

NSE & BSE / 2021-22 / 94

October 26, 2021

The Manager, Corporate Services, National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai 400 051 The Manager, Corporate Services, BSE Limited 14th Floor, P J Towers, Dalal Street, Mumbai 400 001

Ref: Symbol: PERSISTENT Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on October 26, 2021 and to be continued on October 27, 2021

Ref: Our earlier intimation under reference no. NSE & BSE / 2021-22 / 84 dated September 23, 2021 ('Intimation')

Further to the above referred Intimation, we wish to inform that, the Board of Directors, at its meeting held through Tele-conferencing on October 26, 2021 and to be continued on October 27, 2021, has *inter-alia* taken the following decisions:

A. Approval of the Audited Financial Results for the quarter and half year ended September 30, 2021

Pursuant to Regulation 33 and all other applicable regulations, if any of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audited Financial Results for the quarter and half year ended September 30, 2021 have been approved. Accordingly, we enclose the following documents:

- 1. Auditors' Report dated October 26, 2021 on the Consolidated Financial Results of the Company for the guarter and half year ended September 30, 2021;
- 2. Consolidated Financial Results of the Company for the quarter and half year ended September 30, 2021;
- 3. Auditors' Report dated October 26, 2021 on the Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2021;
- 4. Unconsolidated Financial Results of the Company for the quarter and half year ended September 30, 2021.
- B. The Board of Directors has approved the appointment of M/s. PVS and Associates, Practicing Company Secretaries as the Auditor for conducting the Secretarial Audit of the Company for the Financial Year 2021-22.



Please note that the discussion on above agenda items was concluded at 1925 Hrs (IST). pursuant to our intimation dated September 23, 2021, the Board Meeting will continue for discussing other agenda items on Wednesday, October 27, 2021.

Please acknowledge the receipt.

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

Amit Atre Company Secretary ICSI Membership No.: A20507

Encl: As above

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Ph. No. +91(20)67030000; Fax +91(20)67030009; Email: info@persistent.com, 'www.persistent.com'. CIN L72300PN1990PLC056696



	Audited consolidated to the quarter a						d for	In₹ Millior
				Quarter end	led	Half ve	ar ended	Year ended
Sr. No.	Particulars			i	Sept 30, 2020		I	March 31, 2021
	Income		12 512 10	42 200 26	10.077.17	25 044 75	10 001 00	44 070 00
	Revenue from operations (net)		13,512.49	12,299.26 388.03	10,077.47 164.97	25,811.75 712.18	.,	41,878.88
2	Other income Total income	(1+2)	324.15		10,242.44		377.24	1,077.72 42,956.60
4		(1+2)	13,630.04	12,007.29	10,242.44	20,523.93	20,308.30	42,956.60
4	Expenses		0 002 27	7 222 60	6 006 94	15 416 06	11,881.91	25 157 00
	- Employee benefits expense		8,092.37	7,323.69		15,416.06		25,157.99
	- Cost of professionals		1,999.54	1,804.25 22.62	1,351.40	3,803.79 43.56		5,563.68 57.94
	- Finance costs		20.94		14.20			
	- Depreciation and amortization expense		370.83	350.09		720.92		1,755.50
	- Other expenses		1,176.64	1,156.12	965.10	2,332.76		4,327.06
ا۔	Total Expenses	/a .		10,656.77		22,317.09		
	Profit before exceptional items and tax	(3-4)	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43
6	Exceptional items	/·						
7	Profit before tax	(5-6)	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43
8	Tax expense							Ì
	- Current tax		538.63	547.36	436.17	1,085.99	866.93	1,774.01
	 Tax charge / (credit) in respect of 		(3.88)	(13.73)	(0.87)	(17.61)	7.43	10.58
	earlier years / periods							ľ
	 Deferred tax charge /(credit) 		24.04	(15.59)	(80.05)	8.45	(198.75)	(196.93)
	Total tax expense		558.79	518.04		1,076.83	675.61	1,587.66
9	Profit for the period / year	(7-8)	1,617.53	1,512.48	1,019.86	3,130.01	1,919.94	4,506.77
10	Other comprehensive income							ľ
	A. Items that will not be reclassified							ľ
	to profit and loss							l
	 Remeasurements of the defined benefit 		(38.37)	(61.72)	8.71	(100.09)	17.95	10.25
	liabilities / assets (net of tax)							
			(38.37)	(61.72)	8.71	(100.09)	17.95	10.25
	B. Items that may be reclassified to profit and loss							
	 Effective portion of cash flow hedge (net of tax) 		22.11	(95.10)	191.01	(72.99)	340.99	383.54
	Exchange differences in translating the financial statements of foreign operations		(13.58)	128.31	(532.06)	114.73	(455.01)	(20.07)
			8.53	33.21	(341.05)	41.74	(114.02)	363.47
	Total other comprehensive income for the period / year	(A+B)	(29.84)	(28.51)	(332.34)	(58.35)	(96.07)	373.72
11	Total comprehensive income for the	(9+10)	1,587.69	1,483.97	687.52	3,071.66	1,823.87	4,880.49

