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Independent Auditor's Report on Audited Unconsolidated 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 statement of Unconsolidated financial result ('the Statement') of **Persistent Systems Limited** ('the Company') for the quarter ended **30 June 2021** being submitted by the 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, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circular CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circular'), and
 - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standard 34, 'Interim Financial Reporting' ('Ind AS 34') 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 unconsolidated net profit after tax (including other comprehensive income) and other financial information of the Company 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 Companies Act, 2013 ('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 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 Statement 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, is sufficient and appropriate to provide a basis for our opinion.

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

Management's and Those Charged with Governance Responsibilities for the Statement

4. This Statement has been prepared on the basis of the interim Standalone financial Statements. The Company's Board of Directors are responsible for the preparation of the Statement that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Ind AS 34 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 including SEBI Circular. 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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 SAs 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 SAs, 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.
 - 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.

Persistent Systems Limited

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- Conclude on the appropriateness of the Management 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 results 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 statement, including the disclosures, and whether the statement represent the underlying transactions and events in a manner that achieves fair presentation.
9. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

SHASHI
TADWALKAR

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SHASHI TADWALKAR
Date: 2021.07.22
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Shashi Tadwalkar
Partner
Membership No:101797

UDIN:21101797AAAABS2293

Place: Pune
Date: 22 July 2021

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

Sr. No.	Particulars		Quarter ended			(In ₹ Million)
			June 30, 2021 (Audited)	March 31, 2021 (Audited)	June 30, 2020 (Audited)	March 31, 2021 (Audited)
	Income					
1	Revenue from operations (net)		7,648.34	6,846.58	5,561.38	24,796.08
2	Other income		344.68	349.75	293.76	1,176.16
3	Total income	(1+2)	7,993.02	7,196.33	5,855.14	25,972.24
4	Expenses					
	- Employee benefits expense		4,441.54	4,071.22	3,057.26	14,093.21
	- Cost of professionals		337.25	464.79	377.70	1,775.07
	- Finance costs		18.50	11.21	8.79	38.21
	- Depreciation and amortization expense		162.71	155.52	131.81	566.79
	- Other expenses		823.15	592.63	704.10	2,818.76
	Total Expenses		5,783.15	5,295.37	4,279.66	19,292.04
5	Profit before exceptional items and tax	(3-4)	2,209.87	1,900.96	1,575.48	6,680.20
6	Exceptional items		-	-	-	-
7	Profit before tax	(5-6)	2,209.87	1,900.96	1,575.48	6,680.20
8	Tax expense					
	- Current tax		537.22	468.18	409.97	1,684.00
	- Tax charge / (credit) in respect of earlier years		-	-	2.74	2.74
	- Deferred tax charge / (credit)		11.70	32.06	(51.99)	(57.40)
	Total tax expense		548.92	500.24	360.72	1,629.34
9	Profit for the period / year	(7-8)	1,660.95	1,400.72	1,214.76	5,050.86
10	Other comprehensive income					
	A. Items that will not be reclassified to profit and loss					
	- Remeasurements of the defined benefit asset / liabilities (net of tax)		(58.30)	24.56	17.73	15.93
			(58.30)	24.56	17.73	15.93
	B. Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge (net of tax)		(95.11)	(53.44)	149.98	383.55
			(95.11)	(53.44)	149.98	383.55
	Total other comprehensive income for the period / year	(A+B)	(153.41)	(28.88)	167.71	399.48
11	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period)	(9+10)	1,507.54	1,371.84	1,382.47	5,450.34
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					26,890.99
14	Earnings per equity share in ₹ (Face value of share ₹ 10 each)					
	- Basic		21.73	18.33	15.89	66.09
	- Diluted		21.73	18.33	15.89	66.09
15	Dividend per share (in ₹) (Nominal value of share ₹ 10 each)					
	Interim dividend		-	-	-	14.00
	Final dividend		-	6.00	-	6.00
	Total dividend		-	6.00	-	20.00

Notes:

- The audited condensed unconsolidated 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 interim condensed unconsolidated financial statements.
- The above standalone financial results have been prepared from the condensed interim standalone 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 standalone financial results (including notes) are reported in millions of Indian rupees (in ₹ millions) except share and per share data, unless otherwise stated.
- 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.
- In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments", the Company has disclosed segment information only on the basis of consolidated financial results.
- 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
 - National Stock Exchange of India Ltd.: www.nseindia.com

By order of Board of Directors of Persistent Systems Limited

Anand Deshpande

Dr. Anand Deshpande
Chairman and Managing Director

Pune
Date : July 22, 2021