

- b. Career Break and Maternity/Paternity Leave:** These benefits are available to employees of the Company irrespective of the level that they operate at.
- c. Workplace facilities:** At all offices and facilities of the Company, attention is paid to ergonomics and safety to ensure a comfortable and safe workplace and work environment.
- d. Leadership Development:** Building both people and functional capability is one of the key elements of our investment in people. Few employees were selected for year-long 'ChangeMakers' program, they were exposed to different and key activities across the organization. This group has also worked on various ideas and activities towards proposing various improvements and changes to the operational issues in the organization.
- e. Diversity and Inclusion:** As a global Company, the Company wants the workforce to represent the communities in which it operates. The Company's commitment to Diversity and Inclusion enables it to be creative, competitive and thrive in the IT environment.

Prerana, the forum, for the women run by women in the Company, had special focus on women in leadership during this year. A special mentoring program is launched for aspiring women to be nurtured as future leaders. Various lectures by women leaders were also arranged from time to time for motivating women in the Company.

With the pandemic hitting us while we were offguard, we are proud to say that we could enable Work from Anywhere within hours for everyone. The Company procured additional laptops, enabled remote working, strengthened our security systems and almost everything we did physically was done virtually. The Company launched various initiatives to help employees work from anywhere.

Webinars of Ergonomics and Work Place Assessment

Now that the employees were not working from the ergonomically designed office space, it was utmost important that we educate our people and ensure that they are working in the right posture. We had series of sessions from the Orthopedic Doctors and Ergonomic experts to create awareness, educate our people and do work place Assessment.

Webinars of Eye care

Office environment allowed breaks in the form of meetings, lunch, snacks and tea break, but when all the meetings were done virtually it was essential that our employees took care of their eyesight. Eye care webinars ensured that people are keeping the laptop screen at an appropriate distance, ensuring that the brightness does not harm them and so on. All the guidance from the doctors helped our employees to take the necessary care of their eyesight.

Webinars on Emotional Health

With the fear in the air, ambiguity, sudden change in the daily routine, being locked down indoors, absence of maids, staying together in the house did give rise to certain anxiety. Our regular webinars on Emotional health by our in house counsellor ensured that we guide our people to handle the stress, handle relationships in a healthy manner. Our experts guided our employees to make most of the lockdown, invest in self - exercise, upgrade individual skills, develop hobbies and work on their passion. This helped a maintain a very positive and energetic environment in the Company throughout the year.

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 Persistent Foundation (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

In addition, the Company also through the Foundation did substantial COVID relief work across the globe which included COVID Insurance for contractor staff like housekeepers, security guards etc. and their families, funding for vaccine on wheels for and COVID treatment of disadvantaged, vulnerable and marginalized, support for ventilators, oxygen beds, medicines, ICU beds, oxygen production plants, portable oxygen concentrator machines consumables for hospitals/ NGOs, funding of COVID care centers, food packets for migrant labours, fumigation/sanitisation, cleaning of public toilets in slum areas etc.

Under the above focus areas, the following are the flagship projects which the Foundation team implements at maximum locations, which is directly or indirectly contributing to the national interest/goal and has a direct impact on quality of life of beneficiary.

Education	Health	Community Development	Assistance in Calamities
Scholarship and Mentoring to engineering students from IT and Computer Science	Comprehensive care for Facial Cleft and Palate patients	Water — For livelihood and drinking water	Flood Relief in Bhandara, Maharashtra and Hyderabad.
Early Career Research Award with ACM India			Support for COVID relief work

Details of projects undertaken under Education

- 1\ Kiran Girls' Scholarship and Mentoring Program: 42 students were onboarded (41 regular students and 1 Affirmative action student) Presently, 164 students are enrolled in the program.
- 2\ Regular Projects: Through 12 schools, 25 study centers, two schools for the specially abled and one residential center, the Foundation was able to reach 5,363 students through nine initiatives.

Details of projects undertaken under Health

- 1\ Spreading smiles- Spreading awareness- Comprehensive care to patients of Facial Cleft and Cleft palate: In the year 2020-21, the Foundation supported 14 centers for 5 services. Out of 14 centers, 12 centers has served COVID-19 patients. Covered 456 patients.
- 2\ Regular Projects — Through 8 projects we have reached out to 3,735 individuals

Details of projects undertaken under Community Development

- 1\ Comprehensive Sustainable Livelihood and Watershed Development program:
- 2\ Support to Livestock center at Pune
- 3\ Regular Projects: Support for Bamboo craft, Open well, Tree Plantation

COVID-19 relief work

- 1\ Support for Ration Kits
- 2\ Cooked Meals Support
- 3\ Medical Care Support: Our direct association with hospitals helped us to reach out to the neediest in a timely manner. Along with consumables, support was also provided to strengthen the healthcare infrastructure. The Foundation supported 14 hospitals, 14 NGOs and four government departments through medical interventions.
- 4\ Community Disinfection
- 5\ Along with PPE kits for medical front liners, PPE kits were also provide to waste pickers which included raincoats.

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	Remarks
			(kWh) Unit in FY 2020-21	
1\	AR-PG Facility, Pune	320 kWp	340,551	Persistent Facility
2\	Hinjawadi Facility, Pune	276 kWp	403,658	Persistent Facility
3\	Nagpur Facility	207 kWp	218,503	Persistent Facility
4\	Pune Railway Station, Pune	160 kWp	200,839	Through CSR activity
5\	Nampally Railway Station, Hyderabad	228 kWp	298,337	Through CSR activity
6\	Tarachand Hospital, Pune	63 kWp	64,941	Through CSR activity
Total		1,179 kWp	1,526,828	

Wind Mill Projects

Sr. No.	Windmill Location	Capacity	Annual Generation	Remarks
			(kWh) Unit in FY2020-21	
1\	Windmill at Nandurbar	2.1 MW	3,354,180	Owned by Persistent
2\	Windmill at Jath	2.1 MW	2,029,971	Owned by Persistent
Total		4.2 MW	5,384,151	

Water Management initiatives

- a. Prevention of overflow from overhead tanks using auto level control system
- b. Special nozzles/aerators installed to reduce water flow at water
- c. "No leaky tap" policy – leaky tap/pipe is repaired within maximum of 2 hours (immediately, in most cases)
- d. Monitoring water meter readings, twice every day, to detect overuse/excessive leakage.
- e. STP output water is recycled for gardening at our Pune Nagpur & Goa facilities.
- f. 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.
- g. Ground water recharging with rainwater harvesting system in Hinjawadi-Pune & Nagpur facility.
- h. Frequent awareness campaigns run for encouraging employees to save water in office & at home.
- i. We have also undertaken watershed and soil conservation project for few villages through Persistent Foundation.

Waste Management initiatives

- a. 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.
- b. Minimized plastic bags to almost zero and encouraged cloth or paper bags.
- c. ZERO PLATE WASTAGE' week is observed twice in a year & done regular awareness through mail & Posters.
- d. Minimized the amount of food wasted during meals.
- e. Paperless office with all work done on email/soft copies except where statutorily mandated or required by govt rules/procedures.
- f. Both side printing set as default mode and a culture and printers installed tracking facility help to reduce paper consumption.
- g. All waste papers are shredded and recycled through a vendor partner.
- h. All garden waste is treated in compost pit to get organic fertilizer.
- i. Dry garbage is collected on daily basis by "Swachh" an NGO appointed by PMC.
- j. No Tobacco/No smoking policy in our entire organization.
- k. Single use plastic water bottles banned Plastic spoons/plates/crockery also banned.

Tree plantation

The Company has planted about 25,840 trees till now, through Persistent Foundation

Use of Eco-friendly Material

- a. No chemical fertilizers and pesticides are used for our gardens and lawns. Composting is done inhouse and used as fertilizer.
 - b. Eco-friendly materials are used for housekeeping and cleaning of our campuses/offices.
- 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

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 a minimal/negligible emissions and waste does get generated through support services like diesel generators and from 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)

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.

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 2020-21: ₹ 140 million to Persistent Foundation, ₹ 10 million each directly to PM CARES fund and Chief Minister's Relief Fund (COVID-19) by the Company.
- b. Please refer the report on the activities of Persistent Foundation for the details of the projects undertaken during the Financial Year 2020-21.

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 to 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 behaviour, 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 carries on a consumer satisfaction survey on a periodic basis and compares the various parameters across multiple dimensions through peer comparison and its membership in the various chambers of commerce.

The Company also obtains Customer Feedbacks. 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

Overview

The pandemic which hit the world during the first quarter of calendar 2020 caused significant disruption in the first half with everyone. The healthcare infrastructure had to be augmented significantly and governments, businesses or consumers were engaged in coping with this unknown virus. Towards later part of 2020, after the first wave subsided and the treatment protocol was available, there was improvement in economic activity at a broader level. The second wave of the virus hit India hard during the past two months and it is hoped that we are near its peak. With the vaccine production being stepped up, the situation will improve with an increase in distribution of doses to cover a large part of the population. Most central banks have been infusing liquidity in the system to ensure availability of credit and address supply chain constraints.

After the initial impact faced by businesses in the first few months due to lockdowns, the businesses globally were quick to adjust to the new normal of remote working and adopted digital channels at an accelerated pace. The worldwide IT spend is expected to grow which will be majorly seen in digitization of internal processes, supply chain, customer and partner interactions and service delivery.

Industry Structure and Development

The significantly accelerated pace of digital adoption served as a tailwind for the technology sector in catering to this enablement of businesses. For those already at the forefront of digital such as Banking and Financial services, the pandemic has been a catalyst to go even faster. For others, there was a need to be able to cater to the demand for their products and create newer channels to sell. Persistent is one of the leading companies in enterprise modernisation and next generation product engineering. We help businesses convert their greatest challenges into competitive advantage through the blend of digital business acceleration and innovative digital product engineering. We saw increased demand for our services as more and more customers were transforming their business models. There was also a shift towards offshoring that has been evident.

Our Strategy

The Company's core strength is in product engineering or software ER&D. We are engaged in helping our customers build next-gen products using digital product engineering. We have built strategic partnerships which converge with our go-to-market approach. Our service offerings are differentiated with IP-led components, accelerators etc. Our inorganic growth plan is aimed at competency building and enhancing our ability to provide leading edge solutions to the customers. Our leadership team is engaged in defining and executing the plan in our next phase of growth. It is our endeavour to provide an environment which enables our talent to continuously learn and innovate while keeping customer delight as the goal.

Opportunities and challenges

As the businesses started adjusting to the disruption caused by the pandemic, the technology sector responded quickly and decisively to support their customers across the globe. They successfully pivoted into working from home mode, reconfigured supply chain and accelerated digital transformation enabling their customers to continue their operations despite several constraints. With a sharp increase in technology adoption, tech companies will play a leading role in the new ecosystem not just as enablers but also in designing solutions and creating new business models. The consumers have also embraced ordering goods and services online, whether it is less frequently bought goods like car tyres or more frequently purchased items like tea and coffee. This created a significant need for aligning the business processes with the help of technology.

As many companies accelerated the transformation to stay ahead, it has led to a surge in demand for technology talent. Finding the right talent will be a challenge and needs to be addressed by investments in learning platforms and tools so that the dependence on external hiring is limited.

In "work from anywhere" model, security will be one of the bigger challenges and we continue to enhance our infrastructure on an ongoing basis to mitigate the risks posed,

Outlook

Persistent has three decades of experience of working with companies that define technology. Our major strength is digital engineering combined with agile and DevOps methodologies to design scalable product architecture. We are transforming our delivery processes by investing in emerging technologies. This has helped us build high quality software solutions for customers. Our global presence adds to our capabilities of delivering quality services to our customers. Our focus on development of onshore and nearshore centres aligns with our plan of establishing CoE based delivery organization.

Risks and concerns

- \ Major portion of our revenue comes for the top 10 customers. Any change at these clients can impact our growth
- \ Any Economic slowdown in the US where we have higher concentration of our revenue would impact our business adversely
- \ Large competition in the technology services would affect our pricing which in turn will have an effect on our margins
- \ Shortage of resources in the niche technology areas would be a threat to our projects in these technologies

Internal control systems and their adequacy

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

[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.

Internal Audit

We have an in-house internal audit team which comprises of personnel with professional qualifications and certifications in audit and related areas. The audit team continuously upgrades its skills through a knowledge management program to continuously assimilate the latest trends and skills in the domain and to retain the knowledge gained for future reference and dissemination. For audit areas which require skill sets and industry specific expertise, the audit areas 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 provides suggestions to improve Operations of Business Units. 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 the industry practice and regulatory requirements, the internal audit function covers mandatory areas such as review of Internal Financial Controls, Business and Financial operations and regulatory Compliances.

Material development in Human resource

Most valuable capital of Persistent is its employees. We believe that investment in our human capital has a significant impact on our performance and helps us to stay competitive among our peers. Developing our workforce is our way to grow our organization, improve productivity and reduce employee turnover. At Persistent, human resource development is a process of investing in improving and refining our employees' existing skills and at the same time supporting development of the new ones.

As at March 31, 2021, we had a total workforce of 13,680, with net addition of 3,048 during the year which is 29% higher as compared to the previous year. We have a fairly diverse workforce spread across 15 countries and 44 nationalities. It consists of 32% women employees. The Company employed 12,915 in main-stream technical positions. Of these 4,642 were graduates, 2,325 post-graduates and 24 Ph.D.s.

We recruit fresh graduates from universities across India. During the year under report, the Company added 491 new graduates through campus recruitment. The Company strongly believes in nurturing 'Industry - Academia' partnerships and has many programs such as final year project mentoring and providing guest lectures in colleges, Persistent Day where

students spend a day at Persistent to observe how the Company operates, and internships for college students. Persistent Computing Institute (PCI) conducts programs in cutting edge technology for students that were very popular.

Our internship programmes help undergrads to work on business projects with top talent in the field. They are also provided with mentorship and get a chance to learn from the community of technology experts. Persistent University and Persistent Computing Institute are our learning centres nurturing talent via innovative ways.

At Persistent our values are more than a list of ideals to improve our corporate image. We ensure that everything that we do revolves around our core values. We are dedicated to building an inclusive culture that reflects what's important to our employees based on what they value. In short #LifeAtPersistent is more about embracing the journey for the every employee who will see beyond and rise above.

The attrition rate during the year under report was 11.63% which was lower than the attrition rate of 14.28% for the previous year.

Life at Persistent

With the vision from our founder and CMD, over the last two years we were already well rooted in the Life at Persistent space. This helped us quickly adapt to the online mode of working.. When employees started working from home, they missed the office environment and colleagues. We launched Virtual Coffee Break sessions allowing employees a forum to have some fun, express their ideas and to engage with the leadership making the short time spent together refreshing.

We encouraged employees to post pictures as per the theme of the day and we had a few employees talk about their pictures and experience. This helped us get a feel that We Are In This Together! We received excellent response and feedback for this daily Virtual Coffee Break Room. Employees felt confident to see leaders in an informal setting.

Wellness was always the Focus at Persistent. This year we sharpened it further. We conducted weekly webinars on Wellness by experts on various topics related to Covid Care, Eye care, Ergonomics and Posture correction, Eye Care, Dental care, Diabetes Hypertension, Women health and so on. This helped create awareness, answer queries and encourage employees to invest in themselves. Our daily sessions on fitness helped employees get the required guidance.

Emotional Wellness, was the need of the hour, we had series of workshops by eminent people explaining the importance of Yoga, Meditation and Pranayam throughout the year. Our weekly webinars on Emotional Wellbeing by our inhouse counsellors helped employees cope up with the relationship challenges posed by staying in the house. The series helped guide parents to handle kids be it toddlers or teenagers. Our counsellors were available for our employees to guide and handhold them.

At Persistent we have been organizing Persistent Run every year. Nothing stopped us this year too. We did a virtual run and this saw a huge participation from friends and families. We had many employees who ran 21kms, 15kms and 10 kms along with the amateurs who did a 3k or a 5k Run.

While we ensured Physical Wellness and Emotional wellness was given the priority, we kept the Fun going. This year our annual event PULSE was held over a virtual platform. This was the first time all of us across the globe came together and celebrated one Pulse. Every year it was done at the respective locations. The week- long Fun culminated into a Grand Finale which was done by the employees for employees. It was amazing to see inhouse talent perform across the globe dance, act and sing. It was an amazing show of the rich diversity we have across our Persistent Family! Our employees enjoyed this spectacular evening along with their family!

Our employees showed Resilience throughout the year and helped the company perform well this year! The management decided to send a Resilience Gift to all its employees. The gift was carefully crafted with a cause in mind. It had a combination of Persistent branded backpack, a branded steel bottle and a silk and wool Stole which was weaved by the artisans in Kashmir. Through this gift we could ensure that the artisans in Kashmir and our local manufacturers were supported in these difficult times

Smart India Hackathon

The Company continued to play an active leadership role in organizing the fourth edition of Smart India Hackathon i.e. SIH2020.

SIH2020 involved 248 problem statements in the software category and 95 problem statements in the hardware category. The problem statements were shared by 43 Union ministries and departments as well as 26 private organizations collaborated for problem statements.

This year 4Lakhs+ students participated in the internal campus hackathon organized by their respective colleges and further 6500+ students participated in the virtual grand finale of both software and hardware edition.

More than 1200 evaluators and 2000 mentors provided their valuable guidance and feedback to the student innovators.

The 40 institutions served as Nodal Centers were key partners in the successful execution of this first ever virtual Smart India Hackathon.

Smart School Hackathon

Smart School Hackathon (SSH) is a distinctive innovation competition that helped identify, develop, showcase and further nurture the technical brilliance of school students in Goa. SSH is inspired from Smart India Hackathon, a platform created by Persistent, i4C and Government Ministries that hones technical skillsets of engineering students across India with a goal of providing solutions to our country's problems.

SSH was held virtually on 20 Feb 2021 from Persistent Pune for students from schools across Goa for standard 6th to 10th. The 6 critical concerns addressed in SSH Goa included topics like Student Health Manager, Pothole Management, Electrical Line Fault Detection, Stray Cattle Management System, Teacher Assistant and Data Hackathon. Every school had various teams comprising of 3-4 participants. SSH Goa organized pre-event online workshops from industry experts covering topics like IoT, Recycled art, Leadership, Science in daily life etc that helped students to prepare for the competition as well as their future careers.

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 (Acquired with effect from October 29, 2020)
- 7\ Persistent Telecom Solutions Inc. (step-down subsidiary)
- 8\ Aepona Limited (step-down subsidiary)
- 9\ Valista Limited (step-down subsidiary) (Dissolved with effect from June 24, 2020)
- 10\ Persistent Systems Lanka (Private) Limited (erstwhile Aepona Software (Private) Limited) (step-down subsidiary)
- 11\ Aepona Group Limited (step-down subsidiary)
- 12\ Persistent Systems Mexico, S.A. de C.V. (step-down subsidiary)
- 13\ Persistent Systems Israel Ltd. (step-down subsidiary)
- 14\ PARX Werk AG (step-down subsidiary)
- 15\ PARX Consulting GmbH (step-down subsidiary)
- 16\ Youperience GmbH (step-down subsidiary)
- 17\ Youperience Limited (step-down subsidiary)
- 18\ Capiot Software Inc. (step-down subsidiary) (Acquired with effect from November 7, 2020)

19\ Capiot Software Pty Limited (step-down subsidiary) (Acquired with effect from November 7, 2020)

20\Capiot Software Pte Limited (step-down subsidiary) (Acquired with effect from November 7, 2020)

21\ Persistent Systems S.R.L. (step-down subsidiary) (Incorporated on March 23, 2021)

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 2020-21 has been referred to as “the year” and the financial year 2019-20 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 2020-21	% to revenue	Financial Year 2019-20	% to revenue	Growth
Revenue	₹ million	41,878.88		35,658.08		17.45%
Revenue	\$ million	566.08		501.61		12.85%
Earnings before interest, depreciation, amortisation and taxes	₹ million	6,830.15	16.31%	4,929.54	13.80%	38.56%
Profit Before Tax	₹ million	6,094.43	14.55%	4,523.42	12.69%	34.73%
Profit After Tax	₹ million	4,506.77	10.76%	3,402.89	9.54%	32.44%
Earnings Per Share (EPS) (Basic and Diluted)	₹	58.97		44.38		32.88%

Share Capital

The authorized share capital of the Company as at March 31, 2021 was ₹ 2,000.00 Million divided into 200 Million equity shares of ₹ 10 each. The paid-up share capital as at March 31, 2021 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, 2021 stood at ₹ 27,192.41 Million as against ₹ 23,093.30 Million as at March 31, 2020, showing a growth of 17.75%. The details of Other Equity are as below:

Particulars	(In ₹ million)	
	As at March 31, 2021	As at March 31, 2020
General Reserve	14,356.53	12,227.41
Share Options Outstanding Reserve	470.70	290.51
Gain on bargain purchases	57.31	57.71
Capital redemption reserve	35.75	35.75
Special Economic Zone re-investment reserve	-	49.95
Retained Earnings	11,564.42	10,087.74
Effective portion of cash flow hedges	139.45	(244.09)
Exchange differences on translating the financial statements of foreign operations	568.25	588.32
Total	27,192.41	23,093.30

General Reserve

During the Financial Year 2020-21, the Company transferred ₹ 2,020.34 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 ₹ 108.78 Million from Share Options Outstanding Reserve on exercise/expiry of stock options by the employees. The balance in General Reserve stood at ₹ 14,356.53 Million as at March 31, 2021 as against ₹ 12,227.41 Million as at March 31, 2020. 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, 2021 was ₹ 470.70 Million for 0.75 Million options exercisable as on that date (The corresponding amount in stock options outstanding account as on March 31, 2020 was ₹ 290.51 Million for 0.88 Million options exercisable 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 ₹ 57.31 Million as at March 31, 2021 as compared to ₹ 57.71 Million as at March 31, 2020.

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, 2021 and March 31, 2020. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

Special Economic Zone re-investment reserve

The Company had transferred ₹ 70.00 Million to Special Economic Zone re-investment reserve out of the profit in terms of the provisions of Section 10AA(1)(ii) of the Income tax Act, 1961, in the year ended March 31, 2019.

The balance in the reserve as at March 31, 2020 was Rs. 49.95 Million. During the year ended March 31, 2021, the Company has completely utilised the reserve by acquiring new plant and machinery for the purpose of its business in terms of Section 10AA(2) of the Income tax Act, 1961.

Retained Earnings

The balance retained in the Statement of Profit and Loss as at March 31, 2021 is ₹ 11,564.42 Million, after appropriation towards dividend of ₹ 1,069.95 Million and transfer to General Reserve of ₹ 2,020.34 Million.

The details of changes in Retained Earnings are as follows:

(In ₹ million)

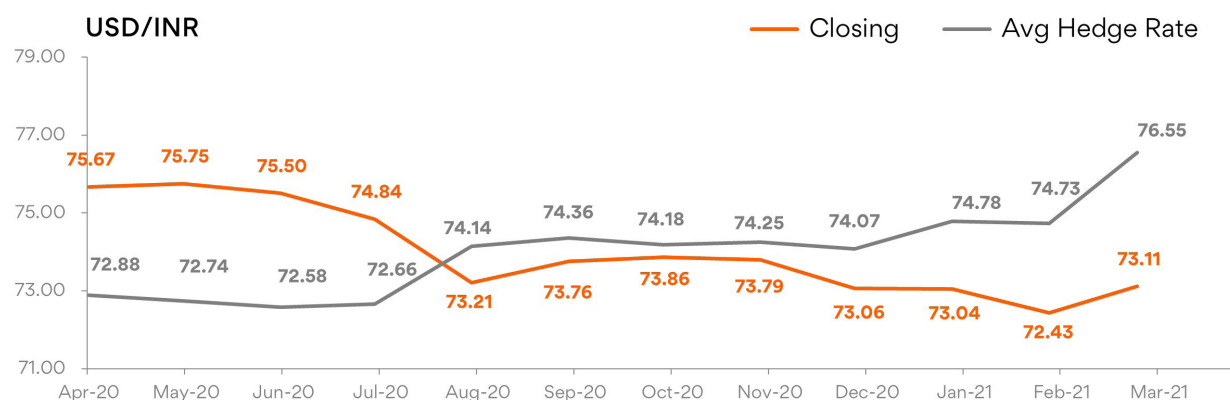
Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Opening balance	10,087.74	10,657.52
Net profit for the year	4,506.77	3,402.89
Other comprehensive income for the year (Remeasurements of defined benefit schemes)	10.25	(34.80)
Dividend (including tax on dividend for year ended March 31, 2020)	(1,069.95)	(1,300.52)
Transfer to general reserve	(2,020.34)	(1,630.89)
Transfer to capital redemption reserve	-	(26.94)
Transfer from/(to) Special Economic Zone re-investment reserve	49.95	20.05
Transitional impact on adoption of Ind AS 116 (net of taxes)	-	(123.60)
Utilised towards buy back of shares	-	(875.97)
Closing balance	11,564.42	10,087.74

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 2020-21, indicating the volatility that the currency faced throughout the year:



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, 2021 stood at a credit balance of ₹ 139.45 Million as against a debit balance of ₹ 244.09 Million as at March 31, 2020. 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 ₹ 568.25 Million as at March 31, 2021 as against ₹ 588.32 Million as at March 31, 2020. 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, 2021 stood at ₹ 4,691.23 Million as against ₹ 4,618.66 Million as at March 31, 2020. The details are as below:

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Property, Plant and Equipment	2,401.40	2,224.60
Capital work-in-progress	121.81	166.18
Right of use assets	852.58	566.81
Goodwill	85.94	88.94
Other Intangible assets	1,229.50	1,434.93
Intangible assets under development	-	137.20
Total	4,691.23	4,618.66

Property, Plant and Equipment

The gross block of Property, Plant and Equipment amounted to ₹ 7,884.71 Million as at March 31, 2021 as against ₹ 7,370.07 Million as at March 31, 2020. The increase is primarily because of acquisition of computers during the year. The company procured additional computers/hardware worth Rs. 559.91 million for the growing business needs.

Capital work-in-progress

Capital work-in-progress (Capital WIP) stood at ₹ 121.81 Million as at March 31, 2021 as against ₹ 166.18 Million as at March 31, 2020.

Right of use assets

The gross block of Right of use asset stood at ₹ 1,245.63 million as at March 31, 2021 as against ₹ 834.25 million as at March 31, 2020. Additions of ₹ 584.67 million have been made towards renewals and additions of leased office premises.

Goodwill

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquired Company. The Goodwill as at March 31, 2021 was ₹ 85.94 Million as against ₹ 88.94 Million as at March 31, 2020. The difference represents exchange fluctuation.

Other Intangible assets

The gross block of intangible fixed assets amounted to ₹ 8,657.70 Million as at March 31, 2021 as against 7,993.99 Million as at March 31, 2020. The additions pertain to software and acquired contractual rights, including those acquired through business combinations.

Please refer note no. 6.4 and note no. 45 of the consolidated financial statements for details.

Intangible assets under development

The intangible assets under development as at March 31, 2020 have been entirely capitalized during the current year. The developments have been completed on the Balance Sheet date and accordingly, the "Intangible assets under development" related to such resources are Nil as at March 31, 2021 as against ₹ 137.20 million as at March 31, 2020.

Non-current financial assets

The non-current financial assets at March 31, 2021 were ₹ 3,781.79 Million as against ₹ 5,156.03 Million as at March 31, 2020. The details of non-current financial assets are as follows:

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Investments	3,621.27	4,620.97
Loans	134.76	176.13
Other non-current financial assets	25.76	358.93
Total	3,781.79	5,156.03

Non-current financial assets: Investments

The total non-current investments as on March 31, 2021 stood at ₹ 3,621.27 Million as against ₹ 4,620.97 Million in the previous year. The net decrease in non-current investments is mainly due lower investment in mutual funds intended to be held for more than 12 months. Please refer Note 7 of the consolidated financials for details.

Non-current financial assets: Loans

The non-current loans as at March 31, 2021 were ₹ 134.76 Million as compared to ₹ 176.13 Million as at March 31, 2020. 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 total of such deposits amounted to ₹ 25.76 Million as at March 31, 2021 as against ₹ 358.93 Million as at March 31, 2020. 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.

Please refer [Note 9](#) of the consolidated financials for details.

Deferred Tax Assets and Deferred Tax Liabilities

The deferred tax assets (after set off) on March 31, 2021 amounted to ₹ 1,037.57 Million as against ₹ 960.08 Million as on March 31, 2020.

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.