Audited consolidated statement of assets and liabilities

764.25

21.16

764.25

19.79

764.25

764.25

764.25

764.25

58.97

14.00

20.00

27,192.4

In₹ Million **Particulars** Sept. 30, 2021 March 31, 2021 Sept. 30, 2020 ASSETS Non-current assets 2,785.17 2,401.40 Property, plant and equipment 2,194.48 Capital work-in-progress 7.57 24.84 121.81 Right- of- use assets 1,054.83 642.25 852.58 108.79 86.70 85.94 Goodwill Other intangible assets 1,192.79 1,365.41 1,229.50 Financial assets 3,882.21 3,621.27 - Investments 3.871.73 2,064.14 150.72 134.76 Loans - Other non-current financial assets 41.35 143.66 25.76 1,065.25 Deferred tax assets (net) 1,031.30 Other non-current assets 1.513.36 324.72 441.52 Total non-current assets 13,704.98 9,846.29 9,952.11 **Current assets** Financial assets - Investments 3,144.89 4,933.32 6,374.95 Trade receivables (net) Cash and cash equivalents 5,176.54 1,297.50 2,419.30 - Other bank balances 6,469.83 6,675.93 7,389.70 - Loans 21.99 63.56 71.26 2,467.23 - Other current financial assets 3,193.00 2,151.83 Current tax assets (net) 283.09 165.77 188.00 Other current assets 1.851.23 1.709.39 2.083.72 22,774.18 **Total current assets** 26,655.78 26,703.13 TOTAL ASSETS 40,360.76 32,620.47 36,655.24 **EQUITY AND LIABILITIES Equity**Equity share capita Other equity 30.170.18 24,927,49 27.192.41 Total Equity Liabilities Non- current liabilities Financial liabilities Lease liabilities - Borrowings 43.34 45.52 44.27 268.22 **1,209.51 Total Non - current liabilities** 737.88 1,001.38 **Current liabilities** Financial liabilities - Lasca lishilities 250.96 295 84 222 00 - Trade pavables 3,479.88 2,517.90 2,733.44 - Other financial liabilities 169.67 154.78 390.17 1,103.10 Other current liabilities 1,698.57 1,514.95 2,278.68 2,477.79 358.85 Provisions 1,793.34

Audited unconsolidated financial information

325.89

8,216.82 6,190.85 7,697.20 40,360.76 32,620.47 36,655.24

339.06

In₹1									
			Quarter endec	ı	Half yea	Year ended			
	Particulars	Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020	March 31, 2021		
	Revenue from operations (net)	8,469.85	7,648.34	5,961.78	16,118.19	11,523.16	24,796.08		
	Profit before tax	2,078.90	2,209.87	1,594.29	4,288.77	3,169.77	6,680.20		
	Profit after tax	1,523.95	1,660.95	1,176.35	3,184.90	2,391.11	5,050.86		

Segment wise Revenue, Results and Capital Employed

The operating segments are: a. Banking, Financial Services and Insurance (BFSI)

period / year (Comprising Profit / (Loss) and Other Comprehensive

Income for the period / year) Paid-up equity share capita

(Face value of share ₹ 10 each) Other equity excluding revaluation reserves

Earnings per equity share in ₹

(Nominal value of share ₹10 each)

