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**Independent Auditor's Report on Consolidated Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Persistent Systems Limited**

**Opinion**

1. We have audited the accompanying consolidated quarterly financial results ('the Statement') 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 for the quarter ended **30 June 2021**, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the SEBI from time to time.
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 other auditors on separate audited financial statements of the subsidiaries as referred in para 12 below, the Statement:
  - (i) includes the quarterly financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group and its associate for the quarter ended 30 June 2021

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') 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 Statement section of our report*. We are independent of the Group and its associate, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the 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 obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

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**Responsibilities of Management and Those Charged with Governance for the Statement**

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated quarterly audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group including its associate accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act, read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group and its associate, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associate, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group and of its associate, are responsible for assessing the ability of the Group and of 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 respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors of the companies included in the Group and of its associate, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associate.

**Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the 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 Statement, 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.

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting 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 the 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 associates, 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities within the Group, and its associates, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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.
9. We communicate with those charged with governance of the Holding Company and such other entities included in the Statement, of which we are the independent auditors, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

**Other Matter(s)**

12. We did not audit the annual financial statements of Nineteen subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 4,833.92 Million as at 30 June 2021, total revenues of ₹ 1,244.64 Million, total net profit after tax of ₹ 83.05 Million, total comprehensive income of ₹ 126.40 Million, and cash flows outflows (net) of ₹ 61.94 Million for the quarter ended 30 June 2021. These quarterly financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 3 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

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13. The Statement also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the quarter ended 30 June 2021, in respect of one associate, based on their annual financial statements, which have not been audited by their auditors. These financial statements have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of 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.

Our opinion is not modified in respect of this matters with respect to our reliance on the financial statements certified by the Board of Directors.

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

**SHASHI**  
**TADWALKAR**

Digitally signed by  
SHASHI TADWALKAR  
Date: 2021.07.22  
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**Shashi Tadwalkar**  
Partner  
Membership No:101797

**UDIN:21101797AAAABT4332**

Place: Pune  
Date: 22 July 2021

**Persistent Systems Limited**  
**Independent Auditor's Report on Consolidated Quarterly Financial Results of the Company Pursuant**  
**to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**  
**(as amended)**

**Annexure 1**

**List of entities included in the Statement**

Sr No	Name of Entity	Nature of Relationship
1	Persistent Systems Limited (PSL)	Holding Company
2	Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
3	Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
4	Persistent Systems France SAS	Wholly owned subsidiary of PSL
5	Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
6	Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
7	Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
8	Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
9	Aepona Limited	Wholly owned subsidiary of AGL
10	Youperience GmbH (YGmbH)	Wholly owned subsidiary of PSGG
11	Youperience Limited	Wholly owned subsidiary of YGmbH
12	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
13	Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
14	Persistent Systems Israel Ltd	Wholly owned subsidiary of PSI
15	PARX Werk AG	Wholly owned subsidiary of PSGG
16	PARX Consulting GmbH	Wholly owned subsidiary of PARX Werk AG
17	Capiot Software Private Limited	Wholly owned subsidiary of PSL
18	Capiot Software Inc. (Capiot US)	Wholly owned subsidiary of PSI
19	Capiot Software Pty Limited	Wholly owned subsidiary of Capiot US
20	Capiot Software Pte Limited	Wholly owned subsidiary of Capiot US
21	Persistent Systems S.R.L.	Wholly owned subsidiary of PSI
22	Klisma e-Services Private Limited	Associate company of PSL