Note 10 of the consolidated financials gives component-wise details of deferred tax balances.

Other non-current assets

Other non-current assets include capital advance and other advances recoverable in cash or kind. The amount of Other non-current assets was ₹ 441.52 Million as at March 31, 2021 as against ₹ 331.31 Million as at March 31, 2020.

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, 2021	As at March 31, 2020
Investments	6,374.95	5,164.77
Trade receivables (net)	5,708.97	5,921.96
Cash and cash equivalents	2,419.30	1,899.99
Other bank balances	7,389.70	2,672.19
Loans	71.26	13.71
Other current financial assets	2,467.23	2,068.54
Total	24,431.41	17,741.16

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 ₹ 6,374.95 Million as at March 31, 2021 as compared to ₹ 5,164.77 Million as at March 31, 2020.

Trade Receivables

Trade receivables (net of provision for doubtful debts) amounted to ₹ 5,708.97 Million as at March 31, 2021 as against ₹ 5,921.96 Million as at March 31, 2020.

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 increased marginally to ₹ 271.64 Million as at March 31, 2021 from ₹ 242.13 Million as at March 31, 2020. Please refer Note 13 of the consolidated financials for details.

DSO as at March 31, 2021 was at 55 days as against 65 days as at March 31, 2020.

Cash and cash equivalents

Cash and cash equivalents include bank balances and cash on hand. Cash and cash equivalents increased to ₹ 2,419.30 Million as at March 31, 2021 from ₹ 1,899.99 Million as at March 31, 2020.

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 ₹ 7,386.70 Million as at March 31, 2021 as compared to ₹ 2,668.14 Million as at March 31, 2020. The deposits have increased because of additional deposits made during the year and increase in interest accrued on the deposits. The balances on unpaid dividend accounts was ₹ 3.00 Million as at March 31, 2021 as against ₹ 4.05 Million as at March 31, 2020. Please refer Note 15 of the consolidated financials for details.

Loans:

Current loans include unsecured short-term loans granted and the security deposits with short term maturity. The amount of current loans as at March 31, 2021 was ₹ 71.26 Million as against ₹ 13.71 Million as at March 31, 2020. Please refer Note 16 of the consolidated financials for details.

Other current financial assets

Other current financial assets were ₹ 2,467.23 Million as at March 31, 2021 as compared to ₹ 2,068.54 Million as at March 31, 2020. Following are the components of other current financial assets:

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Forward contracts receivable	294.46	-
Unbilled revenue	2,172.77	2,068.54
Total	2,467.23	2,068.54

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, 2021	As at March 31, 2020
Current tax assets (net)	188.00	163.93
Other current assets	2,083.72	1,950.52
Total	2,271.72	2,114.45

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 3.47 as at March 31, 2021 as against 3.07 as at March 31, 2020.

Non-current liabilities

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
Borrowings (non-current portion)	44.27	46.22
Lease liabilities	716.17	353.36
Provisions	240.94	182.79
Total	1,001.38	582.37

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 has 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 ₹ 7.39 Million as on March 31, 2021 as against ₹ 9.24 Million as on March 31, 2020.

The reduction in balance of borrowings represents the repayment of borrowings as per the repayment schedule in the agreements.

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 ₹ 38.73 million as on March 31, 2021, (Previous year: 39.14 ₹ million).

Under the scheme of Biotechnology Industry Partnership Program of Department of Biotechnology (DBT), Ministry of Science and Technology, Government of India, financial aid is given to all the partners involved in the research project undertaken by the Ministry of Science and Technology in the field of biotechnology. The Company being an industrial partner, the aid is in the form of a long-term loan at a nominal rate of interest of 2% p.a. Based on the project costs, an amount of ₹ 21.80 Million were sanctioned as a long-term loan. Loan amount outstanding under this scheme amounted to ₹ 2.69 Million as on March 31, 2020 was fully repaid during the year as per the repayment schedule in the agreements.

The interest of ₹ 0.11 Million (previous year ₹ 0.18 Million) is accrued but not due on these loans. Out of the total outstanding balance of ₹ 46.23 Million, the balance of ₹ 1.96 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, 2021 was 0.0017 as against 0.0021 as at March 31, 2020.

Non-current liabilities- Provisions

The long-term provisions are those provisions which are not expected to be settled within twelve months from the date of the Balance Sheet. Long term provisions include the liability towards long service award. The total long-term provisions have increased to ₹ 240.94 Million as at March 31, 2021 as compared to ₹ 182.79 Million as at March 31, 2020.

Current Liabilities

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Financial liabilities		
- Trade payables	2,733.44	2,247.09
- Lease liabilities	222.00	309.06
- Other financial liabilities	390.17	862.34
Other current liabilities	1,514.95	1,320.13
Provisions	2,477.79	1,610.99
Total	7,338.35	6,349.61

Trade Payables

Trade payables increased to ₹ 2,733.44 Million as at March 31, 2021 from 2,247.09 Million as at March 31, 2020 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 decreased to ₹ 390.17 Million as at March 31, 2021 from ₹ 862.34 Million as at March 31, 2020 mainly due to decrease in accrued employee liabilities, favourable mark to market position on forward contracts entered into by the Company, partially compensated by increase in capital creditors.

The details of major components of other current financial liabilities are shown below:

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Capital creditors	237.83	36.24
Current maturity of long-term borrowings	1.85	4.85
Current maturity of interest on long-term borrowings	0.11	0.18
Accrued employee liabilities	127.50	421.17
Unpaid dividend	3.00	4.05
Other liabilities	7.96	7.96
Payable to Selling Shareholder	11.92	-
Forward contracts payable	-	387.89
Total	390.17	862.34

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 increased to ₹ 1,514.95 Million as at March 31, 2021 from ₹ 1,320.13 Million as at March 31, 2020. The net increase in other current liabilities is primarily due to increase in statutory liabilities by ₹ 139.01 Million and balance of ₹ 154.16 Million pertaining to unutilized grant balances included in other liability. 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 ₹ 2,477.79 Million as at March 31, 2021 as against ₹ 1,610.99 Million as at March 31, 2020. The details of the components of short term provisions are given below:

(In ₹ million)

Particulars	As at March 31, 2021	As at March 31, 2020
Provision for employee Benefits		
Gratuity	37.78	20.41
Leave encashment	815.28	638.05
Long service awards	17.19	21.35
Other Employee benefits	1,607.54	931.18
Total	2,477.79	1,610.99

The increase in other Employee benefits is mainly due to increase in performance bonus provisions.

Current Tax Liabilities

Current tax liabilities were ₹ 358.85 Million as at March 31, 2021 as against ₹ 132.16 Million as at March 31, 2020. 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.

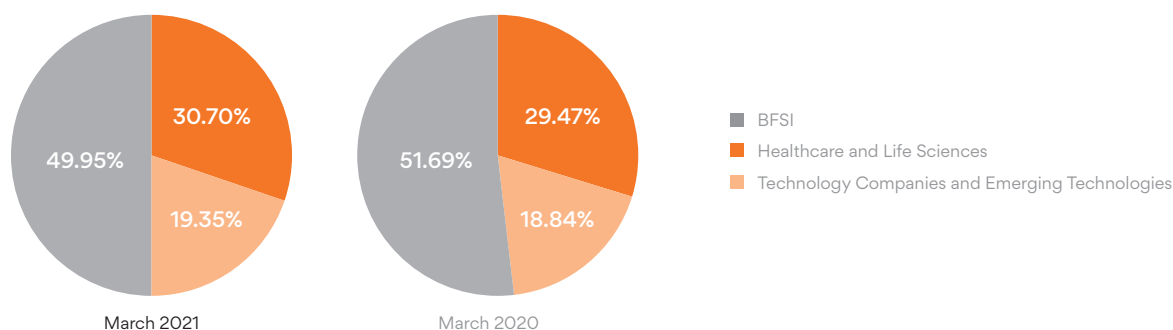
The revenue for the year in USD terms was up by 12.85% at USD 566.08 Million against USD 501.61 Million in the previous year. In Rupee terms the revenue was ₹ 41,878.88 Million against ₹ 35,658.08 Million representing a growth of 17.45% over the previous year. The average rate of rupee depreciated by 4.07 % during the year against US Dollar.

In order to better represent the Company's business the Company decided to reorganize its operating segments from April 1, 2020 along industry lines as under, instead of Technology Services and Alliance.

- Banking, Financial Services and Insurance (BFSI)
- Healthcare & Life Sciences
- Technology Companies and Emerging Technologies

Following is the graphical presentation of the contribution of the segments in the total revenue:

Revenue Shares by Segments



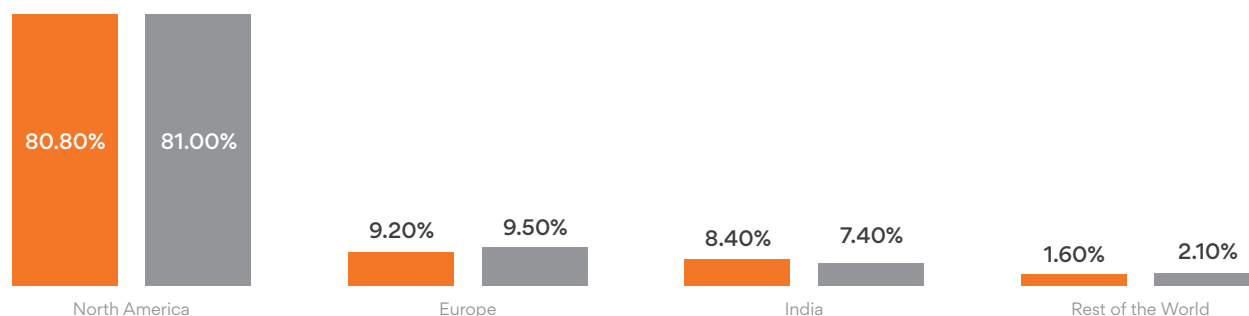
(In ₹ million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020	Growth
Segmental revenue			
- BFSI	12,857.05	10,506.77	22.37%
- Healthcare & Life Sciences	8,104.24	6,719.15	20.61%
- Technology Companies and Emerging Technologies	20,917.59	18,432.16	13.48%
Total	41,878.88	35,658.08	17.45%
Segmental Operating income			
- BFSI	4,818.38	3,598.15	33.91%
- Healthcare & Life Sciences	3,982.47	2,900.18	37.32%
- Technology Companies and Emerging Technologies	6,449.40	6,418.19	0.49%
Total	15,250.25	12,916.52	18.07%
Segmental Operating margin %			
- BFSI	37.48%	34.25%	
- Healthcare & Life Sciences	49.14%	43.16%	
- Technology Companies and Emerging Technologies	30.83%	34.82%	

In terms of geographical mix of revenue, North America continued to dominate by contributing 80.80% of the total revenue. Contribution from Europe was 9.20%, from India it was 8.40% while Rest of the World contributed 1.60% of total revenue. Revenue grew by 17.16% from North America, 13.74% from Europe, 33.32% from India and declined by 10.52% from the Rest of the World regions as compared to the previous year.

Revenue Share by Geographies

■ 2021 ■ 2020



The details in respect of percentage of revenues generated from top customer, top 5 customers and top 10 customers are as under:

Revenue Concentration	2020-21	2019-20
Top 1	18.4%	22.0%
Top 5	38.7%	43.2%
Top 10	47.7%	51.7%

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 decreased to ₹ 1,077.72 Million for the year ended March 31, 2021 from ₹ 1,323.77 Million for the year ended March 31, 2020. This is primarily due to lower exchange gain for the financial year 2020-21.

The details of other income are given below:

(In ₹ million)

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020	Change
Investment income (including interest, dividend, fair value gain/loss and profit on sale of investments)	905.44	843.09	7.4%
Foreign exchange gain	33.81	364.35	(90.7%)
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	138.47	116.33	19.0%
Total	1,077.72	1,323.77	(18.6%)

Personnel Expenses

Personnel Expenses for the year amounted to ₹ 30,721.67 Million against ₹ 25,475.34 Million for the previous year, showing an increase of 20.59%. As a percentage of revenue, these expenses were 73.36% during the year as compared to 71.44% 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 prevalent economic disruptions as a result of pandemic during first half of the year and increased hiring in the later part of the year in response to the increased demand momentum which resulted into slightly lower utilisation.

Please refer [Note 28](#) of the consolidated financials for details.

Other Expenses

Operating and other expenses for the year amounted to ₹ 4,327.06 Million against ₹ 5,260.15 Million in the previous year. As a percentage of revenue, the expenses decreased to 10.33% from 14.75%.

The main reasons for variations in Operating and other expenses are as below:

- \ Travelling and conveyance costs went down by ₹ 763.24 million due to the restrictions on travel imposed across the world on account of pandemic.
- \ Electricity expenses were at ₹ 82.58 Million for the year ended March 31, 2021 as against ₹ 114.94 Million in the previous year, on account of partial utilization of office infrastructure due to work from home becoming a new normal as a result of the pandemic
- \ Donations have increased by ₹ 117.70 Million as the Company committed to make additional donations in its response to the global pandemic
- \ Provision for doubtful deposits included a provision made for the deposits with IL&FS Group in the previous year for ₹ 248.48 Million.

Please refer Note 28 of the consolidated financials for details.

Profit Before Interest, Tax, Depreciation and Amortization

During the year, the Company reported Profit before interest, tax, depreciation and amortization of ₹ 7,907.87 Million representing an increase of 26.60% over Profit before interest, tax, depreciation and amortization of ₹ 6,246.36 Million during the previous year. The margin of Profit before interest, tax, depreciation and amortization increased to 18.88% during the year from 17.52% in the previous year.

Depreciation and Amortization

The depreciation and amortization for the year amounted to ₹ 1,755.50 Million as against ₹ 1,659.62 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 4.19% for the year against 4.65% for the previous year.

The details on depreciation and amortization is as given below:

(In ₹ million)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
On Property, Plant and Equipment	468.66	453.35
On Other Intangible assets	1,035.38	944.94
On Right of Use assets	251.46	261.33
Total	1,755.50	1,659.62

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 ₹ 1,784.59 Million (including tax charge in respect of earlier years of ₹ 10.58 Million) against ₹ 1,407.25 Million (including tax charge in respect of earlier years of ₹ 52.55 Million) in the previous year. The deferred tax credit for the year was ₹ 196.93 Million against deferred tax credit of ₹ 286.72 Million in the previous year.

The total tax expense for the year amounted to ₹ 1,587.66 Million against ₹ 1,120.53 Million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 26.05% as compared to 24.77% in the previous year.

Please refer Note 33 for reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss.

Net Profit after Tax

The Net Profit for the year amounted to ₹ 4,506.77 Million against ₹ 3,402.89 Million for the previous year, an increase of 32.44%. The Net Profit margin for the year was 10.76% as compared to 9.54% in the previous year.

Return on capital employed for financial year 2020-21 is 17.59% as compared to 14.63% for the previous year.

Dividend

The total dividend per share for the year was ₹ 20 per share which includes interim dividend of ₹ 14 and a recommended final dividend of ₹ 6 per share.

For the previous year, the total dividend was ₹ 12 per share. Additionally, the Company paid Dividend Distribution Tax amounting to approx. Rs. 2.40 per share.

The total appropriation towards interim dividend for the year was ₹ 1,069.95 Million as against ₹ 1,023.26 Million for the previous year.

On approval of final dividend of ₹ 6 per share which was recommended by board in its meeting held in April 2021, the amount of ₹ 458.55 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 2020-21		Financial Year 2019-20	
		Interim	Final	Interim 1	Interim 2
Month of Declaration/recommendation		Jan-21	Apr-21	Jan-20	Mar-20
Amount of Dividend Per Equity Share of ₹ 10 each	(In ₹)	14	6	9	3
% of Dividend		140%	60%	90%	30%
Total Dividend	(In ₹ million)	1,069.95	458.55	687.83	229.28
Dividend Distribution Tax	(In ₹ million)	-	-	87.47	18.67
Total Outflow (Including Dividend Distribution Tax)	(In ₹ million)	1,069.95	458.55	775.30	247.95
Total Dividend Outflow for the Year	(In ₹ million)	1,528.50		1,023.25	

The dividend payout ratio (including proposed final dividend) for the year was 33.92% as compared to 30.07% for the previous year.

Earnings Per Share (EPS)

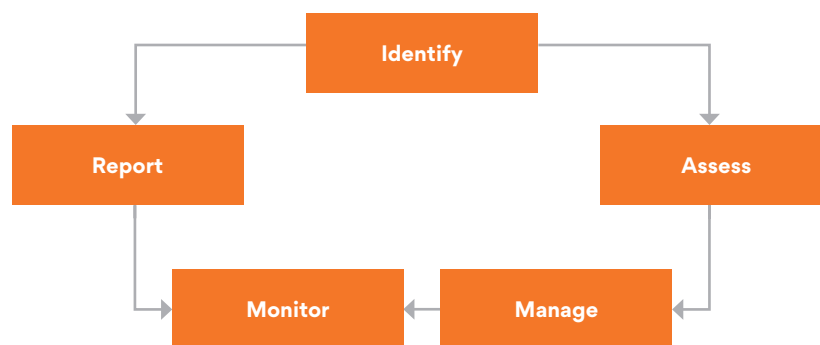
Basic and Diluted earnings per share went up to ₹ 58.97 per share, compared to ₹ 44.38 per share in the previous year, recording an increase of 32.88%.

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. COVID-19 has shown that pandemic consequences are difficult to reliably estimate. As the organizations have been forced to enact preparedness and business continuity plan, ERM is more important than ever before. The response to COVID-19 pandemic is directly shaping how corporations view and manage risks. It has forced companies to re-examine its risk management approach. 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.

Risk Management Framework

The risk management framework at Persistent is as follows:



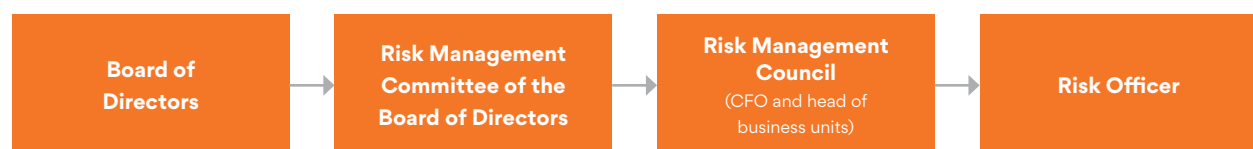
The existing as well as newly identified risks are analyzed to form a basis of determining how risks are managed in terms of its probability and impact. The risk areas are categorized into financial, operational, reputational and compliance perspective for further assessment. The risks are identified and prioritized and properly addressed by each of the functional heads to accomplish a common organizational objective. A Risk Register is maintained and is regularly monitored and updated by taking emerging risks into account for continuous risk assessment and for building the risk management based internal audit plan. This enhances our risk and control framework effectiveness.

Risk owners are required to take mitigating actions to address these risks. Such actions are integrated in the day to day activities and are monitored very closely. If any of the risk indicators show ineffectiveness of the mitigation plans, then the risk owners have to re-assess the existing mitigation plans and propose the new ones if necessary.

Risk Governance Structure

Risk governance is fundamental part of the corporate governance. It assists organizations to accept and manage risks within agreed risk appetite. It puts in place a structure of risk responsibility throughout the organization. As a result, everybody in the organization is aware of his/her own responsibility and accountability.

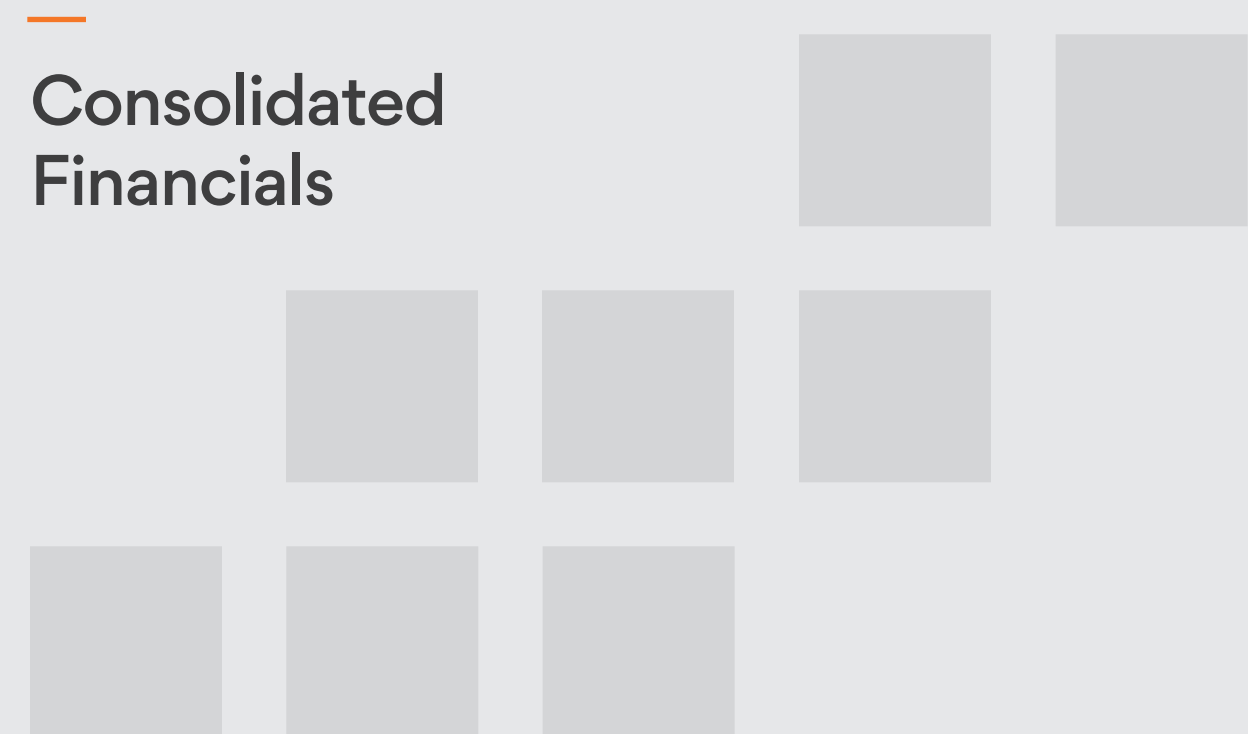
The risk management framework at Persistent is as follows:



This risk governance structure emphasizes on strong central oversight and control of risks with clear accountability for and ownership of risks within each business unit. Every business unit owns the risk that it generates and is responsible for effective implementation of the mitigation plans. It has a senior management council which supports transparent risk reporting and discussion with the Board. Overall, this has helped for a comprehensive and proactive risk management approach for Persistent.

Some of the major risks which have either resulted or aggravated due the pandemic are given below:

Major Risks	Effect of risk	Measures for risk mitigation
Employees not able to focus on engagement due to COVID-19 illness of self or dear ones	Infected employees will have to be away from work which might impact the project deadlines	Employees wellbeing is a bigger concern than the delay in the project or loss of the revenue. The Company has formed Persistent Warriors Group which extends all possible help to employees who are tested positive. In respect of customer projects if getting delayed, we are replanning the activities and customers are informed accordingly.
Cyber Attack and Hacking Risk	Work from home has increased the exposure to data breach on endpoint devices	Endpoint patching is revisited and program is initiated to achieve desired compliance level for each active endpoint.
Increase in employee attrition rate	Higher demand for skilled workforce in the technology industry has led to increase in the employee turnover	Improving employee retention is the best strategy to mitigate increasing attrition rate. Effective team building activities, flexible work schedule, rewarding good performers and various training and development activities are some of the employee retention programs being implemented.
Foreign Exchange Risk	Economic slowdown due to the pandemic resulted in a big volatility in the currency	Following are some of the measures undertaken to manage this risk: \ Constant analysis and review of current economic scenario, exchange rate movement and net open position \ Regular consultation with forex risk advisors \ Forward cover on 12 month rolling basis to cover 45% to 70% of net open positions
Credit Risk	Non-collection/delay in collection of customer dues	In view of the liquidity crunch on account of the global pandemic, the credit risk especially related to small and medium enterprises increased. In addition, structured process of collection has been implemented. Regular follow-up process is done for all overdue invoices. Monthly collection targets are set-up for all major customers and collections are tracked against the targets.
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 to reduce this risk to some extent. Emphasis on upsell and cross-sell within industry verticals.
IP and Data Leakage	The abrupt shift to work from home model has exposed companies to various cyber risks	Data Governance Policy and Processes are well established \ Operations are certified for ISO 27001:2013 information security management systems \ Industry standard data protections including DLP, VPN, isolated networks and encryption \ Continuous monitoring by 24X7X365 Security Operation Centre (SOC)



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') and its associate, as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2021, 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.
- 2\ In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group and its associate as at 31 March 2021, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

- 3\ We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

- 4\ Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, and its 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.

5\ We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Notes 4 (j) (i) — notes forming part of the Consolidated Financial Statements. The Group has entered into various fixed-price software development contracts, for which revenue is recognized by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over: - IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; - 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.
Unbilled revenue in respect of revenue sharing arrangements, i.e., Royalty income Refer Note 4 (j) (i) — notes forming part of the Consolidated Financial Statements. Royalty income from one of the main customers is accrued as a percentage of total onward sales made by the customer during the period. Recognition of royalty income for the period of three months before year end, involves estimations made by the Group based on prior trends and booked as an unbilled receivable, since sales for the period by the customer is determined subsequent to the period end. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates of the unbilled revenue, we have identified unbilled receivable in respect of revenue sharing arrangements as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for estimating revenue and the associated unbilled revenue. \ Tested the design and operating effectiveness of the internal controls relating to estimation of share of revenue involved in recognition of royalty income. \ Evaluated basis of estimation of aforesaid unbilled receivable from the terms of the contract and past trends, and verified arithmetical accuracy of management computation. \ Assessed historical accuracy of the forecasts made by the management in earlier period/s \ Performed analytical procedures for reasonableness of revenue and associated unbilled revenue recorded and disclosed as at year end. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to unbilled revenue recognized during the year as required by applicable Indian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Contingent liabilities relating to export incentive litigation Refer Note 43 – notes forming part of the Consolidated Financial Statements regarding dispute on export incentives scrips awarded to the Group. 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. Further in the current 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 the such consequential penalties. 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. 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.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the Group'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 Group'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 disclosure made in the financial statement to determine whether management has presented the facts and circumstances adequately.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

- 6\ The Holding Company's Board of Directors is 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

- 7\ The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, and its associate companies covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets

and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

- 8\ In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its associate are responsible for assessing the ability of the Group and its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associate or to cease operations, or has no realistic alternative but to do so.
- 9\ The Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group and its associate.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

- 10\ Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
- 11\ As part of an audit in accordance with Standards on Auditing, 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 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 and its associate 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 consolidated 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 and its associate to cease to continue as a going concern.
 - \ Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 within the Group, and its associates, to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

- 12\ We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- 13\ We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- 14\ From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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

- 15\ We did not audit the financial statements of twenty subsidiaries, whose financial statements reflect total assets of ₹ 4,631.34 million and net assets of ₹ 1,652.75 million as at 31 March 2021, total revenues of ₹ 5,140.16 million and net cash inflows amounting to ₹ 7.87 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 matters with respect to our reliance on the work done by and the reports of the other auditors.

- 16\ 16. The consolidated financial statements also include the Group's share of net profit (including other comprehensive income) of ₹ Nil for the year ended 31 March 2021, as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us. These financial statements are unaudited and have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the aforesaid associate is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the management, these financial statements are not material to the Group and its associate.

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 financial statements certified by the management.