Dividend per share (in ₹) (Nominal value per share ₹ 10 each)

Interim dividend

Total dividend

b. Healthcare & Life Sciences

Current tax liabilities (net)

Total current liabiliti TOTAL EQUITY AND LIABILITIES

c. Technology Companies and Emerging Verticals

Quarter ended Half year ended								
Sr. No.	Darticulare	Sept. 30, 2021	June 30, 2021	Sept. 30, 2020	Sept. 30, 2021	Sept. 30, 2020	Year Ended March 31, 2021	
1	Segment revenue							
	- BFSI	4,141.95	3,792.03	3,217.36	7,933.98	6,370.47	12,857.05	
	- Healthcare & Life Sciences	2,868.95	2,515.76	1,941.90	5,384.71	3,899.37	8,104.24	
	 Technology Companies and Emerging Verticals 	6,501.59	5,991.47	4,918.21	12,493.06	9,721.48	20,917.59	
	Total	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88	
2	Less: Inter segment revenue	-	-	-	-	-	-	
3	Net sales/income from operations	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88	
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization							
	- BFSI	1,564.97	1,348.25	1,157.13	2,913.22	2,206.18	4,818.38	
	- Healthcare & Life Sciences	1,462.21	1,339.38	927.41	2,801.59	1,826.84	3,982.47	
	- Technology Companies and	2,027.46	1,921.38	1,754.81	3,948.84	3,342.75	6,449.40	
	Emerging Verticals							
	Total	5,054.64	4,609.01	3,839.35	9,663.65	7,375.77	15,250.25	
5	Less:							
	- Finance costs	20.94	22.62	14.20	43.56	28.36	57.94	
	- Other un-allocable expenses	3,181.53	2,943.90	2,615.01	6,125.43	5,129.10	10,175.60	
6	Un-allocable income	324.15	388.03	164.97	712.18	377.24	1,077.72	
7	Profit before tax	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43	

8	Segment assets	As at				
Ū		Sept. 30, 2021	Sept. 30, 2020	March 31, 2021		
	- BFSI	2,371.03	2,327.70	1,950.45		
	- Healthcare & Life Sciences	1,998.85	1,627.90	1,525.69		
	- Technology Companies and Emerging Verticals	5,199.29	3,838.57	4,405.60		
	Total allocable segment assets	9,569.17	7,794.17	7,881.74		
	Unallocable assets	30,791.59	24,826.30	28,773.50		
	Total assets	40,360.76	32,620.47	36,655.24		

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

Notes:

- 1 The audited condensed interim consolidated financial statements for the quarter and half year ended September 30, 2021, have been taken on record by the Board of Directors at its meeting (Day 2 of 3) held on on October 26, 2021 as recommended by the Audit Committee at its meeting held on October 25, 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.
- The Members of the Company at Thirty-First Annual General Meeting held on July 21, 2021 approved payment of Final Dividend of ₹ 6 per Equity Share for the Financial Year 2020-21 ('Final Dividend'). Accordingly, an amount of ₹ 458,503,678 was paid towards the Final Dividend as on September 30, 2021 out of the total dividend amount of ₹ 458,550,000. The remaining amount of ₹ 46,322 is unclaimed and the Company will make due efforts to pay the same to the respective Shareholders.

 5 The Nomination and Remuneration Committee of the Board of Directors, on October 7, 2021, approved grant of 1,565,315 (One Million Five Hundred and Sixty Five Thousand Three Hundred and Fifteen) Employee Stock Options (ESOPs) to its 8,747 (Eight Thousand Seven
- Hundred and Forty-Seven) eligible employees under Persistent Systems Limited Employee Stock Option Plan 2017 (ESOP 2017'). This is one of the most Inclusive ESOP grant in the Global IT Services Industry which covered approximate 80% employees of the Company.