Persistent Systems Limited

Registered Office : Bhageerath, 402, Senapati Bapat Road, Pune 411016, India

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Audited consolidated financial results of Persistent Systems Limited for the quarter ended June 30, 2021

in ₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2021 (Audited)	March 31, 2021 (Audited)	June 30, 2020 (Audited)	March 31, 2021 (Audited)
	<b>Income</b>				
1	Revenue from operations (net)	12,299.26	11,133.58	9,913.85	41,878.88
2	Other income	388.03	400.36	212.27	1,077.72
3	<b>Total income</b>	<b>12,687.29</b>	<b>11,533.94</b>	<b>10,126.12</b>	<b>42,956.60</b>
4	<b>Expenses</b>				
	- Employee benefits expense	7,323.69	6,853.90	5,785.07	25,157.99
	- Cost of professionals	1,804.25	1,543.13	1,350.47	5,563.68
	- Finance costs	22.62	15.83	14.16	57.94
	- Depreciation and amortization expense	350.09	419.05	435.61	1,755.50
	- Other expenses	1,156.12	853.25	1,320.37	4,327.06
	<b>Total Expenses</b>	<b>10,656.57</b>	<b>9,685.16</b>	<b>8,905.68</b>	<b>36,862.17</b>
5	<b>Profit before exceptional items and tax</b>	<b>2,030.52</b>	<b>1,848.78</b>	<b>1,220.44</b>	<b>6,094.43</b>
6	Exceptional items	-	-	-	-
7	<b>Profit before tax</b>	<b>2,030.52</b>	<b>1,848.78</b>	<b>1,220.44</b>	<b>6,094.43</b>
8	<b>Tax expense</b>				
	- Current tax	547.36	495.67	430.76	1,774.01
	- Tax charge / (credit) in respect of earlier	(13.73)	3.68	8.30	10.58
	- Deferred tax charge / (credit)	(15.59)	(28.16)	(118.70)	(196.93)
	<b>Total tax expense</b>	<b>518.04</b>	<b>471.19</b>	<b>320.36</b>	<b>1,587.66</b>
9	<b>Profit for the period / year</b>	<b>1,512.48</b>	<b>1,377.59</b>	<b>900.08</b>	<b>4,506.77</b>
10	<b>Other comprehensive income</b>				
	<b>A. Items that will not be reclassified to profit and loss</b>				
	- Remeasurements of the defined benefit liabilities / assets (net of tax)	(61.72)	24.52	9.24	10.25
		<b>(61.72)</b>	<b>24.52</b>	<b>9.24</b>	<b>10.25</b>
	<b>B. Items that may be reclassified to profit and loss</b>				
	- Effective portion of cash flow hedge (net of tax)	(95.10)	(53.45)	149.98	383.54
	- Exchange differences in translating the financial statements of foreign operations	128.31	120.35	77.05	(20.07)
		<b>33.21</b>	<b>66.90</b>	<b>227.03</b>	<b>363.47</b>
	<b>Total other comprehensive income for the period / year</b>	<b>(28.51)</b>	<b>91.42</b>	<b>236.27</b>	<b>373.72</b>
11	<b>Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)</b>	<b>1,483.97</b>	<b>1,469.01</b>	<b>1,136.35</b>	<b>4,880.49</b>
12	Paid-up equity share capital (Face value of share ₹ 10 each)	764.25	764.25	764.25	764.25
13	Other equity excluding revaluation reserves				27,192.41
14	<b>Earnings per equity share in ₹ (Face value of share ₹ 10 each)</b>				
	- Basic	19.79	18.03	11.78	58.97
	- Diluted	19.79	18.03	11.78	58.97
15	<b>Dividend per share (in ₹) (Nominal value per share ₹ 10)</b>				
	Interim dividend	-	-	-	14.00
	Final dividend	-	6.00	-	6.00
	<b>Total dividend</b>	<b>-</b>	<b>6.00</b>	<b>-</b>	<b>20.00</b>

**Audited unconsolidated financial information**

in ₹ Million

Particulars	Quarter ended			Year ended
	June 30, 2021 (Audited)	March 31, 2021 (Audited)	June 30, 2020 (Audited)	March 31, 2021 (Audited)
Revenue from operations (net)	7,648.34	6,846.58	5,561.38	24,796.08
Profit before tax	2,209.87	1,900.96	1,575.48	6,680.20
Profit after tax	1,660.95	1,400.72	1,214.76	5,050.86

**Segment wise Revenue, Results and Capital Employed**

Considering the focus on industry verticals, the Group has decided to reorganize its operating segments from April 1, 2020.