Report on Other Legal and Regulatory Requirements

- 17\ 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 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. Further, we report that the provisions of Section 197 read with Schedule V to the Act are not applicable to twenty-one subsidiary companies and one associate company, since none of such companies are covered under the Act.
- 18\ As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

- c. the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
- d. in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- e. 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 report of the statutory auditors of its subsidiary companies covered under the Act, none of the directors of the Group companies and its associate, covered under the Act, are disqualified as on 31 March 2021 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 over financial reporting 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 and its associate, as detailed in Note 43 to the consolidated financial statements.
 - ii. the Group and its associate did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2021;
 - 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 2021;
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these consolidated financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 21101797AAAAAQ4235

Place: Pune

Date: 29 April, 2021

Annexure 1**List of entities included**

Name of the entity	Relationship
Persistent Systems Limited (PSL)	Holding Company
Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
Persistent Systems France SAS	Wholly owned subsidiary of PSL
Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
Valista Limited (VL) (Dissolved w.e.f. 24 June 2020)	Wholly owned subsidiary of AGL
Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
Aepona Limited	Wholly owned subsidiary of AGL
Youperience GmbH (YGmbH)	Wholly owned subsidiary of PSGG
Youperience Limited	Wholly owned subsidiary of YGmbH
Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
Persistent Systems Israel Ltd	Wholly owned subsidiary of PSI
PARX Werk AG	Wholly owned subsidiary of PSGG
PARX Consulting GmbH	Wholly owned subsidiary of PARX Werk AG
Capiot Software Private Limited (Acquired w.e.f. October 29, 2020)	Wholly owned subsidiary of PSL
Capiot Software Inc. (Capiot US) (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of PSI
Capiot Software Pty Limited (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of Capiot US
Capiot Software Pte Limited (Acquired w.e.f. November 7, 2020)	Wholly owned subsidiary of Capiot US
Persistent Systems S.R.L. (incorporated on March 23, 2021)	Wholly owned subsidiary of PSI
Klisma e-Services Private Limited	Associate Company of PSL

This space is intentionally kept blank

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 2021

Independent Auditor's Report on the Internal Financial Controls 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 2021, 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

- 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 internal financial controls with reference to financial statements, 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 over financial reporting and such controls were operating effectively as at 31 March 2021, 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: 21101797AAAAAQ4235

Place: Pune

Date: 29 April, 2021

This space is intentionally kept blank

Consolidated Balance Sheet as at March 31, 2021

	Note	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
ASSETS			
Non-current assets			
Property, plant and equipment	6.1	2,401.40	2,224.60
Capital work-in-progress		121.81	166.18
Right of use assets	6.2	852.58	566.81
Goodwill	6.3	85.94	88.94
Other Intangible assets	6.4	1,229.50	1,434.93
Intangible assets under development		-	137.20
		4,691.23	4,618.66
Financial assets			
- Investments	7	3,621.27	4,620.97
- Loans	8	134.76	176.13
- Other non-current financial assets	9	25.76	358.93
Deferred tax assets (net)	10	1,037.57	960.08
Other non-current assets	11	441.52	331.31
		9,952.11	11,066.08
Current assets			
Financial assets			
- Investments	12	6,374.95	5,164.77
- Trade receivables (net)	13	5,708.97	5,921.96
- Cash and cash equivalents	14	2,419.30	1,899.99
- Other bank balances	15	7,389.70	2,672.19
- Loans	16	71.26	13.71
- Other current financial assets	17	2,467.23	2,068.54
Current tax assets (net)		188.00	163.93
Other current assets	18	2,083.72	1,950.52
		26,703.13	19,855.61
TOTAL		36,655.24	30,921.69
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	5	764.25	764.25
Other equity		27,192.41	23,093.30
		27,956.66	23,857.55
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	20	716.17	353.36
- Borrowings	19	44.27	46.22
Provisions	21	240.94	182.79
		1,001.38	582.37
Current liabilities			
Financial liabilities			
- Lease liabilities	20	222.00	309.06
- Trade payables [(dues of micro and small enterprises ₹ 30.20 million (Previous year: ₹ 5.15 million))]	22	2,733.44	2,247.09
- Other financial liabilities	23	390.17	862.34
Other current liabilities	24	1,514.95	1,320.13
Provisions	25	2,477.79	1,610.99
Current tax liabilities (net)		358.85	132.16
		7,697.20	6,481.77
TOTAL		36,655.24	30,921.69
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 29, 2021

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 29, 2021

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai
Date: April 29, 2021

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA
Date: April 29, 2021

Consolidated Statement of Profit & Loss for the year ended March 31, 2021

	Note	For the year ended	
		March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Income			
Revenue from operations (net)	26	41,878.88	35,658.08
Other income	27	1,077.72	1,323.77
Total income (A)		42,956.60	36,981.85
Expenses			
Employee benefits expense	28.1	25,157.99	21,556.40
Cost of professionals	28.2	5,563.68	3,918.94
Finance costs (refer note 35)		57.94	63.32
Depreciation and amortization expense	6.5	1,755.50	1,659.62
Other expenses	29	4,327.06	5,260.15
Total expenses (B)		36,862.17	32,458.43
Profit before tax (A - B)		6,094.43	4,523.42
Tax expense			
Current tax		1,774.01	1,354.70
Tax charge in respect of earlier years		10.58	52.55
Deferred tax credit		(196.93)	(286.72)
Total tax expense		1,587.66	1,120.53
Net profit for the year (C)		4,506.77	3,402.89
Other comprehensive income			
Items that will not be reclassified to profit and loss (D)			
- Remeasurements of the defined benefit liabilities/asset (net of tax)		10.25	(34.80)
		10.25	(34.80)
Items that may be reclassified to profit and loss (E)			
- Effective portion of cash flow hedge (net of tax)		383.54	(429.15)
- Exchange differences in translating the financial statements of foreign operations		(20.07)	323.15
		363.47	(106.00)
Total other comprehensive income for the year (D) + (E)		373.72	(140.80)
Total comprehensive income for the year (C) + (D) + (E)		4,880.49	3,262.09
Earnings per equity share	30		
[Nominal value of share ₹10 (Previous year: ₹10)]			
Basic (In ₹)		58.97	44.38
Diluted (In ₹)		58.97	44.38
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 29, 2021

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 29, 2021

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai
Date: April 29, 2021

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA
Date: April 29, 2021

Consolidated Cash Flow Statement for the year ended March 31, 2021

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Cash flow from operating activities		
Profit before tax	6,094.43	4,523.42
Adjustments for:		
Interest income	(558.70)	(545.28)
Finance costs	57.94	63.32
Dividend income	-	(13.98)
Depreciation and amortization expense	1,755.50	1,659.62
Unrealised exchange loss/(gain) (net)	139.55	(131.29)
Change in foreign currency translation reserve	(42.32)	119.30
Exchange (gain)/loss on derivative contracts	(169.80)	58.51
Exchange loss/(gain) on translation of foreign currency cash and cash equivalents	11.50	(46.77)
Bad debts	90.30	-
Provision for expected credit loss (net)	31.32	83.86
Employee stock compensation expenses	290.44	236.79
Provision for doubtful deposits and advances	-	248.48
Provision for diminution in value of investments	18.53	-
Remeasurements of the defined benefit liabilities/asset (before tax effects)	10.25	(46.14)
Impairment of loan	23.96	-
Excess provision in respect of earlier years written (back)	(41.79)	(6.95)
(Gain)/ loss on fair valuation of assets designated at FVTPL	131.39	(119.02)
Profit on sale of investments (net)	(478.13)	(164.81)
Loss / (Profit) on sale of property, plant and equipment (net)	(1.34)	5.96
Operating profit before working capital changes	7,363.03	5,925.02
Movements in working capital		
Increase in non-current and current loans	(40.03)	(14.44)
Increase in other non current assets	(76.81)	(235.30)
Increase in other current financial assets	(104.23)	(232.15)
Decrease/(Increase) in other current assets	58.26	(559.10)
Decrease/(Increase) in trade receivables	58.49	(894.77)
Increase in trade payables, current liabilities and non current liabilities	757.56	1,000.26
Increase/(Decrease) in provisions	924.95	(145.37)
Operating profit after working capital changes	8,941.22	4,844.15
Direct taxes paid (net of refunds)	(1,581.97)	(1,328.27)
Net cash generated from operating activities	A 7,359.25	3,515.88
Cash flows from investing activities		
Payment towards capital expenditure (including intangible assets)	(1,281.04)	(758.39)
Proceeds from sale of property, plant and equipment	30.02	12.68
Acquisition of step-down subsidiary including cash and cash equivalents of ₹ 30.90 million (Previous year ₹ 37.35 million)	(448.47)	(435.48)
Purchase of bonds	(712.18)	(901.61)
Proceeds from sale/ maturity of bonds	350.53	819.87
Proceeds from sale of non-current investments	-	25.22
Investments in mutual funds	(24,591.91)	(19,456.95)
Proceeds from sale / maturity of mutual funds	25,068.92	17,670.49
Maturity / (Investments) of bank deposits having original maturity over three months	(4,198.89)	2,108.15
Maturity of deposits with financial institutions	-	250.00
Interest received	366.29	503.60
Dividends received	-	13.98
Net cash used in investing activities	B (5,416.73)	(148.44)

Consolidated Cash Flow Statement for the year ended March 31, 2021

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Cash flows from financing activities		
(Repayment) of long term borrowings	(4.54)	(4.62)
Shares bought back	-	(1,677.01)
Payment of lease liabilities	(319.11)	(287.70)
Loan received as a part of COVID-19 relief measures	-	39.14
Specific project related grant received	9.00	3.00
Interest paid	(58.01)	(63.31)
Dividends paid	(1,069.95)	(1,146.38)
Tax on dividend paid	-	(154.14)
Net cash (used in) financing activities	C (1,442.61)	(3,291.02)
Net increase in cash and cash equivalents (A + B + C)	499.91	76.42
Cash and cash equivalents at the beginning of the year	1,899.99	1,739.45
Cash and cash equivalents acquired on acquisition	30.90	37.35
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(11.50)	46.77
Cash and cash equivalents at the end of the year	2,419.30	1,899.99
Components of cash and cash equivalents		
Cash on hand (refer note 14)	0.41	0.24
Balances with banks		
On current accounts# (refer note 14)	1,583.20	1,566.06
On saving accounts (refer note 14)	1.33	0.36
On Exchange Earner's Foreign Currency accounts (refer note 14)	208.57	261.86
On deposit accounts with original maturity less than three months (refer note 14)	625.79	71.47
Cash and cash equivalents	2,419.30	1,899.99

Out of the cash and cash equivalent balance as at March 31, 2021, the Group can utilise ₹ 154.39 Million (Previous year: ₹ 6.62 Million) only towards certain predefined activities specified in the agreement.
Summary of significant accounting policies — refer note 4

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

As per our report of even date

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

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Pune
Date: April 29, 2021

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 29, 2021

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai
Date: April 29, 2021

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA
Date: April 29, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Share capital

(refer note 5)

(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

(In ₹ million)

Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
791.19	(26.94)	764.25

This space is intentionally kept blank

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income		
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	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	57.71	35.75	49.95	10,087.74	(244.09)
Net profit for the period	-	-	-	-	-	-	4,506.77	-
Other comprehensive income for the period	-	-	-	-	-	-	10.25	383.54
Dividend	-	-	-	-	-	-	-	(20.07)
Transfer to retained earnings	-	-	-	-	-	-	(1,069.95)	-
Transfer to general reserve	-	2,020.34	-	-	-	(49.95)	49.95	-
Adjustments towards employees stock options	-	108.78	(108.78)	-	-	-	(2,020.34)	-
Employee stock compensation expenses	-	-	290.44	-	-	-	-	-
Other changes during the year	-	-	(1.47)	(0.40)	-	-	-	-
Balance at March 31, 2021	-	14,356.53	470.70	57.31	35.75	-	11,564.42	139.45
								568.25
								27,192.41

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income		
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	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, 2019	774.10	10,565.95	76.29	52.71	8.81	70.00	10,657.52	185.06
Net profit for the period	-	-	-	-	-	-	3,402.89	-
Other comprehensive income for the period	-	-	-	-	-	-	(34.80)	(429.15)
								265.17
								22,655.61
								3,402.89
								(140.80)

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income				
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Special Economic Zone re-investment reserve	Retained earnings	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	Total
Transfer to capital redemption reserve	-	-	-	-	26.94	-	(26.94)	-	-	-
Transitional impact on adoption of Ind AS 116 (net of taxes)	-	-	-	-	-	-	(123.60)	-	-	(123.60)
Dividend	-	-	-	-	-	-	(1,146.38)	-	-	(1,146.38)
Tax on dividend	-	-	-	-	-	-	(154.14)	-	-	(154.14)
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	-	(20.05)	20.05	-	-	-
Transfer to general reserve	-	1,630.89	-	-	-	-	(1,630.89)	-	-	-
Employee stock compensation expenses	-	-	236.79	-	-	-	-	-	-	236.79
Adjustments towards employees stock options	-	25.61	(25.61)	-	-	-	-	-	-	-
Utilised towards buy back of shares (refer note 5)	(774.10)	-	-	-	-	-	(875.97)	-	-	(1,650.07)
Other changes during the year	-	4.96	3.04	5.00	-	-	-	-	-	13.00
Balance at March 31, 2020	-	12,227.41	290.51	57.71	35.75	49.95	10,087.74	(244.09)	588.32	23,093.30
Summary of significant accounting policies — refer note 4										

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 Chandniok & 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 29, 2021

Dr. Anand Deshpande

Chairman and

Managing Director

DIN: 00005721

Place: Pune

Date: April 29, 2021

Sandeep Kalra

Executive Director and

Chief Executive Officer

DIN: 02506494

Place: New Jersey, USA

Date: April 29, 2021

Sunil Sapre

Executive Director and

Chief Financial Officer

DIN: 06475949

Place: Mumbai

Date: April 29, 2021

Praveen Kadle

Independent Director

DIN: 00016814

Place: Mumbai

Date: April 29, 2021

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 29, 2021

Consolidated statement of changes in equity for the year ended March 31, 2021

Nature and purpose of reserves

a. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

b. 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 as per section 2 (43) of the Companies Act, 2013.

c. 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.

d. 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.

e. 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.

f. Special Economic Zone re-investment reserve

The Special Economic Zone re-investment reserve has been created out of the profit in terms of the provisions of Section 10AA(1)(ii) of the Income tax Act, 1961. The reserve is 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.

g. Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into towards highly probable transactions. Such gains or losses are subsequently recognised in the statement of profit and loss in the period in which the said transaction occurs/hedging instruments are cancelled.

h. 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 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.

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 Holdings Limited (was an Ireland based wholly owned subsidiary of Persistent Systems, Inc.) operated as the holding Company of Aepona Group Limited.

Aepona Holdings Limited has been dissolved with effect from October 24, 2019. Persistent Systems, Inc., its holding Company, took over all the assets and liabilities of Aepona Holdings Limited on the date of dissolution.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. (previously owned by Aepona Holdings Limited) 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.

Valista Limited (an Ireland based wholly owned subsidiary of Aepona Group Limited) has been dissolved with effect from June 24, 2020. Aepona Group Limited, its holding Company, took over all the assets and liabilities of Valista Limited on the date of dissolution.

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 and Youperience GmbH.

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.

Herald Technologies Inc. (HTI), based in the USA a wholly owned subsidiary of Persistent Systems Inc., was working on implementation of platforms and related IT services for the healthcare industry.

Herald Technologies Inc. has been dissolved with effect from June 24, 2019. Persistent Systems Inc, its holding company, took over all the assets and liabilities of Herald Technologies, Inc. on the date of dissolution.

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.

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.

Klisma e-Services Private Limited was engaged in the business of internet, telecommunications, mobile technology and other media enabling electronic commerce.

2\ Basis of preparation

The consolidated financial statements of the Group have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, equity settled employee stock options and initial recognition of assets acquired under business combinations which have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The accounting policies are consistently applied by the Group during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified) 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.

All assets and liabilities have been classified as current or non-current as per the Group operating cycle and other criteria set out in the Schedule III of the Companies Act, 2013 (the "Act"). 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 for the purpose of current and non-current classification of assets and liabilities.

3\ Principles of consolidation

The consolidated financial statements of the Parent Company and its subsidiaries ("the Group") for the year ended March 31, 2021 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 consolidated financial statements include the share of profit / loss of associate companies, which are accounted for under the 'Equity method'. The share of profit / loss of the associate company has been adjusted to the cost of investment in the associate, as per the 'Equity method'. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

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, 2021	March 31, 2020	
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 Holdings Limited (Dissolved with effect from October 24, 2019)	-	-	Ireland
Aepona Group Limited	100%	100%	Ireland
Aepona Limited	100%	100%	UK
Valista Limited (Dissolved with effect from June 24, 2020)	-	100%	Ireland
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%	-	India
CAPIOT Software Inc. (Acquired w.e.f. November 7, 2020)	100%	-	USA
CAPIOT Software Pty Limited (Acquired w.e.f. November 7, 2020)	100%	-	Australia
CAPIOT Software Pte Limited (Acquired w.e.f. November 7, 2020)	100%	-	Singapore
Persistent Systems S.R.L. (Incorporated on March 23, 2021)	100%	-	Italy
Klisma e-Services India Pvt. Ltd. (under liquidation)	50%	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	85.82%	27,655.24	97.84%	5,050.86	101.44%	399.48	98.09%	5,450.34
Foreign subsidiaries:								
Persistent Systems, Inc.	9.05%	2,915.05	-3.25%	(167.87)	-	-	-3.02%	(167.87)
Persistent Systems Pte. Ltd.	0.11%	35.32	-0.17%	(8.59)	-	-	-0.15%	(8.59)
Persistent Systems France SAS	0.57%	183.40	0.22%	11.51	-	-	0.21%	11.51
Persistent Telecom Solutions Inc.	-0.02%	(6.43)	1.16%	59.96	-	-	1.08%	59.96
Persistent Systems Malaysia Sdn. Bhd.	0.54%	173.95	0.79%	40.80	-	-	0.73%	40.80
Aepona Group Limited	0.11%	34.98	0.65%	33.73	-	-	0.61%	33.73
Aepona Limited	-0.87%	(278.97)	2.25%	115.93	-	-	2.09%	115.93
Valista Limited	0.00%	-	-0.02%	(1.08)	-	-	-0.02%	(1.08)
Persistent Systems Lanka (Private) Limited	0.57%	182.19	0.63%	32.46	(1.44%)	(5.69)	0.48%	26.77
Persistent Systems Israel Ltd.	0.48%	154.34	0.57%	29.29	-	-	0.53%	29.29
Persistent Systems Mexico, S.A. de C.V.	0.00%	(1.04)	-0.20%	(10.35)	-	-	-0.19%	(10.35)
Persistent Systems Germany GmbH	3.74%	1,206.49	-0.10%	(5.02)	-	-	-0.09%	(5.02)
PARX Werk AG	0.22%	71.37	0.22%	11.50	-	-	0.21%	11.50
PARX Consulting GmbH	-0.25%	(81.04)	0.34%	17.62	-	-	0.32%	17.62
Youperience Limited	-0.05%	(17.31)	-0.18%	(9.29)	-	-	-0.17%	(9.29)
Youperience GmbH	-0.30%	(96.60)	-0.86%	(44.45)	-	-	-0.80%	(44.45)
CAPIOT Software Private Limited	0.24%	75.74	0.04%	2.30	-	-	0.04%	2.30
CAPIOT Software Inc.	0.06%	19.83	-0.03%	(1.54)	-	-	-0.03%	(1.54)
CAPIOT Software Pty Limited	0.02%	5.67	0.06%	2.92	-	-	0.05%	2.92
CAPIOT Software Pte Limited	-0.03%	(9.93)	0.04%	1.97	-	-	0.04%	1.97
Persistent Systems S.R.L	0.00%	0.81	0.00%	(0.05)	-	-	0.00%	(0.05)
Subtotal	100.00%	32,223.06	100.00%	5,162.61	100.00%	393.79	100.00%	5,556.40
Associates:								
Kisma e-Services Private Limited	-	-	-	-	-	-	-	-
FCTR	-	-	-	-	-	(20.07)	-	(20.07)
Consolidation adjustments								
Amortization of Intangibles recognized on Business Combination	-	(4,266.40)	-	-	-	-	-	-
Adjustment for eliminating margin on cost transfer for capitalization	-	-	-	(305.37)	-	-	-	(305.37)
DTA on items recognised on consolidation	-	-	-	9.54	-	-	-	9.54
Dividend from subsidiaries	-	-	-	(9.34)	-	-	-	(9.34)
Others	-	-	-	(159.97)	-	-	-	(159.97)
Total	-	27,956.66	-	4,506.77	-	373.72	-	4,880.49

4\ Summary of significant accounting policies

a. Use of estimates

- A. The preparation of the consolidated financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

B. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The Group has evaluated likely impact of COVID - 19 on the overall business of the Group. The Group as at the date of the approval of these consolidated financial statements, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID - 19 on the Group's consolidated financial statements may differ from the estimate as on the date of the approval of the condensed interim consolidated financial statements.

i. Expected credit loss

The Group has considered the current and anticipated future economic conditions relating to the industries the Group deals with and the countries where it operates. In calculating expected credit loss, the Group has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic, COVID -19 using the forward looking approach prescribed by Ind AS 109.

ii. Impact on unhedged foreign currency exposure

Based on its assessment, the Group believes that the probability of occurrence of its forecasted transaction are not likely to be impacted by COVID - 19. Hence, the Group continues to believe that there is no foreseeable impact the effectiveness of its cash flow hedges due to this global pandemic.

iii. Carrying value of financial instruments

Investments in mutual funds are classified as "Level 1" having fair value marked to an active market which factors in the uncertainties arising out of COVID - 19. These financial assets are mainly investments in liquid securities and no material permanent decline in their carrying value are expected.

iv. Impact on revenue

The Group continues to re-evaluate the probable revenues from customers in various verticals to assess any possible drops in revenue from any of these verticals due to the economic stress caused by COVID - 19. Accordingly, it is of the opinion that the customers could re-prioritise their discretionary spend in immediate future to conserve resources.

The impact assessment of COVID - 19 is a continuing process given the uncertainties associated with its nature and duration. The Group has considered the same to the extent known currently and has taken steps to measure the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays and costs in meeting its obligations.

C. Critical accounting estimates

i. 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, in writing, 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.

The Group uses the percentage-of-completion method in accounting for its 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.

ii. 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.

iii. Intangible assets and contingent consideration in business combinations

Business combinations are accounted for using Ind AS 103, Business Combinations. Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts.

iv. Estimates related to useful life of property, plant and equipment and intangible assets

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.

v. Impairment of Goodwill

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. 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.

vi. Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the best estimates of the amount required.

vii. Internally generated Intangible assets

The management assesses the recoverability of the Group's internally generated intangible assets including those under development. Based on the current revenue generated from these lines of business, expected future revenue and the basis of amortization followed, the management considers the carrying value of these intangible assets as recoverable.

viii. 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 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.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its 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. 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. 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 consideration transferred for the acquisition of a subsidiary comprises the:

- \ Fair values of the assets transferred;
- \ Liabilities incurred to the former owners of the acquired business;
- \ Equity interests issued by the Group; and
- \ Fair value of any asset or liability resulting from a contingent consideration arrangement.

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.

Business Combinations – common control transactions

Business combinations involving entities that are controlled by the group are accounted for using the pooling of interest method as follows:

- \ The asset and liabilities of the combining entities are reflected at their carrying amounts. Adjustments are only made to harmonise accounting policies.
- \ The financial information in the financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, where the business combination had occurred after that date, the prior period information restated only from that date.
- \ The balance of the retained earnings appearing in the financial statement of the transferor is aggregated with the corresponding balance appearing in the financial statement of the transferee or is adjusted against general reserve.
- \ The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- \ The difference, if any, between the accounts recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of transferor is transferred to capital reserve and is presented separately from other capital reserves.

e. 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. Goodwill is measured at cost less accumulated impairment losses.

f. Depreciation and amortization

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

The management estimates the useful lives for the Property, Plant and Equipment as follows:

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.

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 6 years from the day the asset is made available for use.

Depreciation methods, useful lives and residual values are reviewed periodically.

g. 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 year they occur.

h. Leases

The Group's lease asset classes primarily consist of leases for land and office premises. The Group assesses whether a contract contains a lease, at inception of a contract. 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.

i. Financial instruments

Initial recognition

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.

A. Non-derivative financial instruments

Subsequent measurement

i. 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.

ii. Financial liabilities**Financial liabilities at amortized 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.

B. Derivative financial instruments

The Company 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 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.

C. 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 profit or loss.

D. 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.

E. 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.

F. Impairment of Non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the 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.

j. 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.

i. Income from software services and products

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

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 royalty 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.

ii. Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

iii. 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.

k. 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.

l. Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the respective functional currencies of the entities in the Group, by applying to the foreign currency amount the exchange rate between the functional currency of each individual entity 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 year in which they arise.

Translation of foreign operations

The Group presents the financial statements in INR which is the functional currency of the Parent Company.

The assets and liabilities of a foreign operation are translated into the reporting currency (INR) at the exchange rate prevailing at the reporting date. Their statement of profit and loss are translated at exchange rates prevailing at the dates of transactions or weighted average rates, where such rates approximate the exchange rate at the date of transaction. The exchange differences arising on translation are accumulated in the foreign currency translation reserve under other comprehensive income. On disposal of a foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the statement of profit and loss.

m. Retirement and other employee benefits

i. Provident fund

Provident fund is a defined contribution plan covering eligible employees. The Parent 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 basic salary of the eligible 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 Parent Company has no obligation, other than the contribution payable to the provident fund.

ii. Gratuity

Gratuity is a defined benefit obligation plan operated by Persistent Systems Limited and Persistent Systems Lanka (Private) Limited for their employees covered under Group's 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.

iii. Superannuation

Superannuation is a defined contribution plan covering eligible employees of the Parent Company. 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.

iv. 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.

v. 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.

n. 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 year in which the temporary differences originate.

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

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Group will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Group recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have convincing evidence that it will pay normal tax during the specified period.

o. 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 Makers 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.

p. 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.

q. 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.

r. 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.

s. 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.

t. Employee stock compensation expenses

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).

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. 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.

The expense or credit recognized in the statement of profit and loss for a year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefits expense. 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.

u. 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.

v. 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 Group’s Board of Directors.

This space is intentionally kept blank

5\ Share capital

(In ₹ million)

	As at March 31, 2021	As at March 31, 2020
Authorized shares (No. in million)		
200 (Previous year: 200) equity shares of ₹ 10 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares (No. in million)		
76.43 (Previous year: 76.43) equity shares of ₹ 10 each	764.25	764.25
Issued, subscribed and fully paid-up share capital	764.25	764.25

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, 2021		As at March 31, 2020	
	No. of shares	Amount ₹	No. of shares	Amount ₹
Number of shares at the beginning of the year	76.43	764.25	79.12	791.19
Less: Shares bought back	-	-	2.69	26.94
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 Parent Company declared interim dividend of ₹ 14 per share on January 28, 2021 on the face value of ₹ 10 each; for the Financial Year 2020-21.

The Parent Company declares and pays dividends in Indian rupees. 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.

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.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2021 (No. in million)	For the period of five years ended March 31, 2020 (No. in million)
Equity shares allotted on March 12, 2015 as fully paid bonus shares by capitalization of securities premium ₹400 million	-	40.000
Equity shares bought back	3.575	3.575

d. Buyback of Equity Shares of the Parent Company

The Board of Directors, at its meeting in January 2019, had approved the buyback of the Parent Company's fully paid-up equity shares of the face value of ₹ 10 each from its shareholders/beneficial owners excluding promoters, promoter group and persons who are in control of the Parent Company, via the "open market" route through the stock exchanges, for a total amount not exceeding ₹ 2,250 million ("Maximum Buyback Size"), and at a price not exceeding ₹ 750 per Equity Share ("Maximum Buyback Price").

The buyback was offered to all eligible equity shareholders of the Parent Company (other than the Promoters, the Promoter Group and Persons in Control of the Group) under the open market route through the stock exchanges. The buyback of equity shares through the stock exchange commenced on February 8, 2019 and was completed on June 27, 2019. During this buyback period the Parent Company had purchased and extinguished a total of 3,575,000 equity shares from the stock exchange at an average buy back price of ₹628.93/- per equity share comprising 4.47% of the pre buyback paid-up equity share capital of the Parent Company. The buyback resulted in a cash outflow of ₹2,248.42 million (excluding transaction costs). The Parent Company funded the buyback from utilization of its securities premium and free reserves. The total number of equity shares outstanding post buyback stands at 76,425,000.

e. Details of shareholders holding more than 5% shares in the Group

Name of the shareholder*	As at March 31, 2021		As at March 31, 2020	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande jointly with Mrs. Sonali Anand Deshpande	22.96	30.04	22.96	30.04
Schemes of HDFC Mutual Fund	5.37	7.03	6.53	8.54

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Group including register of shareholders / members.