 6 The Company has entered into an Asset Purchase Agreement with Shree Infosoft Pvt. Ltd., India ('Shree Infosoft') on September 29, 2021
- to acquire its business. Along with this transaction, the Company, through its wholly owned subsidiary, Persistent Systems Inc., USA, has acquired certain assets from Shree Partners LLC, USA, (Shree Partners) Parent company of Shree Infosoft. Persistent Systems Inc., a wholly owned Subsidiary of the Company acquired Software Corporation International, USA and its affiliate Fusion360 LLC, USA on October 5, 2021.
- 8 Klisma e-Services Private Limited ('Klisma'), an Associate of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. The dissolution of Klisma does not have any impact on the operations of the Company.
- 9 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

Audited consolidated cash flow statement for

the half year ended September 30, 2021									
Parkinglana	For the half	year ended	For the year ended						
Particulars	Sept. 30, 2021	Sept. 30, 2020	March 31, 2021						
Cash flow from operating activities									
Profit before tax	4,206.84	2,595.55	6,094.43						
Adjustments for: Interest income	(254.60)	(256.86)	(558.70)						
Finance costs	43.56	28.36	57.94						
Depreciation and amortization expense	720.92	875.40	1,755.50						
Unrealised exchange (gain)/loss (net)	(18.56)	116.66	139.55						
Change in foreign currency translation reserve	66.62	(487.82)	(42.32)						
Exchange loss / (gain) on derivative contracts	57.87	(66.75)	(169.80)						
Exchange loss on translation of foreign currency cash and cash equivalents	3.46	18.51	11.50						
Bad debts Change in provision for expected credit loss (net)	(27.36)	105.62	90.30 31.32						
Employee stock compensation expenses	364.80	105.62	290.44						
Provision for diminution in value of investments	147.68	18.74	18.53						
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(132.97)	27.39	10.25						
Impairment of loan	-	-	23.96						
Excess provision in respect of earlier years/period (written back)	(32.55)	(6.57)	(41.79)						
Profit on sale/ fair valuation of financial assets designated as FVTPL	(233.58)	(203.37)	(346.74)						
Profit on sale of property, plant and equipment (net)	(4.72)	(3.65)	(1.34)						
Operating profit before working capital changes	4,907.41	2,868.45	7,363.03						
Movements in working capital : Increase in non-current and current loans	(0.11)	(0.16)	(40.03)						
Increase in other non current assets	(109.05)	(5.83)	(76.81)						
(Increase) / Decrease in other current financial assets	(881.19)	51.25	(104.23)						
Decrease in other current assets	232.49	216.85	58.26						
(Increase)/ Decrease in trade receivables	(749.25)	(45.56)	58.49						
Increase/ (Decrease) in trade payables, current liabilities and non current liabilities	1,318.68	(263.11)	757.56						
Increase/ (Decrease) in provisions	(171.83)	253.68	924.95						
Operating profit after working capital changes	4,547.15	3,075.57	8,941.22						
Direct taxes paid (net of refunds) Net cash generated from operating activities (A)	(1,150.38) 3,396.77	(691.91) 2,383.66	(1,581.97) 7,359.25						
Cash flows from investing activities (A)	3,390.77	2,363.00	7,339.23						
Payment towards capital expenditure (including intangible assets,	(2,325.90)	(451.63)	(1,281.04)						
capital advances and capital creditors)	(=,===:,	(,	(=/======,/						
Proceeds from sale of property, plant and equipment	15.21	7.96	30.02						
Acquisition of step-down subsidiary including cash and cash equivalents: Nil	-	-	(448.47)						
(Corresponding period: Nil / Previous year ₹ 30.90 million)	(======	/=== /=>	(=, =, +=)						
Purchase of bonds	(562.62)	(520.48)	(712.18)						
Proceeds from sale/ maturity of bonds Investments in mutual funds	239.35 (15,686.10)	172.84 (11,815.87)	350.53 (24,591.91)						
Proceeds from sale / maturity of mutual funds	19,127.50	13,358.42	25,068.92						
Maturity / (investments) of bank deposits	740.08	(3,738.15)	(4,198.89)						
Loan to ESOP trust	(1,880.00)	-	-						
Interest received	368.05	160.38	366.29						
Net cash generated/(used in) investing activities (B)	35.57	(2,826.53)	(5,416.73)						
Cash flows from financing activities									
Repayment of long term borrowings	(1.85)	(3.18)	(4.54)						
Payment of lease liabilities	(167.57)	(145.25)	(319.11)						
Specific project related grant received Interest paid	(43.67)	9.00 (0.35)	9.00 (58.01)						
Dividends paid	(458.55)	(1.33)	(1,069.95)						
Net cash used in financing activities (C)	(671.64)	(141.11)	(1,442.61)						
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,760.70	(583.98)	499.91						
Cash and cash equivalents at the beginning of the year	2,419.30	1,899.99	1,899.99						
Cash and cash equivalents acquired on acquisition	-	-	30.90						
Effect of exchange difference on translation of foreign	(3.46)	(18.51)	(11.50)						
currency cash and cash equivalents									
Cash and cash equivalents at the end of the period / year	5,176.54	1,297.50	2,419.30						
Components of cash and cash equivalents	0.00		0.44						
Cash on hand	0.23	0.21	0.41						
Cheques on hand Balances with banks	1.34	_	· .						
On current accounts #	4,682.35	1,105.90	1,583.20						
On saving accounts	4,002.35 8.46	0.48	1,363.20						
On exchange earner's foreign currency accounts	358.60	169.91	208.57						
On deposit accounts with original maturity less than three months	125.56	21.00	625.79						
Cash and cash equivalents	5,176.54	1,297.50	2,419.30						
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Of the cash and cash equivalent balance as at September 30, 2021, the Group can utilise ₹ 170.21 million (Corresponding period: ₹ 0.12 million/ Previous year: ₹ 154.39 million) only towards certain predefined activities specified in the agreement of the expectation of