- a. Banking, Financial Services and Insurance (BFSI)
- b. Healthcare & Life Sciences
- c. Technology Companies and Emerging Verticals

in ₹ Million

Sr. No.	Particulars	Quarter ended			Year ended
		June 30, 2021 (Audited)	March 31, 2021 (Audited)	June 30, 2020 (Audited)	June 30, 2021 (Audited)
1	Segment revenue				
	- BFSI	3,792.03	3,328.54	3,153.11	12,857.05
	- Healthcare & Life Sciences	2,515.76	2,150.23	1,957.47	8,104.24
	- Technology Companies and Emerging Verticals	5,991.47	5,654.81	4,803.27	20,917.59
	<b>Total</b>	<b>12,299.26</b>	<b>11,133.58</b>	<b>9,913.85</b>	<b>41,878.88</b>
2	Less: Inter segment revenue	-	-	-	-
3	Net sales/income from operations	12,299.26	11,133.58	9,913.85	41,878.88
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization				
	- BFSI	1,348.25	1,251.66	1,049.05	4,818.38
	- Healthcare & Life Sciences	1,339.38	1,046.96	899.43	3,982.47
	- Technology Companies and Emerging Verticals	1,921.38	1,622.56	1,587.94	6,449.40
	<b>Total</b>	<b>4,609.01</b>	<b>3,921.18</b>	<b>3,536.42</b>	<b>15,250.25</b>
5	Less:				
	- Finance costs	22.62	15.83	14.16	57.94
	- Other un-allocable expenses	2,943.90	2,456.93	2,514.09	10,175.60
6	Un-allocable income	388.03	400.36	212.27	1,077.72
7	<b>Profit before tax</b>	<b>2,030.52</b>	<b>1,848.78</b>	<b>1,220.44</b>	<b>6,094.43</b>
8	<b>Segment assets</b>	in ₹ Million			
		<b>As on</b>			
		<b>June 30, 2021 (Audited)</b>	<b>June 30, 2020 (Audited)</b>	<b>March 31, 2021 (Audited)</b>	
	- BFSI	1,950.63	2,321.16	1,950.45	
	- Healthcare & Life Sciences	1,468.70	1,640.69	1,525.69	
	- Technology Companies and Emerging Verticals	5,562.93	4,912.97	4,405.60	
	<b>Total allocable segment assets</b>	<b>8,982.26</b>	<b>8,874.82</b>	<b>7,881.74</b>	
	Unallocable assets	29,382.67	23,301.52	28,773.50	
	<b>Total assets</b>	<b>38,364.93</b>	<b>32,176.34</b>	<b>36,655.24</b>	

**Note for segment wise 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 Chairman & Managing Director.

**Segment wise capital employed**

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 and liabilities 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.

**Notes:**

- 1 The audited condensed consolidated financial statements for the quarter ended June 30, 2021, have been taken on record by the Board of Directors at its meeting concluded on July 22, 2021 as recommended by the Audit Committee at its meeting held on July 20, 2021. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed interim consolidated financial statements.
- 2 The above consolidated financial results have been prepared from the condensed interim consolidated financial statements, which are prepared in accordance with Indian Accounting Standards ("Ind AS"), the provisions of the Companies Act, 2013 ("the Companies Act"), as applicable and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and amendments issued thereafter. All amounts included in the consolidated financial results (including notes) are reported in millions of Indian rupees ( in ₹ millions) except share and per share data, unless otherwise stated.
- 3 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 4 The investors are requested to visit the following website of the Company and Stock Exchanges for further details:
  - Company's website: <https://www.persistent.com/investors>
  - BSE Ltd: [www.bseindia.com](http://www.bseindia.com)
  - National Stock Exchange of India Ltd.: [www.nseindia.com](http://www.nseindia.com)

By order of Board of Directors of Persistent Systems Limited



**Dr. Anand Deshpande**  
Chairman and Managing Director

Pune

Date : July 22, 2021

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"For risks and uncertainties relating to forward-looking statements, please visit our website :- [www.persistent.com](http://www.persistent.com)"