This space is intentionally kept blank

6.1\ Property, plant and equipment

(In ₹ million)

	Land - Freehold	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 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 combination (refer note 45)	-	-	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 (refer note 45)	-	-	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, 2021 ₹ 1,454.60 million (Previous year ₹ 1,454.30 million)
- Depreciation charge for the year ₹ 59.04 million (Previous year ₹ 59.07 million)
- Accumulated depreciation as on March 31, 2021 ₹ 558.07 million (Previous year ₹ 499.03 million)
- Net book value as on March 31, 2021 ₹ 896.53 million (Previous year ₹ 955.27 million)

6.1\ Property, plant and equipment

(In ₹ million)

	Land - Freehold	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2019	220.47	2,447.72	2,441.59	89.63	1,408.24	94.23	679.87	8.44	7,390.19
Additions	-	0.30	294.11	0.40	14.38	-	9.91	-	319.10
Additions through business combination	-	-	5.23	-	0.06	-	-	-	5.29
Disposals	-	-	328.80	0.03	25.10	46.43	7.45	1.20	409.01
Effect of foreign currency translation from functional currency to reporting currency	0.90	4.02	45.64	3.20	1.83	(1.88)	10.79	-	64.50
As at March 31, 2020	221.37	2,452.04	2,457.77	93.20	1,399.41	45.92	693.12	7.24	7,370.07
Accumulated Depreciation									
As at April 1, 2019	-	983.41	2,160.36	70.13	1,166.93	76.58	597.31	4.23	5,058.95
Additions through business combination	-	-	1.69	-	0.06	-	-	-	1.75
Charge for the period	-	98.93	234.72	8.16	59.02	6.62	44.88	1.02	453.35
Disposals	-	-	328.80	0.03	20.78	46.43	7.30	1.20	404.54
Effect of foreign currency translation from functional currency to reporting currency	-	1.24	24.08	2.31	0.97	(1.26)	8.62	-	35.96
As at March 31, 2020	-	1,083.58	2,092.05	80.57	1,206.20	35.51	643.51	4.05	5,145.47
Net block									
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
As at March 31, 2019	220.47	1,464.31	281.23	19.50	241.31	17.65	82.56	4.21	2,331.24

6.2\ Right-of-use assets

	(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
Acquisition		0.10	0.10
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	-	(4.12)	(4.12)
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

	(In ₹ million)		
	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2019	-	-	-
Additions (Transitional impact on adoption of Ind AS 116)	37.50	722.51	760.01
Additions during the period	-	77.80	77.80
Disposals	-	9.35	9.35
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	5.79	5.79
As at March 31, 2020	37.50	796.75	834.25
Accumulated Depreciation			
As at April 1, 2019	-	-	-
Charge for the year	0.60	260.73	261.33
Disposals	-	1.12	1.12
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	7.23	7.23
As at March 31, 2020	0.60	266.84	267.44
Net block			
As at March 31, 2020	36.90	529.91	566.81

6.3\ Goodwill

(In ₹ million)

	As at March 31, 2021	As at March 31, 2020
Cost		
Balance at beginning of year	88.94	81.24
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	(3.00)	7.70
Balance at end of year	85.94	88.94

6.4\ Other Intangible assets

(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 period	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

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2019	2,575.58	4,208.58	6,784.16
Additions	30.88	97.75	128.63
Additions through business combination	-	527.31	527.31
Effect of foreign currency translation from functional currency to reporting currency	173.11	380.78	553.89
As at March 31, 2020	2,779.57	5,214.42	7,993.99
Accumulated Amortization			
As at April 1, 2019	2,479.52	2,709.23	5,188.75
Charge for the year	80.84	864.10	944.94
Effect of foreign currency translation from functional currency to reporting currency	172.36	253.01	425.37
As at March 31, 2020	2,732.72	3,826.34	6,559.06
Net block			
As at March 31, 2020	46.85	1,388.08	1,434.93
As at March 31, 2019	96.06	1,499.35	1,595.41

6.5\ Depreciation and amortization

(In ₹ million)

	For the year ended	
	March 31, 2021	March 31, 2020
On Property, Plant and Equipment	468.66	453.35
On Right of Use assets	251.46	261.33
On Other Intangible assets	1,035.38	944.94
	1,755.50	1,659.62

7\ Non-current financial assets: Investments (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Investments carried under equity accounting method		
Unquoted Investments		
Investments in equity instruments		
In associates		
Klisma e-Services Private Limited [Holding 50%. (Previous year 50%)]		
0.005 million (Previous year: 0.005 million) shares of ₹10 each, fully paid up	0.05	0.05
Add / (less) : Change in fair value of investment	(0.05)	(0.05)
	-	-
Total investments carried under equity accounting method (A)	-	-
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,557.92	2,171.52
[Market value ₹ 2,727.32 million (Previous year ₹ 2,236.81 million)]		
Add: Interest accrued on bonds	72.88	68.69
Total investments carried at amortised cost (B)	2,630.80	2,240.21
Designated as fair value through profit and loss		
Quoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 7a)	806.99	2,174.51
	806.99	2,174.51
Unquoted Investments		
Investments in Common Stocks/Preferred Stocks		
- Others*		
Ciquel 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	14.73	14.36
Add / (less) : Change in fair value of investment	(14.73)	(14.36)
	-	-
Altizon Systems Private Limited	6.00	6.00
3,766 equity shares (Previous year: 3,766 equity shares) of ₹ 10 each, fully paid up		
	6.00	6.00
Hygenx Inc.	14.62	15.13
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	(14.62)	(15.13)
	-	-

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
OpsDataStore Inc.	14.62	15.13
0.20 million (Previous year: 0.20 million) Preferred stock of \$ 0.001 each, fully paid up		
Add/(less): Change in fair value of investment	(14.62)	(15.13)
	-	-
Trunomi Inc.	18.28	18.92
0.28 million (Previous year: 0.28 million) Preferred stock of \$ 0.0002 each, fully paid up		
Ampool Inc.	18.28	18.92
0.55 million (Previous year : 0.55 million) Preferred stock of \$ 0.4583 each, fully paid up		
Add / (less) : Change in fair value of investment	(18.28)	-
	-	18.92
Cazena Inc.		
0.59 million Common Stock of \$ 0.0001 each (Previous year: 0.59 million Preferred Stock of \$ 0.0001 each), fully paid up	146.22	151.33
	164.50	189.17
DxNow	9.14	9.46
169,975 Preferred 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	(9.14)	(9.46)
	-	-
Akumina Inc.	12.98	11.08
400,667 Preference shares of \$ 0.443 each (Previous year : 1 convertible note of USD 146,429 each, fully paid up)		
	12.98	11.08
Investments in Convertible Notes		
Ustyme	18.28	18.92
1 (Previous year : 1) convertible note of USD 250,000 each, fully paid up		
Add / (less) : Change in fair value of investment	(18.28)	(18.92)
Total Investments carried at Fair Value (C)	990.47	2,380.76
Total investments (A) + (B) + (C)	3,621.27	4,620.97
Aggregate amount of impairment in value/change in fair value of investments	89.72	73.05
Aggregate amount of quoted investments	3,437.79	4,414.72
Aggregate amount of unquoted investments	273.20	279.30

* 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 (Quoted)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Axis Mutual Fund	400.50	898.93
IDFC Mutual Fund	370.31	630.06
Sundaram Mutual Fund	36.18	33.15
ICICI Prudential Mutual Fund	-	141.38
Kotak Mutual Fund	-	105.86
UTI Mutual Fund	-	105.73
Aditya Birla Sun Life Mutual Fund	-	82.65
SBI Mutual Fund	-	71.06
HDFC Mutual Fund	-	35.66
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	35.03
DSP Mutual Fund	-	35.00
	806.99	2,174.51

8\ Non-current financial assets: Loans (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Carried at amortised cost		
Security deposits		
Unsecured, considered good	134.76	176.13
	134.76	176.13
Other loans and advances		
Unsecured, considered good - Deposits	-	-
Unsecured, credit impaired	23.63	0.58
Less: Impairment of non-current loans	(23.63)	(0.58)
	-	-
	134.76	176.13

9\ Other non-current financial assets (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Non-current bank balances (refer note 15)	24.42	344.55
Add: Interest accrued but not due on non-current bank deposits (refer note 15)	1.34	14.38
Non-current deposits with banks (Carried at amortised cost)	25.76	358.93
Deposits with financial institutions	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)
	-	-
	25.76	358.93

10\ Deferred tax asset (net) *

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	-	120.96
Capital gains	61.06	76.67
Others	66.47	21.63
	127.53	219.26
Deferred tax assets		
Provision for leave encashment	184.65	127.70
Provision for long service awards	117.05	83.27
Provision for expected credit loss	93.49	62.50
Provision for gratuity	-	2.86
Differences in book values and tax base values of block of Property, Plant and Equipment and intangible assets	63.43	91.81
Brought forward and current year losses	43.77	112.94
Tax credits	435.71	328.80
Difference in Book values and tax base values of ROU asset and Lease liability	31.74	37.29
Stock Option	40.28	-
Others	154.98	332.17
	1,165.10	1,179.34
Deferred tax liabilities after set off	-	-
Deferred tax assets after set off	1,037.57	960.08

* 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.

11\ Other non-current assets

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Capital advances (Unsecured, considered good)	60.54	27.14
Balances with government authorities (refer note 43 (c))	296.55	296.55
Advances recoverable in cash or kind or for value to be received	84.43	7.62
	441.52	331.31

12\ Current financial assets: Investments (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Designated as fair value through profit and loss		
- Quoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 12a)	6,374.95	5,164.77
	6,374.95	5,164.77
Total carrying amount of investments	6,374.95	5,164.77
Aggregate amount of quoted investments	6,374.95	5,164.77
Aggregate amount of unquoted investments	-	-

12a. Details of fair value of current investment in mutual funds (Quoted)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Aditya Birla Sun Life Mutual Fund	1,011.03	973.04
HDFC Mutual Fund	963.10	185.88
IDFC Mutual Fund	911.72	640.78
Axis Mutual Fund	824.68	396.02
UTI Mutual Fund	723.19	809.46
ICICI Prudential Mutual Fund	710.33	940.50
L&T Mutual Fund	511.71	734.90
Kotak Mutual Fund	478.21	421.51
SBI Mutual Fund	166.36	-
DSP Mutual Fund	37.38	-
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	37.24	-
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	-	62.68
	6,374.95	5,164.77

13\ Trade receivables (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unsecured, considered good	5,708.97	5,921.96
Unsecured, credit impaired	271.64	242.13
	5,980.61	6,164.09
Less : Allowance for credit loss	(271.64)	(242.13)
	5,708.97	5,921.96

14\ Cash and cash equivalents (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash in hand	0.41	0.24
Balances with banks		
On current accounts #	1,583.20	1,566.06
On saving accounts	1.33	0.36
On Exchange Earner's Foreign Currency accounts	208.57	261.86
On deposit accounts with original maturity less than three months	625.79	71.47
	2,419.30	1,899.99

Out of the cash and cash equivalent balance as at March 31, 2021, the Group can utilise ₹ 154.39 million (Previous year: ₹ 6.62 million) only towards certain predefined activities specified in the agreement.

15\ Other bank balances (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Deposits with banks*	7,108.47	2,909.58
Add: Interest accrued but not due on deposits with banks	303.99	117.49
Deposits with banks (carried at amortised cost)	7,412.46	3,027.07
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 9)	(24.42)	(344.55)
Less: Interest accrued but not due on non-current deposits with banks (refer note 9)	(1.34)	(14.38)
	7,386.70	2,668.14
Balances with banks on unpaid dividend accounts**	3.00	4.05
	7,389.70	2,672.19

* Out of the balance, fixed deposits of ₹ 675.89 million (Previous year : ₹ 71.10 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 (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Carried at amortised cost		-
Loan to related parties (Unsecured, credit impaired)		
Unsecured, considered good	-	-
Klisma e-Services Private Limited	27.43	27.43
	27.43	27.43
Less: Impairment of current loans	(27.43)	(27.43)
	-	-
Loan to others (Unsecured, considered good)		
LHS Solution Inc.	21.90	-
Interest accrued but not due at amortised cost	1.72	-
Less: Impairment	(23.62)	-
	-	-
Other advances	21.79	-
Security deposits		
Unsecured, considered good	49.47	13.71
	71.26	13.71

17\ Other current financial assets (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Fair value of derivatives designated as hedging instruments		
Forward contracts receivable	294.46	-
Advances to related parties (Unsecured, credit impaired)		
Unsecured, credit impaired	0.81	0.81
Less: Impairment of current financial assets	(0.81)	(0.81)
	-	-

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unbilled revenue	2,172.77	2,068.54
	2,467.23	2,068.54

18\ Other current assets

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	815.19	931.97
Excess fund balance with Life Insurance Corporation (refer note 31)	113.08	128.54
Other advances (Unsecured, considered good)		
VAT receivable (net)	97.19	31.50
Service tax and GST receivable (net) (refer note 43)	1,058.26	858.51
	1,155.45	890.01
	2,083.72	1,950.52

19\ Non-current financial liabilities : Borrowings (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unsecured Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	7.39	11.93
Interest accrued but not due on term loans	0.11	0.18
Foreign currency loan from others	38.73	39.14
	46.23	51.25
Less: Current maturity of long-term borrowings transferred to other current financial liabilities (refer note 23)	(1.85)	(4.85)
Less: Current maturity of interest accrued but not due on term loan transferred to other current financial liabilities (refer note 23)	(0.11)	(0.18)
	(1.96)	(5.03)
	44.27	46.22

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

Loan I - amounting to ₹ 7.39 million (Previous year ₹ 9.24 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 ₹ 38.73 million (Previous year ₹ 39.14). 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 Nil (Previous year ₹ 2.69 million) with interest payable @ 2% per annum has been guaranteed by a bank guarantee by the Group and was repayable in ten equal semi annual installments over a period of five years commencing from September 2016.

20\ Lease liabilities (refer note 35)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Lease liabilities	938.17	662.42
Less: Current portion of lease liabilities	(222.00)	(309.06)
	716.17	353.36

Movement of lease liabilities

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Opening balance	662.42	-
Additions (Transitional impact on adoption of Ind AS 116)	-	811.10
Additions	587.19	77.80
Deletions	(43.33)	-
Add: Interest recognised during the year	57.53	61.22
Less: Payments made	(319.11)	(287.70)
Translation differences	(6.53)	-
Closing balance	938.17	662.42

21\ Non current liabilities : Provisions

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Provision for employee benefits		
- Long service awards	240.94	182.79
	240.94	182.79

22\ Trade payables (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Trade payables for goods and services [(dues of micro and small enterprises ₹ 30.20 million (Previous year: ₹ 5.15 million))]	2,733.44	2,247.09

Disclosure of payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Parent Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Parent Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

23\ Other current financial liabilities (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Capital creditors	237.83	36.24
Current maturity of long-term borrowings (refer note 19)	1.85	4.85
Current maturity of interest on long-term borrowings (refer note 19)	0.11	0.18

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Accrued employee liabilities	127.50	421.17
Unpaid dividend*	3.00	4.05
Other liabilities	7.96	7.96
Payable to selling shareholders	11.92	-
Fair value of derivatives designated as hedging instruments		
Forward contracts payable	-	387.89
	390.17	862.34

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

24\ Other current liabilities

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unearned revenue	966.07	887.20
Advance from customers	93.67	264.82
Other payables		
- Statutory liabilities	296.20	157.19
- Other liabilities*	159.01	10.92
	1,514.95	1,320.13

* Includes balance of ₹ 154.16 million (previous year: Nil) to be utilised against certain predefined activities specified in the agreement.

25\ Current liabilities : Provisions

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Provision for employee benefits		
- Gratuity (refer note 31)	37.78	20.41
- Leave encashment	815.28	638.05
- Long service awards	17.19	21.35
- Other employee benefits	1,607.54	931.18
	2,477.79	1,610.99

26\ Revenue from operations (net)

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Software services	40,158.83	34,494.34
Software licenses	1,720.05	1,163.74
	41,878.88	35,658.08

The table below presents disaggregated revenues from contracts with customers by segments, geography and customers' industry type. The Group 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, 2021 In ₹ million	March 31, 2020 In ₹ million
Revenue by industry segments		
BFSI	12,857.05	10,506.77
Healthcare & Life Sciences	8,104.24	6,719.15
Technology Companies and Emerging Verticals	20,917.59	18,432.16
Total	41,878.88	35,658.08
Geographical disclosure		
India	3,512.59	2,657.29
North America	33,861.61	28,891.15
Rest of the World	4,504.68	4,109.64
Total	41,878.88	35,658.08
Customers' Industry wise disclosure		
IP Led	18,986.36	14,148.50
Offshore	15,925.78	14,247.31
Onsite	6,966.74	7,262.27
Total	41,878.88	35,658.08

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.

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, ₹ 1,991.99 million (Previous Year: ₹ 1,721.62 million) of opening unbilled revenue has been reclassified to trade receivables upon billing to customers on completion of milestones. In addition to that, ₹ 113.49 million (Previous year - Nil) has been reversed in to revenue from operations in current year.

During the year, the Company recognised revenue of ₹ 799.81 million (Previous Year: ₹ 822.73 million) arising from opening unearned revenue.

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 923.81 million (Previous Year: ₹ 1,016.80 million).

27\ Other income

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Interest income		
On deposits carried at amortised cost	388.77	389.59
On Others	169.93	155.69
Foreign exchange gain (net)	33.81	364.35
Profit on sale of Property, Plant and Equipment (net)	1.34	-
Dividend income from investments	-	13.98
Profit on sale of investments (net)	478.13	164.81
Net gain/(loss) arising on financial assets designated as FVTPL	(131.39)	119.02
Excess provision in respect of earlier years written back	41.79	6.95
Miscellaneous income	95.34	109.38
	1,077.72	1,323.77

28\ Personnel expenses

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
28.1 Employee benefits expense		
Salaries, wages and bonus	22,852.56	19,594.62
Contribution to provident and other funds (refer note 31)	1,528.58	1,199.20
Staff welfare and benefits	486.41	525.79
Share based payments to employees (refer note 37)	290.44	236.79
	25,157.99	21,556.40
28.2 Cost of professionals	5,563.68	3,918.94
	30,721.67	25,475.34

29\ Other expenses

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Travelling and conveyance	173.62	936.86
Electricity expenses (net)	82.58	114.94
Internet link expenses	70.86	73.30
Communication expenses	102.18	105.72
Recruitment expenses	135.10	128.80
Training and seminars	57.36	34.63
Royalty expenses	94.83	76.82
Purchase of software licenses	1,855.62	1,724.51
Bad debts	90.30	-
Provision for expected credit loss (net)	31.32	83.86
Rent (refer note 35)	140.89	135.25
Insurance	40.01	34.49
Rates and taxes	87.86	88.07

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Legal and professional fees	514.81	517.13
Repairs and maintenance		
- Plant and Machinery	113.88	123.04
- Buildings	21.63	24.10
- Others	18.69	21.60
Selling and marketing expenses	10.43	7.85
Advertisement, conference and sponsorship fees	140.01	191.01
Computer consumables	5.54	7.01
Auditors' remuneration (refer note 39)	21.73	18.89
Donations	204.05	86.35
Books, memberships, subscriptions	20.66	38.05
Loss on sale of Property, Plant and Equipment	-	5.96
Directors' sitting fees	4.84	6.58
Directors' commission	10.22	14.85
Provision for doubtful deposits and advances (refer note 47)	-	248.48
Impairment of loan	23.96	-
Impairment of non current investments	18.53	-
Miscellaneous expenses	235.55	412.00
	4,327.06	5,260.15

30\ Earnings per share

		For the year ended	
		March 31, 2021	March 31, 2020
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	4,506.77	3,402.89
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	76,425,000	76,684,672
Denominator for Diluted EPS			
Number of equity shares	(C)	76,425,000	76,684,672
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	58.97	44.38
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	58.97	44.38

	For the year ended	
	March 31, 2021	March 31, 2020
Number of shares considered as basic weighted average shares outstanding	76,425,000	76,684,672
Add: Effect of dilutive issues of stock options	-	-
Number of shares considered as weighted average shares and potential shares outstanding	76,425,000	76,684,672

31\ Gratuity plan

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit gratuity plans. Each employee in the 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, 2021	March 31, 2020
Current service cost	170.19	194.91
Interest cost on benefit obligation	58.49	70.65
Expected return on plan assets	(70.85)	(68.89)
Curtailment of benefits*	-	(272.59)
Other	(29.52)	(3.50)
Net benefit expense	128.31	(79.42)
Net actuarial (gain)/loss recognized in the year	(17.68)	36.67

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, 2021	March 31, 2020
Opening fair value of plan assets	985.61	831.31
Expected return	70.85	68.89
Adjustment to expected return	(10.85)	(8.88)
Contribution by employer	117.99	184.25
Benefits paid	(112.81)	(89.96)
Closing fair value of plan assets	1,050.79	985.61

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, 2021	March 31, 2020
Opening defined benefit obligation	877.48	942.85
Interest cost	58.49	70.65
Current service cost	170.19	194.91
Benefits paid	(112.81)	(95.37)
Curtailments*	-	(272.59)
Actuarial losses on obligation	(17.68)	36.67
Exchange difference	(0.18)	0.36
Closing defined benefit obligation	975.49	877.48

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Fair value of plan assets	1,050.79	985.61
Less: Defined benefit obligations	(937.71)	(857.07)
Plan asset/(liability) for Persistent Systems Limited	113.08	128.54
Gratuity liability for Persistent Systems Lanka (Private) Limited	(37.78)	(20.41)

The principal assumptions used in determining gratuity for the Group's plans are shown below:

Persistent Systems Limited

	As at	
	March 31, 2021	March 31, 2020
Discount rate	6.70%	6.77%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	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%	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	5.50%	5.50%

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2021	March 31, 2020
Investments with insurer including accrued interest	100%	100%

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2021	March 31, 2020
Discount rate	8.55%	10.17%
Increment rate	6.00%	6.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

As at March 31, 2021, every percentage point increase / decrease in discount rate will change the gratuity benefit obligation to approximately ₹ 84.95 million / ₹ 111.54 million (previous year: ₹ 97.26 million / ₹ 115.94 million) respectively.

As at March 31, 2021, every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 103.17 million / ₹ 91.74 million (previous year: ₹ 108.86 million / ₹ 87.88 million) respectively.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Plan assets	1,050.79	985.61
Defined benefit obligation	(937.71)	(857.07)
Plan asset for Persistent Systems Limited	113.08	128.54
Gratuity liability for Persistent Systems Lanka (Private) Limited	(37.78)	(20.41)

Maturity Profile of defined benefit obligations:

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Within 1 year	36.45	46.27
1 - 2 years	32.19	43.40
2 - 3 years	33.66	36.71
3 - 4 years	36.11	32.76
4 - 5 years	36.29	35.57
5 - 10 years	222.48	181.58

Superannuation Fund

The Group contributed ₹ 43.55 million and ₹ 41.12 million to superannuation fund during the years ended March 31, 2021 and March 31, 2020 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 INR 484.36 million (Previous year - INR 404.90 million).

*During the previous year, the gratuity scheme had an element in its structure which caps the basic salary beyond a certain amount. Giving effect to that in valuation of benefit obligation had resulted into curtailment of benefits to the extent of INR 272.59 million which was reflected in the report.

32\ Financial assets and liabilities**a. The carrying values and fair values of financial instruments by categories are as follows:**

(In ₹ million)

Financial assets/financial liabilities	Basis of measurement	As at March 31, 2021		As at March 31, 2020		Fair value hierarchy
		Carrying value	Fair value	Carrying value	Fair value	
Assets						
Investments in associates (net)	Equity accounting	-	-	-	-	
Investments in equity instruments, preferred stock and convertible notes	Fair value	183.48	183.48	206.25	206.25	Level 3
Investments in bonds*	Amortised cost	2,630.80	2,727.32	2,240.21	2,236.81	
Investments in mutual funds	Fair value	7,181.94	7,181.94	7,339.28	7,339.28	Level 1
Loans	Amortised cost	206.02	206.02	189.84	189.84	
Deposit with banks and financial institutions (net)	Amortised cost	7,412.46	7,412.46	3,027.07	3,027.07	
Cash and cash equivalents (including unpaid dividend)	Amortised cost	2,422.30	2,422.30	1,904.04	1,904.04	
Trade receivables (net)	Amortised cost	5,708.97	5,708.97	5,921.96	5,921.96	
Unbilled revenue	Amortised cost	2,172.77	2,172.77	2,068.54	2,068.54	
Forward contracts receivables	Fair value	294.46	294.46	-	-	Level 2
Total		28,213.20	28,309.72	22,897.19	22,893.79	

		As at March 31, 2021		As at March 31, 2020		Fair value hierarchy
Financial assets/financial liabilities	Basis of measurement	Carrying value	Fair value	Carrying value	Fair value	
Liabilities						
Borrowings (including accrued interest)	Amortised cost	46.23	46.23	51.25	51.25	
Lease liabilities	Amortised cost	938.17	938.17	662.42	662.42	
Trade payables	Amortised cost	2,733.44	2,733.44	2,247.09	2,247.09	
Other financial liabilities (excluding borrowings)	Amortised cost	388.21	388.21	469.42	469.42	
Forward contracts payable	Fair value	-	-	387.89	387.89	Level 2
Total		4,106.05	4,106.05	3,818.07	3,818.07	

* Fair value includes interest accrued.

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.

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 of 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

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2020:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	63.56	105.93	123.40	79.11	372.00
Cash and cash equivalents and bank balances	373.54	29.52	11.45	30.47	444.98
Other financial assets	-	0.14	8.67	1.80	10.61
Trade and other payables	21.48	8.78	34.91	10.00	75.17

Foreign currency sensitivity analysis

For the year ended March 31, 2021 and March 31, 2020, 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 0.02% and 0.22% 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, 2021			As at March 31, 2020		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	135.00	77.11	10,410.34	125.00	74.03	9,253.21

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, 2021			As at March 31, 2020		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	31.00	78.48	2,432.98	30.00	72.74	2,182.07
Later than 3 months and not later than 6 months	34.50	77.08	2,659.11	32.00	73.70	2,358.34
Later than 6 months and not later than 9 months	34.50	76.63	2,643.64	30.00	74.16	2,224.70
Later than 9 months and not later than 12 months	35.00	76.42	2,674.61	33.00	75.40	2,488.10
Total	135.00		10,410.34	125.00		9,253.21

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 ₹ 5,980.61 million and ₹6,164.09 million as at March 31, 2021 and March 31, 2020, 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, 2021	March 31, 2020
Receivables overdue for more than 90 days (₹ million)*	966.82	409.44
Total receivables (gross) (₹ million)	5,980.61	6,164.09
Overdue for more than 90 days as a % of total receivables	16.2%	6.6%

* Out of this amount, ₹ 271.64 million (March 31, 2020: ₹ 242.13 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Within the credit period	3,815.33	4,196.46
1 to 30 days past due	897.30	1070.08
31 to 60 days past due	211.23	234.12
61 to 90 days past due	89.93	253.99
91 to 120 days past due	17.24	89.41
121 and above past due	949.58	320.03
Less: Expected credit loss	(271.64)	(242.13)
Net trade receivables	5,708.97	5,921.96

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Opening balance	242.13	134.54
Movement in expected credit loss allowance	31.32	83.86
Translation differences	(1.81)	23.73
Closing balance	271.64	242.13

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 Group has no outstanding bank borrowings. 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. Accordingly, no liquidity risk is perceived.

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.

As at March 31, 2020, the Group had a working capital of ₹ 13,373.84 million including cash and cash equivalents and current fixed deposits of ₹ 4,465.02 million and current investments of ₹ 5,164.77 million.