By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande

Chairman and Managing Director $For \ risks \ and \ uncertainties \ relating \ to \ forward-looking \ statements, \ please \ visit \ our \ website: -www.persistent.com$

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Independent Auditor's Report on Consolidated Quarterly Financial Results and Year to Date 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 September 2021 and the year to date results for the period from 1 April 2021 to 30 September 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
 - (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 September 2021 and the year to date results for the period 1 April 2021 to 30 September 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 ICAl') 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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Independent Auditor's Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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

- 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 ₹ 4,799.57 Million as at 30 September 2021, total revenues of ₹ 2,433.92 Million, total net profit after tax of ₹ 192.53 Million, total comprehensive income of ₹11.43 Million, and cash inflows (net) of ₹ 66.21 Million for the quarter and half year ended 30 September 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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Independent Auditor's Report on Consolidated Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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 and period ended 10 August 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 Chandiok & Co LLP

Chartered Accountants Firm Registration No:001076N/N500013

SHASHI TADWALKAR Date: 2021.10.26 19:10:04 +05'30'

Digitally signed by SHASHI TADWALKAR

Shashi Tadwalkar

Partner

Membership No:101797

UDIN:21101797AAAADS2432

Place: Pune

Date: 26 October 2021

Independent Auditor's Report on Consolidated Quarterly Financial Results and Year to Date 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 (Dissolved w.e.f. 10 August 2021)	Associate company of PSL

Registered Office: Bhageerath, 402, Senapati Bapat Road, Pune 411016, India Ph. No. +91(20)67030000; Fax +91(20)67030009; Email: info@persistent.com, 'www.persistent.com'. CIN L72300PN1990PLC056696