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ million)

	As at March 31, 2021		As at March 31, 2020	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1.96	44.27	5.03	46.22
Trade payables and deferred payment liabilities	2,733.44	-	2,247.09	-
Lease liabilities	222.00	716.17	309.06	353.36
Other financial liabilities (excluding borrowings)	388.21	-	857.31	-

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, 2021	As at March 31, 2020
Forward contracts to sell USD: Hedging of expected receivables of USD 135 Million (Previous year USD 125 Million)	10,410.34	9,253.21

ii. Details of un-hedged foreign currency exposures at the end of the year

	As at March 31, 2021			As at March 31, 2020		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	1.33	JPY 2.02	0.66	0.34	JPY 0.49	0.70
	339.71	USD 4.65	73.11	373.54	USD 4.93	75.66
	13.05	GBP 0.13	100.69	11.45	GBP 0.12	93.49
	8.81	CAD 0.15	58.02	6.10	CAD 0.11	53.06
	28.10	EUR 0.33	85.78	29.52	EUR 0.35	82.76
	2.41	AUD 0.04	55.67	6.19	AUD 0.13	46.07
	2.77	ZAR 0.56	4.94	17.84	ZAR 4.20	4.25
Trade and other payables	135.06	USD 1.85	73.11	21.48	USD 0.28	75.66
	35.74	GBP 0.35	100.69	34.91	GBP 0.37	93.49
	14.66	EUR 0.17	85.78	8.78	EUR 0.11	82.76
	0.08	SGD 0.002	54.40	0.32	SGD 0.01	53.03
	0.15	ZAR 0.03	4.94	0.63	ZAR 0.15	4.25
	0.81	CAD 0.01	58.02	8.53	CAD 0.16	53.06
	0.03	AUD 0.001	55.67	0.42	AUD 0.01	46.07
	0.43	JPY 0.65	0.66	-	-	-
	-	-	-	0.10	CHF 0.001	78.28
Advances given and deposits placed	3.97	AUD 0.07	55.67	0.36	AUD 0.01	46.07
	7.58	GBP 0.08	100.69	8.67	GBP 0.10	93.49
	0.26	EUR 0.003	85.78	0.14	EUR 0.001	82.76
	1.46	CAD 0.03	58.02	1.40	CAD 0.03	53.06
	0.04	JPY 0.07	0.66	0.04	JPY 0.06	0.70
	0.29	USD 0.004	73.11	-	-	-
	0.01	MYR 0.0004	17.65	-	-	-

	As at March 31, 2021			As at March 31, 2020		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Trade receivables	121.75	EUR 1.42	85.78	105.93	EUR 1.28	82.76
	187.63	USD 2.56	73.11	63.56	USD 0.84	75.66
	291.84	GBP 2.90	100.69	123.40	GBP 1.32	93.49
	40.66	CAD 0.70	58.02	-	-	-
	52.27	AUD 0.94	55.67	41.00	AUD 0.89	46.07
	5.04	CHF 0.06	77.46	-	-	-
	29.74	ZAR 6.02	4.94	29.47	ZAR 6.93	4.25
	2.71	SGD 0.05	54.40	8.49	SGD 0.16	53.03
	-	-	-	0.15	BRL 0.01	14.61

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, 2021 In ₹ million	March 31, 2020 In ₹ million
Profit before tax	6,094.43	4,523.42
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	1,533.85	1,138.45
Effect of exempt income	(90.04)	(69.30)
Effect of non-deductible expenses	40.25	42.06
Effect of concessions (R&D allowance)	(144.67)	(127.18)
Effect of concessions (Tax holidays)	(9.69)	(12.37)
Effect of unused tax losses not recognised as deferred tax assets	1.70	78.54
Effect of previously unrecognised deferred tax assets now recognised	(8.54)	(58.40)
Effect of different tax rates of subsidiaries operating in other jurisdictions	7.65	(4.11)
Effect of different tax rates for different heads of income	(2.06)	(31.80)
Effect of change in tax rates in India	-	24.76
Short Tax Provision of earlier years (net)	11.28	52.55
Reversal of Deferred tax asset created in earlier years	73.38	-
Others	174.55	87.33
Income tax expense	1,587.66	1,120.53

In previous year, The Parent Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totaling to 25.17%) from April 1, 2019, without claiming the following major tax exemptions / incentives which were availed till earlier financial year.

- \ Tax holiday under section 10AA of the Income Tax Act available for units set up under the Special Economic Zone Act, 2005 (SEZ units).
- \ Weighted Deduction under section 35 (2AB) of the Income Tax Act on the expenditure on scientific research carried out in in-house research and development facility as approved by the prescribed authority under Income Tax Act.

The Income Tax expense and deferred tax expense for the year ended March 31, 2021 include the effect of the net benefit of section 115BAA opted for by the Parent Company from April 1, 2019.

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.

Considering the focus on industry verticals, the Group has decided to reorganize its operating segments from April 1, 2020. The figures for the corresponding periods/year have been appropriately reclassified in line with the current period's classification.

- 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, 2021	12,857.05	8,104.24	20,917.59	41,878.88
	Year ended	March 31, 2020	10,506.77	6,719.15	18,432.16	35,658.08
Identifiable expense	Year ended	March 31, 2021	8,038.67	4,121.77	14,468.19	26,628.63
	Year ended	March 31, 2020	6,908.62	3,818.97	12,013.97	22,741.56
Segmental result	Year ended	March 31, 2021	4,818.38	3,982.47	6,449.40	15,250.25
	Year ended	March 31, 2020	3,598.15	2,900.18	6,418.19	12,916.52
Unallocable expenses	Year ended	March 31, 2021				10,233.54
	Year ended	March 31, 2020				9,716.87
Operating income	Year ended	March 31, 2021				5,016.71
	Year ended	March 31, 2020				3,199.65
Other income (net of expenses)	Year ended	March 31, 2021				1,077.72
	Year ended	March 31, 2020				1,323.77
Profit before taxes	Year ended	March 31, 2021				6,094.43
	Year ended	March 31, 2020				4,523.42
Tax expense	Year ended	March 31, 2021				1,587.66
	Year ended	March 31, 2020				1,120.53
Profit after tax	Year ended	March 31, 2021				4,506.77
	Year ended	March 31, 2020				3,402.89

(In ₹ million)

Particulars			BFSI	Healthcare & Life Sciences	Technology Companies & Emerging Verticals	Total
Segmental trade receivables (net)	As at	March 31, 2021	1,355.88	1,363.40	2,989.69	5,708.97
	As at	March 31, 2020	1,818.41	1,340.70	2,762.85	5,921.96
Segmental Unbilled revenue	As at	March 31, 2021	594.57	162.29	1,415.91	2,172.77
	As at	March 31, 2020	409.33	273.90	1,385.31	2,068.54
Unallocated assets	As at	March 31, 2021	-	-	-	28,773.50
	As at	March 31, 2020	-	-	-	22,931.19
Unallocated liabilities	As at	March 31, 2021	-	-	-	36,655.24
	As at	March 31, 2020	-	-	-	30,921.69

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, 2021	3,512.59	33,861.61	4,504.68	41,878.88
	Year ended	March 31, 2020	2,657.29	28,891.15	4,109.64	35,658.08

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 12,146.55 Million for the year ended March 31, 2021 (Previous year : ₹ 11,623.30 million).

35\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2021 (In ₹ million)	As at March 31, 2020 (In ₹ million)
Less than one year	222.00	309.06
One to five years	623.21	436.94
More than five years	164.13	68.11

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 ₹ 140.89 million for the year ended March 31, 2021 (Previous year ₹135.25 million).

The Group has has recognized interest on lease liability of ₹ 57.53 million under finance costs (Previous year ₹ 61.22 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss.

36\ Related Party Disclosures

i. Names of related parties and related party relationship

Related parties with whom transactions have taken place

Associates	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
	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. Steven Ward, Director, Youperience Limited
	Mr. Kolitha Ratwatte, Director, Persistent Systems (Lanka) Private Limited
	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. Vaudeva Anumukonda, Director, Capiot Software Inc
	Mr. Ashish Kapoor, Director, Capiot Software PTE Ltd
	Mr. Mohan Shankar, Director, Capiot Software Pty Ltd, Australia
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)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Deazzle Services Private Limited
	Azure Associates, LLC
	Persistent Foundation

ii. Related party transactions

(in ₹ million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2021	March 31, 2020
Sale of software services	Entity over which a key management personnel has significant influence		
	Deazzle Services Private Limited	-	7.47
	Total	-	7.47
Legal and professional fees	Entity over which a key management personnel has significant influence		
	Azure Associates, LLC	-	12.38
	Total	-	12.38

Donation given	Entity over which a key management personnel has significant influence		
	Persistent Foundation	140.00	79.21
	Total	140.00	79.21
Remuneration # (Salaries, bonus and contribution to other funds)	Key Management Personnel		
	Dr. Anand Deshpande	26.26	23.88
	Mr. Christopher O'Connor	158.50	58.35
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 31.72 million during the year 2020-21 (Previous year: Nil)	46.42	13.31
	Mr. Amit Atre	3.40	3.38
	Sudhir Kulkarni	-	10.77
	Mr. Sandeep Kalra (including value of perquisites for stock options exercised ₹ 45.84 million during the year 2020-21 (Previous year: Nil)	110.53	43.64
	Mr. Azlin Ghazali	10.33	9.66
	Ms. Audrey Reutens	5.38	5.12
	Mr. Arnaud Pierrel	14.66	13.01
	Mr. Bruno Orsier	11.36	10.26
	Mr. Thomas Klein	44.87	35.47
	Mr. Steffen Drilich	17.89	6.87
	Mr. Steven Ward	22.94	6.08
	Mr. Simon Nicholas Lloyd Jenkins	22.57	6.08
	Mr. Silvio Galfetti	3.09	35.01
	Mr. Daniel Seiler	29.33	25.16
	Mr. Kolitha Ratwatte	6.88	6.59
	Mr. Hitesh Salla, Director	2.46	-
	Mr. Ashish Kapoor	2.46	-
	Mr. Vasudeva Anumukonda	6.37	-
	Mr. Mohan Shankar	3.09	-
	Mr. Sameer Bendre (including value of perquisites for stock options exercised ₹ 0.19 million ^	11.07	
	Independent directors		
	Ms. Roshini Bakshi	2.09	2.48
	Mr. Pradeep Bhargava	2.26	3.13
	Mr. Sanjay Bhattacharyya	-	0.78
	Dr. Anant Jhingran	1.83	2.23
	Mr. Thomas Kendra	1.69	2.33
	Mr. Prakash Telang	0.74	3.00
	Mr. Kiran Umrootkar	0.74	3.05
	Mr. Guy Eiferman	2.08	2.28
	Dr. Deepak Phatak	1.81	2.40
	Relatives of Key Management Personnel		
	Mrs. Chitra Buzruk \$	-	2.10
	Dr. Mukund Deshpande (including value of perquisites for stock options exercised ₹ 2.87 million during the year (₹ 9.80 million during the year 2019-20) \$	2.87	14.20
	Total	575.97	350.62
Dividend paid	Key Management Personnel		
	Dr. Anand Deshpande	319.90	342.71
	Mr. Sunil Sapre	0.06	0.07
	Mr Sandeep Kalra	0.56	-

Independent directors		
Pradeep Bhargava	0.18	0.20
Sanjay Bhattacharyya	-	0.04
Prakash Telang	-	0.27
Kiran Umrootkar	-	0.09
Roshini Bakshi	0.07	-
Relatives of Key Management Personnel		
Mr. Suresh Deshpande	0.07	0.08
Mrs. Chitra Buzruk	6.57	7.04
Dr. Mukund Deshpande	5.60	5.65
Mrs. Sonali Anand Deshpande	1.57	1.68
Mrs. Sulabha Suresh Deshpande	0.64	2.49
Rama Purushottam Foundation	-	4.92
Mr. Arul Deshpande	0.14	-
Total	335.36	365.24

iii. Outstanding balances

Name of the related party and nature of relationship		As at	
		March 31, 2021	March 31, 2020
Advances given	Associate		
	Klisma e-Services Private Limited®	0.81	0.81
	Total	0.81	0.81
Investments	Associate		
	Klisma e-Services Private Limited®	0.05	0.05
	Total	0.05	0.05
Loans given	Associate		
	Klisma e-Services Private Limited®®	27.43	27.43
	Total	27.43	27.43

\$ Dr. Mukund Deshpande and Mrs. Chitra Buzruk 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

^ Mr. Sameer Bendre was appointed as Director in Capiot Software Private Limited during financial year 2020-21 and hence his remuneration is disclosed for the current financial year only.

The key managerial personnel though appointed during the year, their remuneration for the financial year ended March 31, 2021 and March 31, 2020 has been disclosed for the entire financial year.

@These balances are fully provided for.

37\ 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	December 11, 1999	December 11, 1999	*
Scheme II	753,200	April 23, 2004	April 23, 2004	10 Years
Scheme III	2,533,300	April 23, 2004	April 23, 2004	*

Scheme IV	6,958,250	April 23, 2006	April 23, 2006	10 Years
Scheme V	1,890,525	April 23, 2006	April 23, 2006	*
Scheme VI	1,216,250	October 31, 2006	October 31, 2006	10 Years
Scheme VII	1,784,975	April 30, 2007	April 30, 2007	10 Years
Scheme VIII	42,000	July 24, 2007	July 24, 2007	3 Years
Scheme IX	1,374,462	June 29, 2009	June 29, 2009	10 Years
Scheme X	3,062,272	June 10, 2010	October 29, 2010	2-3 Years
Scheme XI **	1,357,000	July 26, 2014	November 3, 2014	1 Year
Scheme XII ***	67,300	February 4, 2016	April 8, 2016	2.5 Months
Scheme XIII	2,922,500	July 27, 2017	August 1, 2019	4 Years
Scheme XIV	80,000	July 27, 2017	May 1, 2019	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 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, XIII and XIV

Service period from the date of grant	% of Options vesting			
	Scheme I to V & X	Scheme VII	Scheme VIII & XIII	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%	100.00%
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
2-3 years varying from employee to employee	Based on credit points earned

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2021 and March 31, 2020:

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-20	18	-	-	1	17	17
	Weighted Average Price	31-Mar-20	4.42	-	-	5.05	4.42	4.42
Scheme II	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	3	-	3	-	-	-
	Weighted Average Price	31-Mar-20	24.18	-	24.18	-	-	-
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-20	158,625	-	-	10,790	147,835	147,835
	Weighted Average Price	31-Mar-20	31.89	-	-	31.20	31.94	31.94
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-20	499,773	-	-	93,425	406,348	406,348
	Weighted Average Price	31-Mar-20	52.37	-	-	48.66	53.07	53.07
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-20	62,793	-	-	2,461	60,332	60,332
	Weighted Average Price	31-Mar-20	27.37	-	-	22.23	27.58	27.58
Scheme VI	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	34,996	-	-	28,035	6,961	6,961
	Weighted Average Price	31-Mar-20	33.55	-	-	27.44	58.18	58.18
Scheme VIII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	142,120	-	-	6,200	135,920	135,920
	Weighted Average Price	31-Mar-20	54.74	-	-	54.74	54.74	54.74

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 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-20	155,650	-	-	30,588	125,062	125,062
	Weighted Average Price	31-Mar-20	206.73	-	-	221.47	188.75	188.75
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-20	-	570,000	-	-	570,000	-
	Weighted Average Price	31-Mar-20	-	10.00	-	-	10.00	-
Scheme XII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	-	975,000	55,000	-	920,000	-
	Weighted Average Price	31-Mar-20	-	451.13	442.47	-	451.65	-
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-20	-	80,000	-	-	80,000	-
	Weighted Average Price	31-Mar-20	-	540.82	-	-	540.82	-
Total	Number of Options	31-Mar-21	2,452,475	2,142,500	432,959	391,382	3,870,634	753,119
	Number of Options	31-Mar-20	1,053,978	1,625,000	55,003	171,500	2,452,475	882,475

The weighted average share price for the period over which stock options were exercised was ₹ 1,131.43 (previous year ₹ 623.69).

c. Details of exercise price for stock option outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2021		As at March 31, 2020	
		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	13	Note (i)	17	Note (i)
Scheme II	12.96 – 48.21	-	-	-	-
Scheme III	12.96 – 48.21	1,27,362	Note (i)	1,47,835	Note (i)
Scheme IV	22.23 – 61.12	3,26,298	2.02	4,06,348	3.02
Scheme V	22.23 – 44.14	51,691	Note (i)	60,332	Note (i)
Scheme VI	22.23 – 30.67	-	-	-	-
Scheme VII	24.17 – 61.12	3,341	2.73	6,961	3.52
Scheme VIII	48.21 – 48.21	-	-	-	-
Scheme IX	54.74 – 54.74	1,29,704	2.24	1,35,920	3.24
Scheme X	157.58 – 279.70	-	-	1,25,062	5.55
Scheme XI	10.00	4,46,000	2.25	5,70,000	2.30
Scheme XII	10.00	-	-	-	-

Scheme	Range of exercise price	As at March 31, 2021		As at March 31, 2020	
		No. of Options outstanding*	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
Scheme XIII	442.47 – 1295.62	27,46,225	5.59	9,20,000	4.36
Scheme XIV	540.82 – 540.82	40,000	3.08	80,000	4.08

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, 2021 amounted to ₹ 290.44 million (Previous year ₹ 236.79 million). The liability for employee stock options outstanding as at March 31, 2021 is ₹ 470.70 million (Previous year ₹ 290.51 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 2020-21:

Particulars	March 31, 2021			March 31, 2020		
	RSU Scheme XI	ESOP Scheme XIII	ESOP Scheme IV	RSU Scheme XI	ESOP Scheme XIII	ESOP Scheme IV
Weighted average share price (Rs.)	948.4	1182.97	-	637.32	620.86	636.25
Weighted Exercise Price (Rs.)	10	1008	-	10	451.13	540.82
Weighted Average Fair Value (Rs.)	838.75	424.39	-	446.15	202.78	171.45
Expected Volatility	31.7	29.09	-	26.54	26.54	26.54
Life of the options granted (Vesting and exercise period)	4 yrs	4 yrs	-	4 yrs	5 yrs	5 yrs
Dividend Yield	2.00%	2.00%	-	2.00%	2.00%	2.00%
Average risk-free interest rate	5.56%	5.49%	-	6.80%	6.24%	7.10%

38\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	223.81	143.37
Other commitments		
Forward contracts	10,410.34	9,253.21

39\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2021	March 31, 2020
As auditor:		
- Audit fee	10.45	9.73
In other capacity:		
- Other services	11.08	8.93
Reimbursement of expenses	0.20	0.23
	21.73	18.89

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, 2021	March 31, 2020
Capital	-	1.04
Revenue	641.42	778.89
	641.42	779.93

- 41\ The Parent Company was required to spend an amount of ₹ 94.49 million during the financial year 2020-21 (Previous year ₹ 85.05 million) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013. The Parent Company has spent ₹ 150.00 million during the financial year 2020-21 (Previous year ₹ 86.11 million) on purposes other than construction/acquisition of any asset.

42\ Net dividend remitted in foreign exchange

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, 2021	March 31, 2020
Interim dividend	2020-21	4	0.37	0.06	-
Final dividend	2018-19	3	0.37	-	0.02
Interim dividend	2019-20	3	0.37	-	0.05

43\ Contingent liabilities

- a. Persistent Systems Limited ("the Parent Company") had received a show cause notice from Commissioner of Service Tax on December 19, 2016 for non-payment of service tax of ₹ 452.15 million under import of services on reverse charge basis, excluding interest and penalty if applicable. The issue relates to the professional and technical services rendered by overseas subsidiaries on behalf of the Parent Company to its overseas customers for the period 2011-12 to 2014-15.

Post representations made by the Parent Company, the Learned Principal Commissioner of Service Tax, Pune, adjudicated the aforesaid show-cause notice and issued an order on May 29, 2017, reducing the demand to ₹ 173.78 million based on the period of limitation and as a result of that, the said demand now covers 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 Group, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Group will be eligible to claim credit/refund for the amount paid.

The GST department has filed an appeal on October 11, 2017 with appellate authorities against the Order passed by Learned Principal Commissioner of Service Tax, Pune. Though the GST department has acknowledged the ground of revenue neutrality, the said appeal mainly questions non-application of extended period of limitation. The Parent Company has filed reply to this appeal on December 18, 2017.

Considering the view of the Service Tax Authorities, based on legal advice and due prudence, the Parent Company has deposited, an amount of ₹ 647.36 million towards service tax in respect of the above matter, for the period from April 01, 2014 to June 30, 2017, under protest. This balance, post adjustment of service tax liability of ₹17.76 million for the month of June 2017 (i.e. net amount of ₹ 629.60 million) was considered as transitional credit under GST Regime and recorded accordingly as GST receivable. The disputed demand currently stands at ₹ 173.78 million towards which ₹ 165.58 million was paid under protest and forms part of the aforementioned GST receivable balance.

- b. As on March 31, 2021, the pending litigations in respect of direct taxes amount to ₹ 478.70 million and in respect of indirect taxes amount to ₹ 27.33 million (excluding the show cause received from Commissioner of Service Tax on May 29, 2017 of ₹ 173.78 million under import of services on reverse charge basis as mentioned above). Based on the advice obtained and judgments in favour of the Parent Company at the first appellate authority in the earlier years, management does not expect any outflow in respect of these litigations.
- c. 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 filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company has also represented with industrial association, The National Association of Software and Service Companies (NASSCOM), to ensure continued applicability of such incentives to the eligible information technology companies. The Parent Company understands from NASSCOM that they have also taken up the matter with concerned authorities. During the year, the Parent Company has received a Show Cause Notice from the Directorate Of Revenue Intelligence (DRI), in which the DRI has raised certain additional matters with applicable penalties which relates to eligibility of Parent company to seek the incentives. During the quarter the Parent Company has submitted a reply to the notice. 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 likely be upheld on ultimate resolution and accordingly, no provision is necessary to be made against such claims in these financial statements.
- d. Persistent Systems Limited has given a performance guarantee upto \$ 10 million to HSBC Bank USA in respect of payment obligations under the Receivables Purchase agreement entered into by Persistent Systems, Inc. with HSBC Bank, USA (Previous year: \$10 million). Persistent Systems Limited has also given performance guarantee upto \$ 5 million to Citibank USA (Previous year: \$ 5 million) in respect of working capital facilities for Persistent Systems, Inc. and \$ 0.17 million to Sun Life Assurance Company of Canada for timely payment of rent instalments and damages, in respect of office rented to Persistent Systems, Inc.
- e. Persistent Systems, Inc., has given commercial guarantee of 30 million Euros (Previous year: 30 Million euros) to Tech Data Europe GmbH on behalf of Persistent Systems France S.A.S. For the said guarantee, Persistent Systems, Inc. has charged guarantee fees of 0.25% of the guarantee amount.
- f. Persistent Systems, Inc., subsidiary of Persistent Systems Limited, has also given a performance guarantee of upto \$ 3 million to United States Cellular Corporation (USCC) Services & its affiliates towards trade payable of Aepona Limited.

44\ Customer Contract

On May 12, 2020, the Company had entered into an agreement with a customer to acquire a business division together with skilled employees and had also entered into a contract with the same customer for a period of five years. The Company has paid INR 136.10 million and assumed employee benefit liabilities of INR 42.66 million in consideration for contractual rights for service contracts aggregating to INR 178.76 million.

Subsequently effective January 1, 2021, the Customer entered into a definitive contract to sell its business to a third party and has consequently entered into amendment to the agreement with the Company. Based on the agreement and amendments thereto, the Company has re-evaluated the arrangement and has made necessary adjustments to the carrying amounts of transactions and balances in these financial statements from the effective date.

45\ Business Combination

Entities acquisition ("CAPIOT Group")

The Group acquired 100% share capital of CAPIOT Software Private Limited, a company based in India, with effect from October 29, 2020 and 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, with effect from November 7, 2020. The acquisition of the said business is accounted for using the acquisition method of accounting. Further, the Company is in process to complete exercise of purchase price allocation pending fair valuation of assets and liabilities assumed as at the reporting date. As a result, the Company has exercised the option of using the exemption 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.

- a. The amount of consideration paid/payable is ₹ 448.47 million.

The fair value of assets acquired and liabilities assumed as on the date of acquisition are as follows:

(In ₹ million)

Particulars	CAPIOT Software Private Limited	CAPIOT Software Inc.	Total
Current Assets			
Cash and & cash equivalents	20.00	10.90	30.90
Trade receivables	48.52	22.10	70.62
Other current assets	127.10	64.36	191.46
Non-current assets			
Property, Plant and Equipment	6.26	0.74	7.00
Deferred tax asset	0.11	-	0.11
Contractual rights	344.91	18.25	363.16
Current liabilities			
Trade and other payables	105.21	25.28	130.49
Borrowings	34.38	49.91	84.29
Net assets	407.31	41.16	448.47

- b. Net cash outflow on acquisition of subsidiaries

Particulars	Amount in ₹ million
Consideration paid/payable in cash	448.47
Less: cash and cash equivalent balances acquired	(30.90)
	417.57

- c. Revenue of ₹ 143.97 million for the period ended March 31, 2021 is included in the financial statements. The profit included for the period ended March 31, 2021 is ₹ 68.46 million.

Had the business combination been effected on April 1, 2020, the revenue for the year ended March 31, 2021 for the Company from the continuing operations would have been ₹ 42,132.37 million and the net profit for the year ended March 31, 2021 would have been ₹ 4,495.47 million.

- 46\ The code on Social security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Group will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules 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\ Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1st, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.

- 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.

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 29, 2021

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

Dr. Anand Deshpande

Chairman and
Managing Director
DIN: 00005721

Amit Atre

Company Secretary
Membership No. A20507

Place: Pune

Date: April 29, 2021

Praveen Kadle

Independent Director
DIN: 00016814

Sunil Sapre

Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai

Date: April 29, 2021

Sandeep Kalra

Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA

Date: April 29, 2021

Form AOC-1 Part A

Statement pursuant to Section 129 (3) of the Companies Act, 2013 relating to subsidiaries

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	Valista 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.
1	Reporting currency	USD	SGD	EUR	MYR	EUR	USD	MXN	ILS	CHF	EUR	EUR	GBP	GBP	GBP	EUR	LKR	INR	USD	AUD	SGD	EUR
	Exchange rate on the last date of the Financial year (₹)	73.1100	54.3973	85.7800	17.6466	85.7800	73.1100	3.5624	21.8892	77.4634	85.7800	85.7800	100.69	100.69	100.69	85.7800	0.3666	1.0000	73.1100	55.6733	54.3973	85.7800
	Financial Year Ending On	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021	March 31, 2021
2	Share capital	2,478.01	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	3.80	0.0001	0.54	0.86
3	Share application money pending allotment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Reserves & Surplus	437.04	19.82	85.93	71.70	246.67	(6.43)	(4.69)	147.56	54.79	(82.94)	(98.58)	(17.33)	(23.21)	(1,509.59)	-	182.18	73.87	16.03	5.67	(10.47)	(0.05)
5	Total assets	7,345.75	39.47	479.67	245.66	1,382.84	427.93	115.40	163.70	373.53	485.80	194.97	20.67	35.67	101.82	-	255.47	185.36	113.04	9.01	0.47	0.86
6	Total Liabilities	7,345.75	39.47	479.67	245.66	1,382.84	427.93	115.40	163.70	373.53	485.80	194.97	20.67	35.67	101.82	-	255.47	185.36	113.04	9.01	0.47	0.86
7	Investments	260.53	-	-	-	1,054.43	-	-	-	2.27	-	81.71	-	0.01	-	-	-	-	0.54	-	-	-
8	Turnover	24,224.34	6.39	884.14	371.51	179.29	726.96	284.61	255.34	626.80	481.06	506.37	93.56	-	357.79	-	205.02	134.99	17.81	8.53	-	-
9	Profit / (Loss) before taxation	(373.61)	(10.20)	15.19	53.11	(5.02)	107.69	9.02	36.54	11.17	49.46	(29.76)	(4.64)	33.73	121.69	0.02	36.93	5.22	(2.05)	4.17	2.09	(0.05)
10	Provision for taxation	(205.74)	(1.61)	3.68	12.31	-	47.73	19.37	7.25	(0.33)	31.84	14.69	4.65	-	5.76	1.10	4.47	2.92	(0.51)	1.25	0.12	-
11	Profit / (Loss) after taxation	(167.87)	(8.59)	11.51	40.80	(5.02)	59.96	(10.35)	29.29	11.50	17.62	(44.45)	(9.29)	33.73	115.93	(1.08)	32.46	2.30	(1.54)	2.92	1.97	(0.05)
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%*

* 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.

**** Aepona Limited, Valista Limited and Persistent Systems Lanka (Private) Limited (erstwhile Aepona Software (Private) Limited) are wholly owned subsidiaries of Aepona Group Limited.

\$ Wholly owned subsidiary of Persistent Systems Germany GmbH which is a wholly owned subsidiary of Persistent Systems Limited.

@ 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.

Valista Limited has been dissolved with effect from June 24, 2020.

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

Dr. Anand Deshpande Chairman and Managing Director DIN: 00005721	Praveen Kadle Independent Director DIN: 00016814	Sandeep Kalra Executive Director and Chief Executive Officer DIN: 02506494
Amit Atre Company Secretary Membership No. A20507	Sunil Sapre Executive Director and Chief Financial Officer DIN: 06475949	
Place: Pune Date: April 29, 2021	Place: Mumbai Date: April 29, 2021	Place: New Jersey, USA Date: April 29, 2021

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 (Rs 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

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 29, 2021

Praveen Kadle
Independent Director
DIN: 00016814

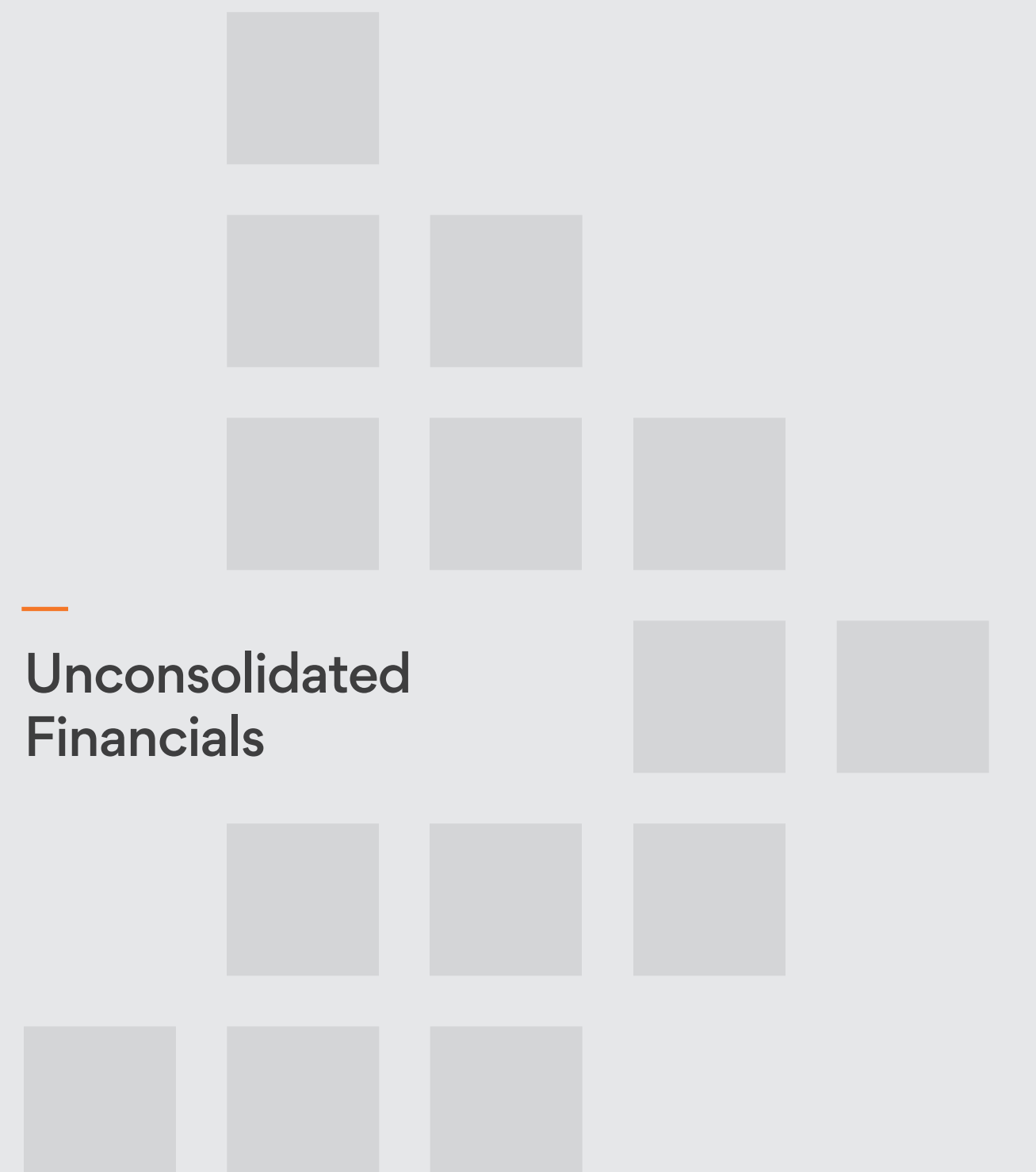
Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai
Date: April 29, 2021

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA
Date: April 29, 2021

This space is intentionally kept blank



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 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement 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 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2021, 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 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.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 3 (h) (i) notes forming part of the Standalone Financial Statements. The Company has entered into various fixed-price software development contracts, for which revenue is recognized by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over: - IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; - 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.
Unbilled revenue in respect of revenue sharing arrangements, i.e., Royalty income Refer Note 3 (h) (i) notes forming part of the Standalone Financial Statements. Royalty income from one of the main customers is accrued as a percentage of total onward sales made by the customer during the period. Recognition of royalty income for the period of three months before year end, involves estimations made by the Company based on prior trends and booked as an unbilled receivable, since sales for the period by the customer is determined subsequent to the period end. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates of the unbilled revenue, we have identified unbilled receivable in respect of revenue sharing arrangements as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for estimating revenue and the associated unbilled revenue. \ Tested the design and operating effectiveness of the internal controls relating to estimation of share of revenue involved in recognition of royalty income. \ Evaluated basis of estimation of aforesaid unbilled receivable from the terms of the contract and past trends, and verified arithmetical accuracy of management computation. \ Assessed historical accuracy of the forecasts made by the management in earlier period/s. \ Performed analytical procedures for reasonableness of revenue and associated unbilled revenue recorded and disclosed as at year end. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to unbilled revenue recognized during the year as required by applicable Indian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Contingent liabilities relating to export incentive litigation Refer Note 36 – notes forming part of the Standalone Financial Statements regarding dispute on export incentives scrips awarded to the Company. 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. Further in the current year, the Company has received Show Cause Notice ('SCN') from DRI, 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 the such consequential penalties. 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. 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.	Our audit work included but was not restricted to the following procedures: \ 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 Company 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 disclosure made in the financial statement 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 is 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 is responsible for the matters stated in section 134 (5) of the Act with respect to the preparation 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 accounting principles generally accepted in India, including the Ind AS specified under section 133 of the Act. 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
- 9\ Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- \ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
 - \ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under section 143 (3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
 - \ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
 - \ Conclude on the appropriateness of 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;
- 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, 2016 ('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.
- 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f. we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 29 April 2021 as per Annexure B expressed 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 2021.
 - 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 2021.;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021.; and
 - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 21101797AAAAAP9108

Place: Pune

Date: 29 April, 2021

Annexure 'A' 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 2021

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b. The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are 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 were verified during the year and no material discrepancies were noticed on such verification.
- c. The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.
- ii. The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii) (a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- iv. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- v. In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- vi. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- vii. a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay 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. The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	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	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	12.52	-	2008-09	Honourable High Court
The Income Tax Act, 1961	Income tax	28.57	25.20	2013-14	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	42.14	42.14	2014-15	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	29.85	1.50	2015-16	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	277.22	-	2017-18	Assessing officer (AO)

Name of the statute	Nature of dues	Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value added Tax Act, 2002	Sales Tax	0.82	-	2014-15	Customs, Excise and Service Tax Appellate Tribunal
The Customs Act, 1962	Export incentive	296.55	296.55	2015-16, 2016-17 and 2017-18	Directorate of Revenue Intelligence
Maharashtra Value added Tax Act, 2002	Sales Tax	26.51	23.44	2005-06 and 2013-14	Joint Commissioner (Appeals) – VAT
The Finance Act, 1994	Service tax	173.78	165.58	2014-15	Central Excise and Service Tax Appellate Tribunal

- viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- ix. The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.
- x. No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- xi. Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- xii. In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- xiii. In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv. In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 21101797AAAAAP9108

Place: Pune

Date: 29 April, 2021

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 2021

Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

- 1\ In conjunction with our audit of the standalone financial statements of Persistent Systems Limited ('the Company') as at and for the year ended 31 March 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

- 2\ The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

- 3\ Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandio & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

UDIN: 21101797AAAAAP9108

Place: Pune

Date: 29 April, 2021

This space is intentionally kept blank

Balance Sheet as at March 31, 2021

	Notes	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
ASSETS			
Non-current assets			
Property, Plant and Equipment	5.1	2,270.24	2,048.77
Capital work-in-progress		112.33	48.27
Right of Use assets	5.2	314.62	269.40
Other Intangible assets	5.3	171.65	46.97
Intangible assets under development		-	137.20
		2,868.84	2,550.61
Financial assets			
- Investments	6	7,779.54	8,379.86
- Loans	7	52.23	123.57
- Other non current financial assets	8	25.76	358.93
Deferred tax assets (net)	9	245.74	317.35
Other non-current assets	10	419.73	329.39
		11,391.84	12,059.71
Current assets			
Financial assets			
- Investments	11	6,374.95	5,164.77
- Trade receivables (net)	12	2,966.26	2,883.09
- Cash and cash equivalents	13	862.72	532.63
- Other bank balances	14	7,387.00	2,405.32
- Loans	15	49.33	4.76
- Other current financial assets	16	2,063.79	2,080.07
Other current assets	17	1,656.93	1,485.37
		21,360.98	14,556.01
TOTAL		32,752.82	26,615.72
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	4	764.25	764.25
Other equity		26,890.99	22,221.13
		27,655.24	22,985.38
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	20	304.72	191.26
- Borrowings	18	5.54	7.08
Provisions	19	240.94	182.79
		551.20	381.13
Current liabilities			
Financial liabilities			
- Lease liabilities	20	73.82	165.38
- Trade payables [(dues of micro and small enterprises ₹ 30.20 million (Previous year: ₹ 5.15 million)]	21	938.40	972.49
- Other financial liabilities	22	397.42	549.73
Other current liabilities	23	1,679.01	851.02
Provisions	24	1,145.59	590.38
Current tax liabilities (net)		312.14	120.21
		4,546.38	3,249.21
TOTAL		32,752.82	26,615.72
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 29, 2021

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

Dr. Anand Deshpande

Chairman and

Managing Director

DIN: 00005721

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 29, 2021

Praveen Kadle

Independent Director

DIN: 00016814

Sunil Sapre

Executive Director and

Chief Financial Officer

DIN: 06475949

Place: Mumbai

Date: April 29, 2021

Sandeep Kalra

Executive Director and

Chief Executive Officer

DIN: 02506494

Place: New Jersey, USA

Date: April 29, 2021

Statement of Profit and Loss for the year ended March 31, 2021

	Notes	For the year ended	
		March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Income			
Revenue from operations (net)	25	24,796.08	21,081.22
Other income	26	1,176.16	1,599.04
Total income (A)		25,972.24	22,680.26
Expenses			
Employee benefits expense	27.1	14,093.21	11,029.06
Cost of professionals	27.2	1,775.07	1,825.37
Finance costs (refer note 33)		38.21	44.51
Depreciation and amortization expense	5.4	566.79	555.12
Other expenses	28	2,818.76	3,897.14
Total expenses (B)		19,292.04	17,351.20
Profit before tax (A - B)		6,680.20	5,329.06
Tax expense			
Current tax		1,684.00	1,297.91
Tax Charge/(Credit) in respect of earlier years		2.74	(1.60)
Deferred Tax (Credit)/Charge		(57.40)	(44.48)
Total tax expense (refer note 31)		1,629.34	1,251.83
Net profit for the year (C)		5,050.86	4,077.23
Other comprehensive income			
Items that will not be reclassified to profit and loss (D)			
- Remeasurements of the defined benefit liabilities/asset (net of tax)		15.93	(30.46)
		15.93	(30.46)
Items that may be reclassified to profit and loss (E)			
- Effective portion of cash flow hedge (net of tax)		383.55	(429.15)
		383.55	(429.15)
Total other comprehensive income for the year (D) + (E)		399.48	(459.61)
Total comprehensive income for the year (C) + (D) + (E)		5,450.34	3,617.62
Earnings per equity share [Nominal value of share ₹ 10 (Previous year: ₹ 10)]	29		
Basic (In ₹)		66.09	53.17
Diluted (In ₹)		66.09	53.17
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

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

Dr. Anand Deshpande

Chairman and

Managing Director

DIN: 00005721

Amit Atre

Company Secretary

Membership No. A20507

Praveen Kadle

Independent Director

DIN: 00016814

Sunil Sapre

Executive Director and

Chief Financial Officer

DIN: 06475949

Sandeep Kalra

Executive Director and

Chief Executive Officer

DIN: 02506494

Place: Pune

Date: April 29, 2021

Place: Pune

Date: April 29, 2021

Place: Mumbai

Date: April 29, 2021

Place: New Jersey, USA

Date: April 29, 2021

Cash Flow Statement for the year ended March 31, 2021

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Cash flows from operating activities		
Profit before tax	6,680.20	5,329.06
Adjustments for:		
Interest income	(548.82)	(525.76)
Finance cost	38.21	44.51
Dividend income	(131.45)	(410.72)
Depreciation and amortization expense	566.79	555.12
Unrealised exchange (gain)/loss (net)	151.02	(128.86)
Exchange (gain)/loss on derivative contracts	(169.80)	58.51
Exchange (gain)/loss on translation of foreign currency cash and cash equivalents	23.15	(46.82)
Bad debts	46.96	-
Provision for expected credit loss (net)	(20.20)	47.31
Provision for doubtful deposits	-	248.48
Employee stock compensation expenses	236.33	60.01
Remeasurements of the defined benefit liabilities/asset (before tax effects)	15.93	(41.80)
(Gain) / loss on fair valuation of mutual funds	133.70	(119.02)
(Profit) on sale of investments (net)	(478.13)	(164.81)
(Profit) on sale of Property, Plant and Equipment (net)	8.10	-
Operating profit before working capital changes	6,551.99	4,905.21
Movements in working capital :		
Decrease / (Increase) in non-current and current loans	37.02	(5.29)
Increase In other non current assets	(78.73)	(261.04)
Decrease / (Increase) in other current financial assets	363.88	(246.75)
Increase in other current assets	(171.56)	(241.93)
Increase in trade receivables	(312.65)	(373.81)
Increase in trade payables, current liabilities and non current liabilities	1,059.46	253.67
Increase / (Decrease) in provisions	613.36	(49.40)
Operating profit after working capital changes	8,062.77	3,980.66
Direct taxes paid (net of refunds)	(1,494.81)	(1,217.69)
Net cash generated from operating activities (A)	6,567.96	2,762.97
Cash flows from investing activities		
Payment towards capital expenditure (including intangible assets)	(707.24)	(483.57)
Proceeds from sale of Property, Plant and Equipment	4.13	4.08
Investment in wholly owned subsidiaries	(376.61)	(474.00)
Purchase of bonds	(712.18)	(901.61)
Proceeds from sale of bonds	350.53	819.87
Investments in mutual funds	(24,591.91)	(19,456.95)
Proceeds from sale/maturity of mutual funds	25,068.92	17,670.49
(Investments)/ maturity in bank deposits having original maturity over three months	(4,464.82)	2,044.25
Maturity of deposit with financial institutions	-	250.00
Interest received	359.89	484.68
Dividend received	131.45	410.72
Net cash (used in)/generated from investing activities (B)	(4,937.84)	367.96
Cash flows from financing activities		
(Repayment of) long term borrowings	(4.54)	(4.62)
Shares bought back	-	(1,677.01)
Specific project related grant received	9.00	3.00
Payment of lease liabilities	(173.11)	(188.37)
Dividend paid	(1,069.95)	(1,144.60)
Tax on dividend paid	-	(154.14)
Interest paid	(38.28)	(44.50)
Net cash used in financing activities (C)	(1,276.88)	(3,210.24)

Cash Flow Statement for the year ended March 31, 2021

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Net increase/(decrease) in cash and cash equivalents (A + B + C)	353.24	(79.31)
Cash and cash equivalents at the beginning of the year	532.63	565.12
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(23.15)	46.82
Cash and cash equivalents at the end of the year	862.72	532.63
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.10	0.15
Balances with banks		
On current accounts [#] (refer note 13)	360.22	198.79
On saving accounts (refer note 13)	1.33	0.36
On deposit account with maturity of less than three months (Refer note 13)	292.50	71.47
On Exchange Earner's Foreign Currency accounts (refer note 13)	208.57	261.86
Cash and cash equivalents	862.72	532.63

Out of the cash and cash equivalent balance as at March 31, 2021, the Company can utilise ₹ 154.39 Million (Previous year: ₹ 6.62 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Shashi Tadwalkar
Partner
Membership No.: 101797

Place: Pune
Date: April 29, 2021

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

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Amit Atre
Company Secretary
Membership No. A20507

Place: Pune
Date: April 29, 2021

Praveen Kadle
Independent Director
DIN: 00016814

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai
Date: April 29, 2021

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA
Date: April 29, 2021

Statement of changes in Equity for the year ended March 31, 2021

A. Equity share capital

(refer note 4)

		(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

		(In ₹ million)
Balance as at April 1, 2019	Changes in equity share capital during the year	Balance as at March 31, 2020
791.19	(26.94)	764.25

This space is intentionally kept blank

Statement of changes in Equity for the year ended March 31, 2021

B. Other equity

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Securities premium reserve	General reserve	Share options outstanding reserve	Capital redemption reserve	Special Economic Zone investment reserve	Retained earnings	
Balance as at April 1, 2020	-	12,227.23	290.51	35.75	49.95	9,861.78	22,221.13
Net profit for the year	-	-	-	-	-	5,050.86	5,050.86
Other comprehensive income for the year	-	-	-	-	-	15.93	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 as at March 31, 2021	-	14,356.35	471.20	35.75	-	11,888.23	26,890.99

(In ₹ million)

Particulars	Reserves and surplus					Items of other comprehensive income		Total
	Securities premium reserve	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, 2019	774.10	10,570.73	76.29	8.81	70.00	9,735.72	185.06	21,420.71
Net profit for the year	-	-	-	-	-	4,077.23	-	4,077.23
Other comprehensive income for the year	-	-	-	-	-	(30.46)	(429.15)	(459.61)
Dividend	-	-	-	-	-	(1,146.38)	-	(1,146.38)
Tax on dividend	-	-	-	-	-	(154.14)	-	(154.14)
Transfer to capital redemption reserve	-	-	-	26.94	-	(26.94)	-	-
Transitional impact on adoption of Ind AS 116	-	-	-	-	-	(106.44)	-	(106.44)
Transfer from Special Economic Zone re-investment reserve	-	-	-	-	(20.05)	20.05	-	-
Transfer to general reserve	-	1,630.89	-	-	-	(1,630.89)	-	-
Employee stock compensation expenses	-	-	60.01	-	-	-	-	60.01
Employee stock compensation expenses of subsidiaries	-	-	179.82	-	-	-	-	179.82
Adjustments towards employees stock options	-	25.61	(25.61)	-	-	-	-	-
Utilised towards buy back of shares (refer note 4d)	(774.10)	-	-	-	-	(875.97)	-	(1,650.07)
Balance as at March 31, 2020	-	12,227.23	290.51	35.75	49.95	9,861.78	(244.09)	22,221.13
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 Chandilok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadwalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 29, 2021

For and on behalf of the Board of Directors of

Persistent Systems Limited

Dr. Anand Deshpande

Chairman and

Managing Director

DIN: 00005721

Place: Pune

Date: April 29, 2021

Sandeep Kalra

Executive Director and

Chief Executive Officer

DIN: 02506494

Place: New Jersey, USA

Date: April 29, 2021

Sunil Sapre

Executive Director and

Chief Financial Officer

DIN: 06475949

Place: Mumbai

Date: April 29, 2021

Praveen Kadle

Independent Director

DIN: 00016814

Place: Mumbai

Date: April 29, 2021

Amit Atre

Company Secretary

Membership No. A20507

Place: Pune

Date: April 29, 2021

Statement of changes in Equity for the year ended March 31, 2021

Nature and purpose of reserves

a. Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

b. 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.

c. 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.

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 has been created out of the profit in terms of the provisions of Section 10AA(1)(ii) of the Income tax Act, 1961. The reserve is 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.

f. Cash flow hedge reserve

The cash flow hedge reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of hedging instruments entered into towards highly probable transactions. Such gains or losses are subsequently recognised in the statement of profit and loss in the period in which the said transaction occurs / hedging instruments are 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.

2\ Basis of preparation

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

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”). 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 for the purpose of current and non-current classification of assets and liabilities.

3\ Summary of significant accounting policies

a. Use of estimates

- A. 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.

B. Estimation of uncertainties relating to the global health pandemic from COVID-19

The Company has evaluated the likely impact of COVID-19 on the overall business of the Company. The Company as at the date of the approval of these financials, has used various available sources of information to analyse the carrying amount of its financial assets and exposures. The impact of COVID-19 on the Company’s financial statements may differ from the estimate as on the date of the approval of the financial statements.

i. Expected credit loss

The Company has considered the current and anticipated future economic conditions relating to industries the Company deals with and the countries where it operates. In calculating expected credit loss, the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect from the pandemic, COVID -19 using the forward looking approach prescribed by Ind AS 109.

ii. Impact on unhedged foreign currency exposure

Based on its assessment, the Company believes that the probability of occurrence of its forecasted transactions are not likely to be impacted by COVID – 19. Hence, the Company continues to believe that there is no foreseeable impact on the effectiveness of its cash flow hedges due to this global pandemic.

iii. Carrying value of financial instruments

Investments in mutual funds are classified as “Level 1” having fair value marked to an active market which factors in the uncertainties arising out of COVID – 19. These financial assets are mainly investments in liquid securities and no material permanent decline in their carrying value are expected.

iv. Impact on revenue

The Company continues to re-evaluate the probable revenues from customers in various verticals to assess any possible drops in revenue from any of these verticals due to the economic stress caused by COVID – 19. Accordingly, it is the opinion of the Company that the customers could re-prioritise their discretionary spend in the immediate future to conserve resources.

The impact assessment of COVID – 19 is a continuing process given the uncertainties associated with its nature and duration. The Company has considered the same to the extent known currently and has taken steps to measure the cost budgets required to complete its performance obligations in respect of fixed price contracts and incorporated the impact of likely delays and costs in meeting its obligations.

C. Critical accounting estimates**i. 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.

The Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

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

In respect of the contracts where the transaction price is payable as revenue share at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

ii. 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.

iii. Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

iv. Provisions

Provisions are determined based on the best estimate required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

v. 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.

b. Property, Plant and Equipment

Property, Plant and Equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. Capital work-in-progress includes cost of Property, Plant and Equipment that are not ready to be put to use.

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its 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. 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 year they occur.

f. Leases

The Company's lease asset classes primarily consist of leases for land and office premises. The Company assesses whether a contract contains a lease, at inception of a contract. 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. Financial instruments

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.

A. Non-derivative financial instruments**Subsequent measurement****i. 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.

ii. Financial liabilities**Financial liabilities at amortized 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.

B. 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.

C. 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 profit or loss.

D. 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.

E. 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.

F. Impairment of non-financial assets

The carrying amounts of Property, Plant and Equipment and Goodwill are reviewed at each balance sheet date or whenever there is any indication of impairment based on internal/external factors. If any indications exist, the Company estimates the asset's recoverable amount unless the asset does not generate cash flows that are largely independent of those from other assets.

In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. 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. 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.

i. Income from software services and products

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

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.

ii. Interest

Interest income is recognized on a time proportion basis taking into account the carrying amount and the effective interest rate.

iii. 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.

i. 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.

j. 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.

k. Retirement and other employee benefits

i. 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.

ii. 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.

iii. 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.

iv. 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.

v. 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.

I. 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.

Minimum alternate tax (MAT) paid in a period is charged to the statement of profit and loss as current tax. MAT credit available is recognized as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

m. Segment reporting

In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) “Operating Segments” the Company has disclosed segment information only in consolidated financial statements which are presented together with the standalone financial statements.

n. Earnings per share (EPS)

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

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

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

o. Provisions

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

p. Contingent liabilities

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.

q. Cash and cash equivalents

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

r. Employee stock compensation expenses

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).

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. 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.

The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense. 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.

s. Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognized as a deduction from equity, net of any tax effects

t. Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

This space is intentionally kept blank

4\ Share capital

(In ₹ million)

	As at March 31, 2021	As at March 31, 2020
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)	764.25	764.25
76.43 (Previous year: 76.43) equity shares of ₹10 each		
Issued, subscribed and fully paid-up share capital	764.25	764.25

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In ₹ million)

	As at March 31, 2021		As at March 31, 2020	
	No of shares	Amount ₹	No of shares	Amount ₹
Number of shares at the beginning of the year	76.43	764.25	79.12	791.19
Less: Shares bought back	-	-	2.69	26.94
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 28, 2021, declared an interim dividend of INR 14 per equity share of face value of INR 10 each for the Financial Year 2020-21.

The Company declares and pays dividends in Indian rupees. 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.

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.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date

	For the period of five years ended March 31, 2021 (No. in million)	For the period of five years ended March 31, 2020 (No. in million)
Equity shares allotted on March 12, 2015 as fully paid bonus shares by capitalization of securities premium ₹400 million	-	40.000
Equity shares bought back	3.575	3.575

d. Buyback of Equity Shares of the Company

The Board of Directors, at its meeting in January 2019, had approved the buyback of the Company's fully paid-up equity shares of the face value of ₹ 10 each from its shareholders/beneficial owners excluding promoters, promoter group and persons who are in control of the Company, via the "open market" route through the stock exchanges, for a total amount not exceeding ₹ 2,250 million ("Maximum Buyback Size"), and at a price not exceeding ₹ 750 per Equity Share ("Maximum Buyback Price").

The buyback was offered to all eligible equity shareholders of the Company (other than the Promoters, the Promoter Group and Persons in Control of the Company) under the open market route through the stock exchanges. The buyback of equity shares through the stock exchange commenced on February 8, 2019 and was completed on June 27, 2019.

During this buyback period the Company had purchased and extinguished a total of 3,575,000 equity shares from the stock exchange at an average buy back price of ₹ 628.93/- per equity share comprising 4.47% of the pre buyback paid-up equity share capital of the Company. The buyback resulted in a cash outflow of ₹ 2,248.42 million (excluding transaction costs). The Company funded the buyback from utilization of its securities premium and free reserves. The total number of equity shares outstanding post buyback stands at 76,425,000.

e. Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at March 31, 2021		As at March 31, 2020	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande jointly with Mrs. Sonali Anand Deshpande	22.96	30.04	22.96	30.04
Schemes of HDFC Mutual Fund	5.37	7.03	6.53	8.54

*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.

This space is intentionally kept blank

5.1\ Property, plant and equipment

	Freehold Land	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
(In ₹ million)									
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: Building includes those constructed on leasehold land:

- Gross block as on March 31, 2021 ₹ 1,454.60 million (Previous year ₹ 1,454.30 million)
- Depreciation charge for the year ₹ 59.04 million (Previous year ₹ 59.07 million)
- Accumulated depreciation as on March 31, 2021 ₹ 558.07 million (Previous year ₹ 499.03 million)
- Net block value as on March 31, 2021 ₹ 896.53 million (Previous year ₹ 955.27 million)

5.1\ Property, plant and equipment

(In ₹ million)

	Freehold Land	Buildings*	Computers	Office equipments	Plant and Equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2019	206.92	2,387.00	1,684.93	53.22	1,376.04	21.12	515.09	8.44	6,252.76
Additions	-	0.06	248.42	0.39	25.29	-	9.06	-	283.22
Disposals	-	-	82.01	0.03	23.95	-	2.84	1.20	110.03
As at March 31, 2020	206.92	2,387.06	1,851.34	53.58	1,377.38	21.12	521.31	7.24	6,425.95
Accumulated depreciation									
As at April 1, 2019	-	964.75	1,460.02	48.77	1,144.38	17.88	482.47	4.23	4,122.50
Charge for the year	-	96.36	170.46	2.19	66.30	1.44	22.86	1.02	360.63
Disposals	-	-	81.74	0.03	20.14	-	2.84	1.20	105.95
As at March 31, 2020	-	1,061.11	1,548.74	50.93	1,190.54	19.32	502.49	4.05	4,377.18
Net block									
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
As at March 31, 2019	206.92	1,422.25	224.91	4.45	231.66	3.24	32.62	4.21	2,130.26

5.2\ Right-of-use assets

(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

(In ₹ million)

	Office premises	Leasehold Land	Total
Gross block (At cost)			
As at April 1, 2019	-	-	-
Additions (transitional impact on adoption of Ind AS 116)	358.91	37.50	396.41
As at March 31, 2020	358.91	37.50	396.41
Accumulated Depreciation			
As at April 1, 2019	-	-	-
Charge for the year	126.41	0.60	127.01
As at March 31, 2020	126.41	0.60	127.01
Net block			
As at March 31, 2020	232.50	36.90	269.40
As at March 31, 2019	-	-	-

5.3\ Other Intangible assets

(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

(In ₹ million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2019	713.08	261.74	974.82
Additions	30.59	-	30.59
As at March 31, 2020	743.67	261.74	1,005.41

Accumulated Amortization

As at April 1, 2019	629.22	261.74	890.96
Charge for the year	67.48	-	67.48
As at March 31, 2020	696.70	261.74	958.44
Net block			
As at March 31, 2020	46.97	-	46.97
As at March 31, 2019	83.86	-	83.86

5.4\ Depreciation and amortization expense

(In ₹ million)

	For the year ended	
	March 31, 2021	March 31, 2020
On Property, plant and equipment	398.33	360.63
On Right of use assets	111.70	127.01
On Other intangible assets	56.76	67.48
	566.79	555.12

6\ Non-current financial assets: Investments (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Investments carried at cost		
Unquoted investments		
Investments in equity instruments		
- In wholly owned subsidiary companies (Refer note 34)		
Persistent Systems, Inc.		
402 million (Previous year: 402 million) shares of USD 0.10 each, fully paid up	2,478.01	2,478.01
	2,478.01	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
	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
	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
	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
	1,265.91	1,265.91
CAPIOT Software Private Limited		
0.1867 million (Previous year: Nil) shares of Rs. 10 each, fully paid up	376.61	-
	376.61	-
- In associates		
Klisma e-Services Private Limited [Holding 50% (Previous year: 50%)]		
0.005 million (Previous year : 0.005 million) shares of ₹ 10 each, fully paid up	0.05	0.05
Less : Impairment	(0.05)	(0.05)
	-	-
Total investments carried at cost (A)	4,335.75	3,959.14
Investments carried at amortised cost		
Quoted Investments		
In bonds		
[Market value ₹ 2,727.32 million (Previous year ₹ 2,236.81 million)]	2,557.92	2,171.52
Add: Interest accrued on bonds	72.88	68.69
Total investments carried at amortised cost (B)	2,630.80	2,240.21

Designated as fair value through profit and loss		
Quoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (Refer Note 6a)	806.99	2,174.51
	806.99	2,174.51
Unquoted Investments		
- 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)	812.99	2,180.51
Total investments (A) + (B) + (C)	7,779.54	8,379.86
Aggregate provision for diminution in value of investments	0.05	0.05
Aggregate amount of quoted investments	3,437.79	4,414.72
Aggregate amount of unquoted investments	4,341.80	3,965.19

* 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"

6a\ Details of fair value of investment in long term Mutual Funds (Quoted)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Axis Mutual Fund	400.50	898.93
IDFC Mutual Fund	370.31	630.06
Sundaram Mutual Fund	36.18	33.15
ICICI Prudential Mutual Fund	-	141.38
Kotak Mutual Fund	-	105.86
UTI Mutual Fund	-	105.73
Aditya Birla Sun Life Mutual Fund	-	82.65
SBI Mutual Fund	-	71.06
HDFC Mutual Fund	-	35.66
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	-	35.03
DSP Mutual Fund	-	35.00
	806.99	2,174.51

7\ Non-current financial assets: Loans (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Carried at amortised cost		
Security deposits		
Unsecured, considered good	52.23	123.57
	52.23	123.57
Other loans and advances		
Unsecured, credit impaired	0.58	0.58
	0.58	0.58
Less: Impairment	(0.58)	(0.58)
	-	-
	52.23	123.57

8\ Other non-current financial assets (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Non-current bank balances (refer note 14)	24.42	344.55
Add: Interest accrued but not due on non-current bank deposits	1.34	14.38
Non-current deposits with banks (carried at amortised cost)	25.76	358.93
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)
Non-current deposits with financial institutions (carried at amortised cost)	-	-
	25.76	358.93

9\ Deferred tax asset (net)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Deferred tax liabilities		
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	41.87	24.30
Capital gains (net)	61.06	76.67
	102.93	100.97
Deferred tax assets		
Provision for leave encashment	95.76	47.15
Provision for long service awards	64.97	51.38
Provision for expected credit loss	28.85	33.45
Tax credit	62.37	67.69
Right of use asset and lease liability	26.36	31.86
Others	70.36	186.79
	348.67	418.32
Deferred tax assets (net)	245.74	317.35

10\ Other non-current assets

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Capital advances (Unsecured, considered good)	38.75	27.14
Advances recoverable in cash or kind or for value to be received	84.43	5.70
Balances with government authorities (refer note 36 (c))	296.55	296.55
	419.73	329.39

11\ Current financial assets : Investments (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Designated as fair value through profit and loss		
- Quoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer note 'a' below)	6,374.95	5,164.77
Total carrying amount of investments	6,374.95	5,164.77
Aggregate amount of quoted investments	6,374.95	5,164.77
Aggregate amount of unquoted investments	-	-

11a\ Details of fair value of current investment in mutual funds (Quoted)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Aditya Birla Sun Life Mutual Fund	1,011.03	973.04
HDFC Mutual Fund	963.10	185.88
IDFC Mutual Fund	911.72	640.78
Axis Mutual Fund	824.68	396.02
UTI Mutual Fund	723.19	809.46
ICICI Prudential Mutual Fund	710.33	940.50
L&T Mutual Fund	511.71	734.90
Kotak Mutual Fund	478.21	421.51
SBI Mutual Fund	166.36	-
DSP Mutual Fund	37.38	-
PGIM India Mutual Fund (formerly known as DHFL Pramerica Mutual Fund)	37.24	-
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	-	62.68
	6,374.95	5,164.77

12\ Trade receivables (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unsecured, considered good*	2,966.26	2,883.09
Unsecured, credit impaired	118.29	132.91
	3,084.55	3,016.00
Less : Allowance for expected credit loss	(118.29)	(132.91)
	2,966.26	2,883.09
	2,966.26	2,883.09

* Includes dues from related parties (refer note 34)

13\ Cash and cash equivalents (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Cash and cash equivalents as presented in cash flow statement		
Cash on hand	0.10	0.15
Balances with banks		
On current accounts #	360.22	198.79
On saving accounts	1.33	0.36
On Exchange Earner's Foreign Currency accounts	208.57	261.86
On deposit accounts with original maturity less than three months	292.50	71.47
	862.72	532.63

Out of the cash and cash equivalent balance as at March 31, 2021, the Company can utilise ₹ 154.39 million (Previous year: ₹ 6.62 million) only towards certain predefined activities specified in the agreement.

14\ Other bank balances (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Deposits with banks*	7,108.47	2,643.65
Add: Interest accrued but not due on deposits with banks	301.29	116.55
Deposits with banks (carried at amortised cost)	7,409.76	2,760.20
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(24.42)	(344.55)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(1.34)	(14.38)
	7,384.00	2,401.27
Balances with banks on unpaid dividend accounts**	3.00	4.05
	7,387.00	2,405.32

* Out of the balance, fixed deposits of ₹ 675.89 million (Previous year : ₹ 71.10 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 (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Carried at amortised cost		
Loan to related parties (Refer note 34 and note 43)		
Unsecured, credit impaired		
- Klisma e-Services Private Limited	27.43	27.43
	27.43	27.43
Less: Impairment	(27.43)	(27.43)
	-	-
Security deposits		
Unsecured, considered good	49.33	4.76
	49.33	4.76

16\ Other current financial assets (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Fair value of derivatives designated and effective as hedging instruments		
Forward contracts receivable	294.46	-
Advances to related parties (Unsecured, considered good) (refer note 34)		
Persistent Systems, Inc.	18.72	63.08
Persistent Systems France SAS	0.38	6.71
Persistent Telecom Solutions Inc.	0.01	3.05
Persistent Systems Malaysia Sdn. Bhd.	-	0.15
Persistent Systems Lanka (Private) Limited	0.02	2.67
Aepona Limited	2.34	-
PARX Consulting GmbH	-	0.04
Persistent Systems Israel Ltd.	-	1.05
Persistent Systems Mexico, S.A. de C.V	-	1.12
Youperience GmbH	-	0.05
PARX Werk AG	-	1.79
Persistent Systems Germany GmbH	-	0.31
	21.47	80.02
Advances to related parties (Unsecured, credit impaired) (refer note 34)		
Klisma e-Services Private Limited	0.81	0.81
Less: Impairment of current financial assets	(0.81)	(0.81)
	-	-
Other advances	21.79	-
Unbilled revenue	1,726.07	2,000.05
	2,063.79	2,080.07

17\ Other current assets

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Advances to suppliers (Unsecured, considered good)		
Advances recoverable in cash or kind or for value to be received	388.32	460.97
Excess fund balance with Life Insurance Corporation (refer note 30)	113.08	128.54
Other advances (Unsecured, considered good)		
VAT receivable (net)	23.44	31.50
Service tax and GST receivable (net) (refer note 36)	1,132.09	864.36
	1,155.53	895.86
	1,656.93	1,485.37

18\ Non-current financial liabilities: Borrowings (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unsecured Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	7.39	11.93
Interest accrued but not due on term loans	0.11	0.18
	7.50	12.11
Less: Current maturity of long-term borrowings transferred to other current financial liabilities (refer note 22)	(1.85)	(4.85)
Less: Current maturity of interest accrued but not due on term loan transferred to other current financial liabilities (refer note 22)	(0.11)	(0.18)
	(1.96)	(5.03)
	5.54	7.08

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

Loan I - amounting to ₹ 7.39 million (Previous year ₹ 9.24 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 Nil (Previous year ₹ 2.69 million) with interest payable @ 2% per annum has been guaranteed by a bank guarantee by the Company and was repayable in ten equal semi annual installments over a period of five years commencing from September 2016. The loan has been fully repaid in current year.

19\ Non current liabilities: Provisions

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Provision for employee benefits		
- Long service awards	240.94	182.79
	240.94	182.79

20\ Lease liabilities (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Lease liabilities	378.54	356.64
Less: Current portion of lease liabilities	(73.82)	(165.38)
	304.72	191.26

Movement of lease liabilities

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Opening balance	356.64	-
Additions	176.95	501.15
Deletions	(20.03)	-
Add: Interest recognised during the year	38.09	43.86
Less: Payments made	(173.11)	(188.37)
Closing balance	378.54	356.64

21\ Trade payables (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Trade payables for goods and services *	938.40	972.49
[dues of micro and small enterprises ₹ 30.20 million (Previous year: ₹ 5.15 million)]		
	938.40	972.49

* 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.

22\ Other current financial liabilities (refer note 32)

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Capital creditors	237.83	36.23
Current maturity of long term-borrowings (refer note 18)	1.85	4.85
Current maturity of interest on long-term borrowings (refer note 18)	0.11	0.18
Accrued employee liabilities	154.58	105.64
Unpaid dividend *	3.00	4.05
Other liabilities	0.05	4.40
Fair value of derivatives designated as hedging instruments		
Forward contracts payable	-	387.89
Advance from related parties (Unsecured, considered good) (refer note 34)		
Persistent Systems Pte Ltd	-	2.77
PARX Werk AG	-	2.55
Aepona Limited	-	1.17
	-	6.49
	397.42	549.73

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

23\ Other current liabilities

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Unearned revenue	260.40	135.88
Advance from customers	1,023.53	558.34
Other payables		
- Statutory liabilities	228.03	146.89
- Other liabilities*	167.05	9.91
	1,679.01	851.02

* Includes balance of ₹ 154.16 million (previous year: Nil) to be utilised against certain predefined activities specified in the agreement.

24\ Current liabilities: Provisions

	As at March 31, 2021 In ₹ million	As at March 31, 2020 In ₹ million
Provision for employee benefits		
- Leave encashment	380.49	187.35
- Long service awards	17.19	21.35
- Other employee benefits	747.91	381.68
	1,145.59	590.38

25\ Revenue from operations (net) (refer note 34)

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Software services	24,270.63	20,775.56
Software licenses	525.45	305.66
	24,796.08	21,081.22

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, 2021 In ₹ million	March 31, 2020 In ₹ million
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	4,070.00	3,404.15
Healthcare & Life Sciences	3,525.00	2,676.62
Technology Companies and Emerging Verticals	17,201.08	15,000.45
Total	24,796.08	21,081.22
Geographical disclosure		
India	3,392.01	2,682.26
North America	19,844.83	16,700.22
Rest of the World	1,559.24	1,698.74
Total	24,796.08	21,081.22
Onsite /offshore/IP Led		
IP Led	1,447.06	1,686.48
Offshore	22,597.95	18,481.33
Onsite	751.07	913.41
Total	24,796.08	21,081.22

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, ₹ 1,856.43 million (Previous year - ₹ 1,464.33 million) of opening unbilled revenue has been reclassified to trade receivables upon billing to customers on completion of milestones. In addition to that, ₹ 113.49 million (Previous year - Nil) has been reversed in to revenue from operations in current year.

During the year, the Company recognised revenue of ₹ 105.56 million (Previous year - ₹ 117.87 million) arising from opening unearned revenue.

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 209.30 million (Previous year - ₹ 245.80 million).

26\ Other income

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Interest income		
On deposits carried at amortised cost	381.66	373.29
On bonds	167.16	152.47
Foreign exchange gain (net)	67.12	274.26
Profit on sale of Property, plant and equipment (net)	8.10	-
Dividend income from investments	131.45	410.72
Profit on sale of investments (net)	478.13	164.81
Net gain/(loss) arising on financial assets designated as FVTPL	(133.70)	119.02
Miscellaneous income	76.24	104.47
	1,176.16	1,599.04

27\ Personnel expenses

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
27.1 Employee benefits expense		
Salaries, wages and bonus	12,806.57	10,178.10
Contribution to provident and other funds (refer note 30)	666.24	372.96
Staff welfare and benefits	384.07	417.99
Share based payments to employees (refer note 35)	236.33	60.01
	14,093.21	11,029.06
27.2 Cost of professionals		
- Related parties (refer note 34)	1,323.73	1,565.67
- Others	451.34	259.70
	1,775.07	1,825.37
	15,868.28	12,854.43

28\ Other expenses*

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Travelling and conveyance	39.58	338.29
Electricity expenses (net)	69.09	97.02
Internet link expenses	50.14	48.83
Communication expenses	73.17	72.52

	For the year ended	
	March 31, 2021 In ₹ million	March 31, 2020 In ₹ million
Recruitment expenses	75.40	69.43
Training and seminars	23.97	22.82
Purchase of software licenses and support expenses	908.00	852.77
Bad debts	46.96	-
Provision for expected credit loss (net)	(20.20)	47.31
Rent (refer note 33)	77.50	68.33
Insurance	31.37	25.91
Rates and taxes	52.57	49.17
Legal and professional fees	196.13	187.49
Repairs and maintenance		
- Plant and Machinery	94.92	109.12
- Buildings	19.26	21.32
- Others	15.20	18.21
Selling and marketing expenses	739.82	660.03
Fees for sales enablement services	-	627.90
Advertisement, conference and sponsorship fees	3.54	23.02
Computer consumables	3.14	4.47
Auditors' remuneration (refer note 38)	9.00	10.26
Donations	163.93	86.11
Books, memberships, subscriptions	12.69	22.42
Provision for doubtful deposits (refer note 44)	-	248.48
Loss on sale of Property, Plant and Equipment (net)	-	5.50
Directors' sitting fees	4.84	6.58
Directors' commission	10.22	14.85
Miscellaneous expenses	118.52	158.98
	2,818.76	3,897.14

* Includes expenses incurred with related parties (refer note 34)

29\ Earnings per share

		For the year ended	
		March 31, 2021	March 31, 2020
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ million)	(A)	5,050.86	4,077.23
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	76,425,000	76,684,672
Denominator for Diluted EPS			
Number of equity shares	(C)	76,425,000	76,684,672
Basic Earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	66.09	53.17
Diluted Earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	66.09	53.17

		For the year ended	
		March 31, 2021	March 31, 2020
Number of shares considered as basic weighted average shares outstanding		76,425,000	76,684,672
Add: Effect of dilutive issues of stock options		-	-
Number of shares considered as weighted average shares and potential shares outstanding		76,425,000	76,684,672

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, 2021	March 31, 2020
Current service cost	167.38	192.44
Interest cost on benefit obligation	56.48	68.74
Expected return on plan assets	(70.85)	(68.89)
Curtailment effect*	-	(272.59)
Others	(0.02)	(0.02)
Net benefit (income)/expense	152.99	(80.32)
Net actuarial (gain)/loss recognized in the year	(32.37)	32.79

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, 2021	March 31, 2020
Opening fair value of plan assets	985.61	831.31
Expected return on plan assets	70.85	68.89
Adjustment to expected return	(10.85)	(8.88)
Contribution by employer	116.03	184.25
Benefits paid	(110.85)	(89.96)
Closing fair value of plan assets	1,050.79	985.61

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, 2021	March 31, 2020
Opening defined benefit obligation	857.07	925.65
Interest cost	56.48	68.74
Current service cost	167.38	192.44
Benefits paid	(110.85)	(89.96)
Curtailments *	-	(272.59)
Actuarial (gain)/losses on obligation	(32.37)	32.79
Closing defined benefit obligation	937.71	857.07

Benefit asset/(liability)

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Fair value of plan assets	1,050.79	985.61
(Less) : Defined benefit obligations	(937.71)	(857.07)
Plan asset/(liability)	113.08	128.54

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2021	March 31, 2020
Investments with insurer including accrued interest	100%	100%

The principal assumptions used in determining gratuity for the Group's plans are shown below:

	As at	
	March 31, 2021	March 31, 2020
Discount rate	6.70%	6.77%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	PS: 0 to 1 : 17%	PS: 0 to 1 : 17%
	PS: 1 to 3 : 14%	PS: 1 to 3 : 14%
	PS: 3 to 4 : 10%	PS: 3 to 4 : 10%
	PS: 4 to 7 : 5%	PS: 4 to 7 : 5%
	PS: 7 to 10 : 3%	PS: 7 to 10 : 3%
	PS: 10 to 47 : 1%	PS: 10 to 47 : 1%
Increment rate	5.50%	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.

Every percentage point increase / decrease in discount rate will change the gratuity benefit obligation to approximately ₹ 82.00 million / ₹ 108.01 million (previous year: ₹ 94.85 million / ₹ 113.66 million) respectively.

Every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 99.64 million / ₹ 88.74 million (previous year: ₹ 106.54 million / ₹ 90.35 million) respectively.

Amounts for the current and previous year are as follows:

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Plan assets	1,050.79	985.61
Defined benefit obligation	(937.71)	(857.07)
Surplus/(Deficit)	113.08	128.54
Experience adjustments on plan liabilities - Loss	(32.37)	32.79

Maturity Profile of defined benefit obligations:

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Within 1 year	36.45	45.52
1 - 2 years	32.91	42.59
2 - 3 years	33.66	33.43
3 - 4 years	36.11	31.94
4 - 5 years	36.29	34.70
5 - 10 years	222.48	174.92

Superannuation Fund

The Company contributed ₹ 43.55 million and ₹ 41.12 million to superannuation fund during the years ended March 31, 2021 and March 31, 2020 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 ₹ 484.36 million (Previous year - ₹ 404.90 million).

*The gratuity scheme had an element in its structure which caps the basic salary beyond a certain amount. Giving effect to that in valuation of benefit obligation had resulted into curtailment of benefits to the extent of ₹ 272.59 million which was reflected in the report for previous financial year 2019-20.

This space is inter

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, 2021 In ₹ million	March 31, 2020 In ₹ million
Profit before tax	6,680.20	5,329.06
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	1,681.27	1,341.22
Effect of exempt income	(90.04)	(69.20)
Effect of non-deductible expenses	30.01	12.62
Effect of concessions (R&D allowance)	5.32	(21.95)
Tax (credit) / charge in respect of earlier years	2.74	(1.60)
Effect of different tax rates for different heads of income	(2.06)	(31.80)
Effect of Change in tax rate in current year (refer note below)	-	24.76
Others	2.10	(2.22)
Income tax expense	1,629.34	1,251.83

Note

In previous year, The Company has decided to opt for the new tax regime announced by the Government of India and avail the benefit of Section 115BAA of the Income Tax Act. This provides for the concessional tax rate of 22% plus applicable surcharge and cess (totalling to 25.17%) from April 1, 2019, without claiming the following major tax exemptions / incentives which were availed till earlier financial year.

- i. Tax holiday under section 10AA of the Income Tax Act available for units set up under the Special Economic Zone Act, 2005 (SEZ units).
- ii. Weighted Deduction under section 35 (2AB) of the Income Tax Act on the expenditure on scientific research carried out in in-house research and development facility as approved by the prescribed authority under Income Tax Act.

The Income Tax expense and deferred tax expense for the year ended March 31, 2021 include the effect of the net benefit of section 115BAA opted for by the Company from April 1, 2019.

tionally kept blank

32\ Financial assets and liabilities**a. The carrying values and fair values of financial instruments by categories are as follows:**

(In ₹ million)

Financial assets/financial liabilities	Basis of measurement	As at March 31, 2021		As at March 31, 2020		Fair value hierarchy
		Carrying value	Fair value	Carrying value	Fair value	
Assets	Cost	4,335.75	4,335.75	3,959.14	3,959.14	
Investments in subsidiaries and associates	Fair value	6.00	6.00	6.00	6.00	Level 3
Investments in equity instruments	Amortised cost	2,630.80	2,727.32	2,240.21	2,236.81	
Investments in bonds*	Fair value	7,181.94	7,181.94	7,339.28	7,339.28	Level 1
Investments in mutual funds	Amortised cost	101.56	101.56	128.33	128.33	
Loans	Amortised cost	7,409.76	7,409.76	2,760.20	2,760.20	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	Amortised cost					
Cash and cash equivalents (including unpaid dividend)	Amortised cost	865.72	865.72	536.68	536.68	
Trade receivables (net)	Amortised cost	2,966.26	2,966.26	2,883.09	2,883.09	
Forward contracts receivable	Fair value	294.46	294.46	-	-	Level 2
Unbilled revenue	Amortised cost	1,726.07	1,726.07	2,000.05	2,000.05	
Other current financial assets	Amortised cost	43.26	43.26	80.02	80.02	
Total		27,561.58	27,658.10	21,933.00	21,929.60	
Liabilities:						
Borrowings (including accrued interest)	Amortised cost	7.50	7.50	12.11	12.11	
Trade payables	Amortised cost	938.40	938.40	972.49	972.49	
Lease liabilities	Amortised cost	378.54	378.54	356.64	356.64	
Other financial liabilities (excluding borrowings)	Amortised cost	395.46	395.46	156.81	156.81	
Forward contracts payable	Fair value	-	-	387.89	387.89	Level 2
Total		1,719.90	1,719.90	1,885.94	1,885.94	

* Fair value includes interest accrued.

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 80% 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, 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	4,523.25
Other financial assets (including loans and interest accrued)	0.29	0.26	7.58	9.38	17.52
Trade and other payables	234.12	14.01	44.12	2.37	294.63
Other liabilities	324.19	0.57	0.58	2.82	328.16

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2020:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	233.54	121.73	125.08	135.39	615.74
Cash and cash equivalents and bank balances	297.77	5.26	11.45	30.47	344.95
Investments	3,041.63	1,409.40	-	121.97	4,573.00
Other financial assets (including loans and interest accrued)	66.13	5.58	8.67	8.30	88.68
Trade and other payables	423.83	32.30	59.04	10.00	525.17
Other liabilities	400.81	-	1.17	5.32	407.30

Foreign currency sensitivity analysis

For the year ended March 31, 2021 and March 31, 2020 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 0.20 % and 0.22% 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, 2021			As at March 31, 2020		
	Foreign currency (million)	Average rate (₹)	₹ (million)	Foreign currency (million)	Average rate (₹)	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	135.00	77.11	10,410.34	125.00	74.03	9,253.21

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, 2021			As at March 31, 2020		
	Foreign currency (million)	Average rate (₹)	₹ (million)	Foreign currency (million)	Average rate (₹)	₹ (million)
Not later than 3 months	31.00	78.48	2,432.98	30.00	72.74	2,182.07
Later than 3 months and not later than 6 months	34.50	77.08	2,659.11	32.00	73.70	2,358.34
Later than 6 months and not later than 9 months	34.50	76.63	2,643.64	30.00	74.16	2,224.70
Later than 9 months and not later than 12 months	35.00	76.42	2,674.61	33.00	75.40	2,488.10
Total	135.00		10,410.34	125.00		9,253.21

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 ₹ 3,084.55 million and ₹3,016.00 million as at March 31, 2021 and March 31, 2020, 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, 2021	March 31, 2020
Receivables overdue for more than 90 days (₹ million)*	215.02	402.06
Total receivables (gross) (₹ million)	3,084.55	3,016.00
Overdue for more than 90 days as a % of total receivables	7.0%	13.3%

* Out of this amount, ₹ 118.29 million (March 31, 2020: ₹ 132.91 million) have been provided for.

Ageing of trade receivables

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Within the credit period	2,356.35	1,819.49
1 to 30 days past due	210.40	406.33
31 to 60 days past due	219.92	213.28
61 to 90 days past due	82.86	174.84
91 to 120 days past due	36.02	119.81
121 and above past due	179.00	282.25
Less: Expected credit loss	(118.29)	(132.91)
Net trade receivables	2,966.26	2,883.09

Movement in expected credit loss allowance

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Opening balance	132.91	73.66
Movement in expected credit loss allowance	(20.20)	47.31
Translation differences	5.58	11.94
Closing balance	118.29	132.91

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, 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.

As at March 31, 2020, the Company had a working capital of ₹ 11,306.80 million including cash and cash equivalents and current fixed deposits of ₹ 2,831.73 million and current investments of ₹ 5,164.77 million..

The table below provides details regarding the contractual maturities of significant financial liabilities:

(In ₹ million)

	As at March 31, 2021		As at March 31, 2020	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1.96	5.54	5.03	7.08
Trade payables and deferred payment liabilities	938.40	-	972.49	-
Lease liabilities	73.82	304.72	165.38	191.26
Other financial liabilities (excluding borrowings)	395.46	-	544.70	-

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, 2021	As at March 31, 2020
Forward contracts to sell USD: Hedging of expected receivables of USD 135 Million (Previous year USD 125 Million)	10,410.34	9,253.21

ii. Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2021			As at March 31, 2020		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	1.33	JPY 2.01	0.66	0.34	JPY 0.49	0.70
	314.92	USD 4.31	73.11	297.77	USD 3.93	75.66
	13.05	GBP 0.13	100.69	11.45	GBP 0.12	93.49
	8.81	CAD 0.15	58.02	6.10	CAD 0.11	53.06
	6.02	EUR 0.07	85.78	5.26	EUR 0.06	82.76
	2.41	AUD 0.04	55.67	6.19	AUD 0.13	46.07
	2.77	ZAR 0.56	4.94	17.84	ZAR 4.20	4.25
Investments	2,939.02	USD 40.20	73.11	3,041.63	USD 40.20	75.66
	27.20	SGD 0.50	54.40	26.52	SGD 0.50	53.03
	1,460.83	EUR 17.03	85.78	1,409.40	EUR 17.03	82.76
	96.19	MYR 5.45	17.65	95.45	MYR 5.45	17.51
Trade and other payables	0.10	SGD 0.002	54.40	0.32	SGD 0.01	53.03
	234.12	USD 3.20	73.11	423.83	USD 5.60	75.66
	44.12	GBP 0.44	100.69	59.04	GBP 0.63	93.49
	0.81	CAD 0.01	58.02	8.53	CAD 0.16	53.06
	14.01	EUR 0.16	85.78	32.30	EUR 0.39	82.76
	0.03	AUD 0.001	55.67	0.42	AUD 0.01	46.07
	0.85	CHF 0.01	77.46	0.10	CHF 0.001	78.28
	0.15	ZAR 0.03	4.94	0.63	ZAR 0.15	4.25
	0.43	JPY 0.65	0.66	-	-	-
	0.29	USD 0.004	73.11	66.13	USD 0.87	75.66
Advances given and deposits placed	7.58	GBP 0.08	100.69	8.67	GBP 0.10	93.49
	0.26	EUR 0.01	85.78	5.58	EUR 0.07	82.76
	0.01	MXN 0.002	3.56	1.12	MXN 0.35	3.20
	0.16	MYR 0.01	17.65	0.16	MYR 0.01	17.51
	1.46	CAD 0.03	58.02	1.40	CAD 0.03	53.06
	0.04	JPY 0.07	0.66	0.04	JPY 0.06	0.70
	0.71	ILS 0.03	21.89	0.75	ILS 0.04	21.28
	-	-	-	0.01	ZAR 0.002	4.25
	3.97	AUD 0.07	55.67	0.36	AUD 0.01	46.07
	3.04	LKR 8.30	0.37	2.67	LKR 6.68	0.40
	-	-	-	1.79	CHF 0.02	78.28

	As at March 31, 2021			As at March 31, 2020		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Advances received	-	-	-	2.55	CHF 0.03	78.28
	2.82	SGD 0.05	54.40	2.77	SGD 0.05	53.03
	324.19	USD 4.43	73.11	400.81	USD 5.30	75.66
	0.58	GBP 0.01	100.69	1.17	GBP 0.01	93.49
	0.57	EUR 0.01	85.78	-	-	-
Trade receivables	131.51	USD 1.79	73.11	233.54	USD 3.09	75.66
	112.91	EUR 1.32	85.78	121.73	EUR 1.47	82.76
	268.36	GBP 2.67	100.69	125.08	GBP 1.34	93.49
	53.35	AUD 0.96	55.67	41.01	AUD 0.89	46.07
	2.71	SGD 0.05	54.40	8.42	SGD 0.16	53.03
	29.74	ZAR 6.02	4.94	29.45	ZAR 6.93	4.25
	0.21	CAD 0.004	58.02	0.04	CAD 0.001	53.06
	1.51	CHF 0.02	77.46	-	-	-
	-	-	-	56.47	MYR 3.22	17.51

33\ Leases

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(In ₹ million)

	As at March 31, 2021	As at March 31, 2020
Less than one year	108.09	165.38
One to five years	358.48	218.84
More than five years	17.37	68.11

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 ₹ 77.50 million for the year ended March 31, 2021 (Previous year ₹ 68.33 million).

Effective April 1, 2019, the company has adopted Ind AS 116, Leases; and has recognized interest on lease liability of ₹ 38.09 million under finance costs for year ended March 31, 2021 (Previous year ₹ 43.86 Million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss. (Refer note 5.4)

34\ Related party disclosures**i. Names of related parties and related party relationship****Related parties where control exists**

Subsidiaries	i.	Persistent Systems, Inc.
	ii.	Persistent Systems Pte Ltd.
	iii.	Persistent Systems France SAS
	iv.	Persistent Systems Malaysia Sdn. Bhd.
	v.	Persistent Systems Germany GmbH
	vi.	CAPIOT Software Private Limited
	vii.	Persistent Telecom Solutions Inc. (wholly owned subsidiary of Persistent Systems, Inc.)
	viii.	CAPIOT Software Inc. (wholly owned subsidiary of Persistent Systems, Inc.)
	ix.	CAPIOT Software Pty Limited (wholly owned subsidiary of CAPIOT Software Inc.)
	x.	CAPIOT Software Pte Limited (wholly owned subsidiary of CAPIOT Software Inc.)
	xi.	Persistent Systems S.R.L (Incorporated with effect from March 23, 2021) (wholly owned subsidiary of Persistent Systems, Inc.)
	xii.	Aepona Holdings Limited (wholly owned subsidiary of Persistent Systems, Inc.) (Dissolved with effect from October 24, 2019)
	xiii.	Aepona Group Limited (wholly owned subsidiary of Persistent Systems Inc.)
	xiv.	Aepona Limited (wholly owned subsidiary of Aepona Group Limited)
	xv.	Valista Limited (wholly owned subsidiary of Aepona Group Limited) (Dissolved with effect from June 24, 2020)
	xvi.	Persistent Systems Lanka (Private) Limited (Formerly known as Aepona Software (Private) Limited) (wholly owned subsidiary of Aepona Group Limited)
	xvii.	Persistent Systems Mexico, S.A. de C.V. (wholly owned subsidiary of Persistent Systems Inc.)
	xviii.	Persistent Systems Israel Ltd. (wholly owned subsidiary of Persistent Systems Inc.)
	xix.	PARX Werk AG (wholly owned subsidiary of Persistent Systems Germany GmbH)
	xx.	PARX Consulting GmbH (wholly owned subsidiary of PARX Werk AG)
	xxi.	Herald Technologies Inc. (wholly owned subsidiary of Persistent Systems, Inc.) (Dissolved with effect from June 24, 2019)
	xxii.	Youperience GmbH (wholly owned subsidiary of Persistent Systems Germany GmbH)
	xxiii.	Youperience Limited (wholly owned subsidiary of Youperience GmbH)

Related parties with whom transactions have taken place

Associate	i.	Klisma e-Services Private Limited
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.	Mr. Sanjay Bhattacharya*, Independent Director (Resigned w.e.f. July 1, 2019)
	ix.	Dr. Anant Jhingran, Independent Director
	x.	Mr. Thomas Kendra, Non executive non independent director
	xi.	Mr. Prakash Telang, Independent Director (Retired w.e.f. July 24, 2020)
	xii.	Mr. Kiran Umrootkar, Independent Director (Retired w.e.f. July 24, 2020)
	xiii.	Mr. Guy Eiferman, Independent Director
	xiv.	Dr. Deepak Phatak, Independent Director

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.	Deazzle Services Private Limited
	ii.	Azure Associates, LLC
	iii.	Persistent Foundation

ii. Related party transactions

(In ₹ million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2021	March 31, 2020
Sale of software services	Subsidiaries		
	Persistent Systems, Inc.	8,456.81	6,917.59
	Persistent Systems Malaysia Sdn. Bhd.	97.44	100.90
	Persistent Systems Pte Ltd	-	0.01
	Persistent Systems France SAS	43.97	37.10
	Persistent Telecom Solutions Inc.	166.69	167.58
	Persistent Systems Germany GmbH	42.26	28.35
	Aepona Limited	12.52	28.66
	PARX Werk AG	2.88	-
	PARX Consulting GmbH	-	17.08
	Youperience Limited	48.67	-
	CAPIOT Software Private Limited	73.10	-
	Entity over which a key management personnel has significant influence		
	Deazzle Services Private Limited	-	7.47
	Total	8,944.34	7,304.74
Fees for sales & marketing services	Subsidiaries		
	Aepona Limited	-	6.92
	Persistent Systems France SAS	-	7.74
	Persistent Systems Malaysia Sdn. Bhd.	-	6.11
	Total	-	20.77
Legal and professional fees	Entity over which a key management personnel has significant influence		
	Azure Associates, LLC	-	10.63
	Subsidiaries		
	PARX Werk AG	-	0.34
	Total	-	10.97
Recovery of cost of assets	Subsidiaries		
	Persistent Systems, Inc.	18.93	17.29
	Total	18.93	17.29

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2021	March 31, 2020
Investment in wholly owned subsidiary	Subsidiaries		
	Persistent Systems Germany GmbH	-	552.72
	CAPIOT Software Private Limited	376.61	-
	Total	376.61	552.72
Payment of liability on behalf of	Subsidiaries		
	Persistent Systems, Inc.	42.42	67.60
	Total	42.42	67.60
Interest income	Subsidiaries		
	CAPIOT Software Private Limited	1.45	-
	Total	1.45	-
Dividend Income	Subsidiaries		
	Persistent Systems Pte Ltd	70.33	180.37
	Persistent Systems Malaysia Sdn. Bhd.	61.12	220.31
	Total	131.45	400.68
Cost of professionals	Subsidiaries		
	Persistent Systems, Inc.	1,011.10	1,175.54
	Persistent Systems France SAS	36.72	35.63
	Persistent Systems Malaysia Sdn. Bhd.	98.36	83.15
	Persistent Telecom Solutions Inc.	41.19	79.32
	Aepona Limited	26.00	30.94
	Persistent Systems Lanka (Private) Limited	54.50	93.72
	Persistent Systems Mexico, S.A. de C.V.	34.03	46.47
	Parx Werk AG	3.62	13.82
	Persistent Systems Pte Ltd	4.40	7.08
	Youperience GmbH	0.56	-
	Youperience Limited	9.15	-
	CAPIOT Software Private Limited	4.10	-
	Total	1,323.73	1,565.67
Reimbursement of expenses received	Subsidiary		
	Persistent Systems, Inc.	-	19.44
	Persistent Telecom Solutions Inc.	-	0.03
	Total	-	19.47
Purchase of Software	Subsidiary		
	Persistent Systems, Inc.	52.21	17.94
	Persistent Telecom Solutions Inc.	4.10	3.54
	Total	56.31	21.48
Selling and marketing expenses	Subsidiaries		
	Persistent Systems, Inc.	737.83	627.44
	Aepona Limited	-	4.74
	Persistent Telecom Solutions Inc.	-	26.26
	Persistent Systems Pte Ltd	1.99	-
	Total	739.82	658.44
Fees for sales enablement services	Subsidiaries		
	Persistent Systems, Inc.	-	614.52
	Parx Werk AG	-	13.39
	Total	-	627.91

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2021	March 31, 2020
Commission received on corporate guarantee	Subsidiary		
	Persistent Systems, Inc.	2.61	2.80
	Total	2.61	2.80
Travelling and conveyance	Subsidiary		
	Persistent Systems, Inc.	-	1.08
	PARX Werk AG	-	0.46
	Total	-	1.54
Remuneration # (Salaries, bonus and contribution to PF)	Key Management Personnel		
	Dr. Anand Deshpande	26.26	23.88
	Mr. Christopher O'Connor®	0.71	1.60
	Mr. Sunil Sapre (including value of perquisites for stock options exercised ₹ 31.72 million during the year 2020-21) (Previous year: Nil)	46.42	13.31
	Mr. Amit Atre	3.40	3.38
	Mr. Sandeep Kalra*	1.21	-
	Independent directors:		
	Ms. Roshini Bakshi	2.09	2.48
	Mr. Pradeep Bhargava	2.26	3.13
	Mr. Sanjay Bhattacharyya	-	0.78
	Dr. Anant Jhingran	1.83	2.23
	Mr. Thomas Kendra	1.69	2.33
	Mr. Prakash Telang	0.74	3.00
	Mr. Kiran Umrootkar	0.74	3.05
	Mr. Praveen Kadle	2.08	-
	Mr. Guy Eiferman	1.79	2.28
	Dr. Deepak Phatak	1.81	2.40
	Relatives of Key Management Personnel		
	Mrs. Chitra Buzruk \$	-	2.10
	Dr. Mukund Deshpande (including value of perquisites for stock options exercised ₹ 2.87 million during the year (₹ 9.80 million during the year 2019-20) \$)	2.87	14.20
	Mr. Arul Deshpande **	0.03	-
	Total	95.93	80.15
Dividend paid	Key Management Personnel		
	Dr. Anand Deshpande	319.90	342.71
	Mr. Sunil Sapre	0.06	0.07
	Mr Sandeep Kalra	0.56	-
	Independent directors:		
	Pradeep Bhargava	0.18	0.20
	Sanjay Bhattacharyya	-	0.04
	Prakash Telang	-	0.27
	Kiran Umrootkar	-	0.09
	Roshini Bakshi	0.07	-

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2021	March 31, 2020
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.07	0.08
	Mrs. Chitra Buzruk ^{\$}	6.57	7.04
	Dr. Mukund Deshpande ^{\$}	5.60	5.65
	Mrs. Sonali Anand Deshpande	1.57	1.68
	Mrs. Sulabha Suresh Deshpande	0.64	2.49
	Rama Purushottam Foundation	-	4.92
	Mr. Arul Deshpande ^{**}	0.14	-
	Total	335.36	365.24
Employee stock compensation - Reimbursement	Subsidiaries		
	Persistent Systems Inc.	53.14	179.82
	Total	53.14	179.82
Advance given	Subsidiaries		
	PARX Consulting GmbH	-	0.04
	Persistent Systems Lanka (Private) Limited	2.34	-
	PARX Werk AG	-	1.79
	Youperience GmbH	-	0.05
	Total	2.34	1.87
Advance received	Subsidiaries		
	PARX Werk AG	1.79	2.55
	PARX Consulting GmbH	0.04	-
	Persistent Systems Israel Ltd.	1.05	-
	Persistent Systems Mexico, S.A. de C.V	1.12	-
	Persistent Systems, Inc.	44.36	-
	Persistent Systems Pte Ltd.	6.33	-
	Persistent Systems France SAS	3.04	-
	Persistent Telecom Solutions Inc.	0.15	-
	Persistent Systems Malaysia Sdn. Bhd.	2.65	-
	Youperience GmbH	0.05	-
	Persistent Systems Germany GmbH	0.31	-
	Persistent Systems Pte Ltd	-	2.77
	Aepona Limited	-	1.17
	Total	60.89	6.49
Donation given	Entity over which a key management personnel has significant influence		
	Persistent Foundation	140.00	79.21
	Total	140.00	79.21

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, for the entire financial year 2020-21.

@ 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 have resigned w.e.f. Apr 28, 2020 and May 29, 2020 respectively.

** Mr. Arul Deshpande has joined with effect from March 8, 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

	Name of the related party and nature of relationship	As at	
		March 31, 2021	March 31, 2020
Advances given	Subsidiaries		
	Persistent Systems, Inc.	18.72	63.08
	Persistent Systems France SAS	0.38	4.74
	Persistent Telecom Solutions Inc.	0.01	3.05
	Persistent Systems Israel Ltd.	-	0.75
	Persistent Systems Lanka (Private) Limited	0.02	2.67
	Persistent Systems Malaysia Sdn. Bhd	-	0.15
	Persistent Systems México, S.A. de C.V.	-	1.12
	Persistent Systems Germany GmbH	-	0.61
	PARX Consulting GmbH	-	0.04
	PARX Werk AG	-	1.79
	Youperience GmbH	-	0.05
	Aepona Limited	2.34	-
	Associate		
	Klisma e-Services Private Limited @	0.81	0.81
	Total	22.28	78.86
Advances received inclusive of Advances from customers	Subsidiaries		
	PARX Werk AG	0.17	2.55
	Persistent Systems Pte Ltd	-	2.77
	Aepona Limited	1.64	1.17
	Persistent Systems Israel Ltd.	1.28	-
	CAPIOT Software Private Limited	15.00	-
	Persistent Systems France SAS	3.57	-
	Persistent Systems, Inc.	976.15	400.81
	Total	997.81	407.30
Trade payables	Subsidiaries		
	Persistent Systems France SAS	-	23.52
	Persistent Systems, Inc.	165.68	244.13
	Persistent Systems Malaysia Sdn. Bhd.	22.21	43.04
	Persistent Telecom Solutions Inc.	3.41	39.27
	Persistent Systems Pte Ltd	2.83	7.10
	Aepona Limited	8.77	24.12
	Youperience GmbH	0.05	-
	Youperience Limited	1.30	-
	Persistent Systems Lanka (Private) Limited	-	42.79
	Persistent Systems Mexico, S.A. de C.V.	3.39	16.16
	PARX Werk AG	0.60	9.86
	Total	208.24	449.99

	Name of the related party and nature of relationship	As at	
		March 31, 2021	March 31, 2020
Trade receivables	Subsidiaries		
	Persistent Systems France SAS	-	28.01
	Persistent Systems, Inc.	-	216.89
	Persistent Telecom Solutions Inc.	36.37	1.89
	Persistent Systems Malaysia Sdn. Bhd.	26.41	56.47
	Persistent Systems Germany GmbH	6.43	24.66
	PARX Consulting GmbH	18.82	15.49
	Aepona Limited	-	1.59
	Persistent Systems Lanka (Private) Limited	3.67	-
	Total	91.70	345.00
Unbilled Receivable	Subsidiaries		
	Persistent Systems, Inc.	712.44	950.65
	Persistent Telecom Solutions Inc.	14.00	18.56
	Persistent Systems Malaysia Sdn. Bhd.	10.09	8.66
	Aepona Limited	0.60	8.30
	Persistent Systems Germany GmbH	14.04	4.42
	Persistent Systems France SAS	13.17	2.08
	Youperience Limited	6.43	0.26
	CAPIOT Software Private Ltd.	73.10	-
	Total	843.87	992.93
Loans given	Associate		
	Klisma e-Services Private Limited @	27.43	27.43
	Total	27.43	27.43
Investments	Subsidiaries		
	Persistent Systems, Inc.	2,478.01	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.	376.61	-
	Associates		
	Klisma eService Private Limited @	0.05	0.05
	Total	4,335.80	3,959.19

@ These balances are fully provided for.

iv. Guarantee given on behalf of subsidiary

Persistent Systems Ltd has given a performance guarantee up to \$ 10 million to HSBC Bank USA in respect of payment obligations under the Receivables Purchase agreement entered into by Persistent Systems Inc with HSBC Bank, USA (Previous year: \$ 10 million). Persistent Systems Ltd. has also given performance guarantee up to \$ 5 million to Citibank USA (Previous year: \$ 5 million) in respect of working capital facilities for Persistent Systems Inc. and \$ 0.17 million to Sun Life Assurance Company of Canada for timely payment of rent instalments and damages, in respect of office rented to Persistent Systems Inc.

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	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 **	1,357,000	26-Jul-14	03-Nov-14	1 Year
Scheme XII ***	67,300	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	2,922,500	27-Jul-17	01-Aug-19	4 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, XIII and XIV

Service period from the date of grant	% of Options vesting			
	Scheme I to V & X	Scheme VII	Scheme VIII & XIII	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
2-3 years varying from employee to employee	Based on credit points earned

v. Scheme XII

Service period from the date of grant	% of Options vesting
1 year	100%

b. Details of activity of the ESOP schemes

Movement for the year ended March 31, 2021 and March 31, 2020

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-20	18	-	-	1	17	17
	Weighted Average Price	31-Mar-20	4.42	-	-	5.05	4.42	4.42
Scheme II	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	3	-	3	-	-	-
	Weighted Average Price	31-Mar-20	24.18	-	24.18	-	-	-
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-20	158,625	-	-	10,790	147,835	147,835
	Weighted Average Price	31-Mar-20	31.89	-	-	31.20	31.94	31.94
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 Option	31-Mar-20	499,773	-	-	93,425	406,348	406,348
	Weighted Average Price	31-Mar-20	52.37	-	-	48.66	53.07	53.07
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-20	62,793	-	-	2,461	60,332	60,332
	Weighted Average Price	31-Mar-20	27.37	-	-	22.23	27.58	27.58
Scheme VI	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	34,996	-	-	28,035	6,961	6,961
	Weighted Average Price	31-Mar-20	33.55	-	-	27.44	58.18	58.18

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme VIII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	142,120	-	-	6,200	135,920	135,920
	Weighted Average Price	31-Mar-20	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-20	155,650	-	-	30,588	125,062	125,062
	Weighted Average Price	31-Mar-20	206.73	-	-	221.47	188.75	188.75
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-20	-	570,000	-	-	570,000	-
	Weighted Average Price	31-Mar-20	-	10.00	-	-	10.00	-
Scheme XII	Number of Options	31-Mar-21	-	-	-	-	-	-
	Weighted Average Price	31-Mar-21	-	-	-	-	-	-
	Number of Options	31-Mar-20	-	-	-	-	-	-
	Weighted Average Price	31-Mar-20	-	-	-	-	-	-
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-20	-	975,000	55,000	-	920,000	-
	Weighted Average Price	31-Mar-20	-	451.13	442.47	-	451.65	-
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-20	-	80,000	-	-	80,000	-
	Weighted Average Price	31-Mar-20	-	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-20	1,053,978	1,625,000	55,003	171,500	2,452,475	882,475

The weighted average share price for the period over which stock options were exercised was ₹ 1,131.43 (previous year ₹ 623.69).

c. Details of exercise price for stock option outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2021		As at March 31, 2020	
		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	13	Note (i)	17	Note (i)
Scheme II	12.96 – 48.21	-	-	-	-
Scheme III	12.96 – 48.21	127,362	Note (i)	147,835	Note (i)
Scheme IV	22.23 – 61.12	326,298	2.02	406,348	3.02

Scheme	Range of exercise price	As at March 31, 2021		As at March 31, 2020	
		No. of Options outstanding*	Weighted average remaining contractual life (in years)	No. of Options outstanding	Weighted average remaining contractual life (in years)
Scheme V	22.23 – 44.14	51,691	Note (i)	60,332	Note (i)
Scheme VI	22.23 – 30.67	-	-	-	-
Scheme VII	24.17 – 61.12	3,341	2.73	6,961	3.52
Scheme VIII	48.21 – 48.21	-	-	-	-
Scheme IX	54.74 – 54.74	129,704	2.24	135,920	3.24
Scheme X	157.58 – 279.70	-	-	125,062	5.55
Scheme XI	10	446,000	2.25	570,000	2.3
Scheme XII	10	-	-	-	-
Scheme XIII	442.47 – 1295.62	2,746,225	5.59	920,000	4.36
Scheme XIV	540.82 – 540.82	40,000	3.08	80,000	4.08

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, 2021 amounted to ₹ 236.33 million (Previous year ₹ 60.01 million). The liability for employee stock options outstanding as at March 31, 2021 is ₹ 471.20 million (Previous year ₹ 290.51 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 2020-21:

Particulars	March 31, 2021			March 31, 2020		
	RSU Scheme XI	ESOP Scheme XIII	ESOP Scheme IV	RSU Scheme XI	ESOP Scheme XIII	ESOP Scheme IV
Weighted average share price (Rs.)	948.4	1182.97	-	637.32	620.86	636.25
Weighted Exercise Price (Rs.)	10	1008	-	10	451.13	540.82
Weighted Average Fair Value (Rs.)	838.75	424.39	-	446.15	202.78	171.45
Expected Volatility	31.7	29.09	-	26.54	26.54	26.54
Life of the options granted (Vesting and exercise period)	4 yrs	4 yrs	-	4 yrs	5 yrs	5 yrs
Dividend Yield	2.00%	2.00%	-	2.00%	2.00%	2.00%
Average risk-free interest rate	5.56%	5.49%	-	6.80%	6.24%	7.10%

36\ Contingent liabilities

- a. Persistent Systems Limited (“the Company”) had received a show cause notice from the Commissioner of Service Tax on December 19, 2016 for non-payment of service tax of ₹ 452.15 million under import of services on reverse charge basis, excluding interest and penalty, if applicable. The issue relates to the professional and technical services rendered by overseas subsidiaries on behalf of the Company to its overseas customers for the period 2011-12 to 2014-15.

Post representations made by the Company, the Learned Principal Commissioner of Service Tax, Pune, adjudicated the aforesaid show-cause notice and issued an order on May 29, 2017, reducing the demand to ₹173.78 million based on the period of limitation and as a result of that, the said demand now covers 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, based on independent legal opinion obtained in respect of issues related to this matter, believes that the liability is not likely to arise and therefore, no provision is considered necessary in the financial statements. 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.

The GST department has filed an appeal on October 11, 2017 with appellate authorities against the Order passed by Learned Principal Commissioner of Service Tax, Pune. Though the GST department has acknowledged the ground of revenue neutrality, the said appeal mainly questions non-application of extended period of limitation. The Company has filed reply to this appeal on December 18, 2017.

Considering the view of the Service Tax Authorities, based on legal advice and due prudence, the Company has deposited, an amount of ₹ 647.36 million towards service tax in respect of the above matter, for the period from April 01, 2014 to June 30, 2017, under protest. This balance, post adjustment of service tax liability of ₹17.76 million for the month of June 2017 (i.e. net amount of ₹ 629.60 million) was considered as transitional credit under GST Regime and recorded accordingly as GST receivable. The disputed demand currently stands at ₹ 173.78 million towards which ₹ 165.58 million was paid under protest and forms part of the aforementioned GST receivable balance.

- b. As on March 31, 2021, the pending litigations in respect of direct taxes amount to ₹ 478.70 million and in respect of indirect taxes amount to ₹ 27.33 million (excluding the show cause notice received from Commissioner of Service Tax on May 29, 2017 of ₹ 173.78 million under import of services on reverse charge basis as mentioned above). Based on the advice obtained and judgments in favour of the Company at the first appellate authority in the earlier years, management does not expect any outflow in respect of these litigations.
- c. 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 filed an application with Directorate General of Foreign Trade (DGFT). The Company has also represented with industrial association, The National Association of Software and Service Companies (NASSCOM), to ensure continued applicability of such incentives to the eligible information technology companies. The Company understands from NASSCOM that they have also taken up the matter with concerned authorities. During the year, the Company has received a Show Cause Notice from the Directorate Of Revenue Intelligence (DRI), in which the DRI has raised certain additional matters with applicable penalties which relates to eligibility of company to seek the incentives. During the quarter the Company has submitted a reply to the notice. Based on the documents filed with relevant authorities and based on the consultations with subject matter specialists, the Company believes that its position is likely be upheld on ultimate resolution and accordingly, no provision is necessary to be made against such claims in these financial statements.
- d. Persistent Systems Ltd has given a performance guarantee up to \$ 10 million to HSBC Bank USA in respect of payment obligations under the Receivables Purchase agreement entered into by Persistent Systems Inc with HSBC Bank, USA (Previous year: \$10 million). Persistent Systems Ltd. has also given performance guarantee up to \$ 5 million to Citibank USA (Previous year: \$ 5 million) in respect of working capital facilities for Persistent Systems Inc. and \$ 0.17 million to Sun Life Assurance Company of Canada for timely payment of rent instalments and damages, in respect of office rented to Persistent Systems Inc.

37\ Capital and other commitments

(In ₹ million)

	As at	
	March 31, 2021	March 31, 2020
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	41.03	67.71
Other commitments		
Forward contracts	10,410.34	9,253.21

For commitments relating to lease agreements, please refer note 33.

38\ Auditors' remuneration

(In ₹ million)

	For the year ended	
	March 31, 2021	March 31, 2020
As auditor:		
- Audit fee	7.58	8.50
In other capacity:		
- Other services	1.22	1.53
Reimbursement of expenses	0.20	0.23
	9.00	10.26

39\ 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, 2021	March 31, 2020
Capital	-	1.04
Revenue	196.72	243.05
	196.72	244.09

40 The Company was required to spend an amount of ₹ 94.49 million during the financial year 2020-21 (Previous year ₹ 85.05 million) on Corporate Social Responsibility in accordance with section 135(5) of the Companies Act, 2013. The Company has spent ₹ 150.00 million during the financial year 2020-21 (Previous year ₹ 86.11 million) on purposes other than construction/acquisition of any asset.

41\ 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).

42\ 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, 2021	March 31, 2020
Interim dividend	2020-21	4	0.37	0.06	-
Final dividend	2018-19	3	0.37	-	0.02
Interim dividend	2019-20	3	0.37	-	0.05

43\ Loans and advances in the nature of loans given to subsidiaries and associates and firms/companies in which directors are interested**a. Loan to Klisma e-Services Private Limited**

- \ Balance as at March 31, 2021 ₹ 27.43 million (Previous year: ₹ 27.43 million)
- \ Maximum amount outstanding during the year ₹ 27.43 million (Previous year: ₹ 27.43 million)
- \ Principal is receivable at the end of twelve months and interest is receivable quarterly @ 12 % p.a. This amount is utilized for meeting business requirements. The outstanding balance has been fully provided for.

- 44\ 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.
- 45\ The code on Social security, 2020 relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. The Company will complete its evaluation and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules are published.
- 46\ Ministry of Corporate Affairs (MCA), vide its notification dated March 24, 2021, amended Schedule III of the Companies Act, 2013 with effect from April 1, 2021. Management is of the view that since the changes are applicable from April 1, 2021, those are applicable for the financial year commencing from April 1, 2021 and are applicable to Financial statements issued in respect of accounting years commencing on or after April 1, 2021. Therefore, related disclosures are not considered in these financial statements for the year ended on March 31, 2021, although issued after April 1, 2021.
- 47\ The financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.
- 48\ Previous year's figures have been regrouped where necessary to conform with the current year's classification.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

Shashi Tadvalkar

Partner

Membership No.: 101797

Place: Pune

Date: April 29, 2021

**For and on behalf of the Board of Directors of
Persistent Systems Limited****Dr. Anand Deshpande**Chairman and
Managing Director
DIN: 00005721**Amit Atre**Company Secretary
Membership No. A20507

Place: Pune

Date: April 29, 2021

Praveen KadleIndependent Director
DIN: 00016814**Sunil Sapre**Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Mumbai

Date: April 29, 2021

Sandeep KalraExecutive Director and
Chief Executive Officer
DIN: 02506494

Place: New Jersey, USA

Date: April 29, 2021



Persistent Systems Limited

CIN: L72300PN1990PLC056696

Registered Office

‘Bhageerath’, 402 Senapati Bapat Road

Pune 411 016, India

Tel: +91 20 6703 0000

Fax: +91 20 6703 0008

info@persistent.com

www.persistent.com

[in persistent-systems](#) [persistentsys](#) [f persistentsystems](#) [persistent_systems](#)