Audited consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2021

in ₹ Million

Car	Deuties I	1		Ou auton ou d - J		Half year ended		In ₹ Million	
Sr.	Particulars			Quarter ended				Year ended	
No.			September 30,	June 30,	September 30,	September 30,	September 30,	March 31,	
			2021	2021	2020	2021	2020	2021	
	Income								
1	Revenue from operations (net)		13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88	
2	Other income		324.15	388.03	164.97	712.18	377.24	1,077.72	
3	Total income	(1+2)	13,836.64	12,687.29	10,242.44	26,523.93	20,368.56	42,956.60	
4	Expenses	()							
-	- Employee benefits expense		8,092.37	7,323.69	6,096.84	15,416.06	11,881.91	25,157.99	
	- Cost of professionals		1,999.54	1,804.25	1,351.40	3,803.79	2,701.87	5,563.68	
	- Finance costs		20.94	22.62	14.20	43.56	28.36	57.94	
	- Depreciation and amortization expense		370.83	350.09	439.79	720.92	875.40	1,755.50	
	- Other expenses		1,176.64	1,156.12	965.10	2,332.76	2,285.47	4,327.06	
	Total Expenses		11,660.32	10,656.77	8,867.33	22,317.09	17,773.01	36,862.17	
5	Profit before exceptional items and tax	(3-4)	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43	
6	Exceptional items	(0 1)	_,_,_,	_,000.02	-	-		-	
7	Profit before tax	(5-6)	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43	
8	Tax expense	()	_,	_,::::::=			_,;;;;;;	3,00	
	- Current tax		538.63	547.36	436.17	1,085.99	866.93	1,774.01	
	- Tax charge / (credit) in respect of earlier		(3.88)	(13.73)	(0.87)	(17.61)	7.43	10.58	
1	years / periods		(=.50)	(==:,0)	[(3.37)	(=: .01)		-5.50	
	- Deferred tax charge / (credit)		24.04	(15.59)	(80.05)	8.45	(198.75)	(196.93)	
	Total tax expense		558.79	518.04	355.25	1,076.83	675.61	1,587.66	
9	Profit for the period / year	(7-8)	1,617.53	1,512.48	1,019.86	3,130.01	1,919.94	4,506.77	
10	Other comprehensive income								
	A. Items that will not be reclassified to profit								
	and loss								
	- Remeasurements of the defined benefit		(38.37)	(61.72)	8.71	(100.09)	17.95	10.25	
	liabilities / assets (net of tax)								
			(38.37)	(61.72)	8.71	(100.09)	17.95	10.25	
	B. Items that may be reclassified to profit and								
	loss		22.44	(05.40)	404.04	(50.00)	240.00	202 54	
	- Effective portion of cash flow hedge (net of		22.11	(95.10)	191.01	(72.99)	340.99	383.54	
	tax)		(12.50)	120.21	(500.04)	114 70	(455.01)	(20.07)	
	- Exchange differences in translating the		(13.58)	128.31	(532.06)	114.73	(455.01)	(20.07)	
	financial statements of foreign operations		8.53	33.21	(341.05)	41.74	(114.02)	363.47	
1			0.33	33.21	(341.03)	41./4	(114.02)	303.47	
1	Total other comprehensive income for the	(A+B)	(29.84)	(28.51)	(332.34)	(58.35)	(96.07)	373.72	
1	period / year	(22.0)	(27.04)	(20.31)	(552.54)	(50.55)	(50.07)	373.72	
11	Total comprehensive income for the period/	(9+10)	1,587.69	1,483.97	687.52	3,071.66	1,823.87	4,880.49	
	year (Comprising Profit / (Loss) and Other	(- 10)	2,007.03	1,100.57	00.132	5,5. 2.00	1,020.07	_,000.19	
1	Comprehensive Income for the period / year)								
12	Paid-up equity share capital		764.25	764.25	764.25	764.25	764.25	764.25	
12	(Face value of share ₹ 10 each)		701.23	704.25	, 01.25	,04.20	701.23	701.20	
13	Other equity excluding revaluation reserves							27,192.41	
14	Earnings per equity share in ₹ (Nominal value							2,11,2,41	
14	of share ₹ 10 each)								
	- Basic		21.16	19.79	13.34	40.96	25.12	58.97	
	- Diluted		21.16	19.79	13.34	40.96	25.12	58.97	
15	Dividend per share (in ₹) (Nominal value per		22.10	15,75	10.01	10.50	25.12	33.57	
1	share ₹ 10)								
1	<u>'</u>								
	Interim dividend		-	-	-	-	-	14.00	
	Final dividend		-	-	-	-	-	6.00	
	Total dividend		-	-	-	-	-	20.00	

Audited consolidated statement of assets and liabilities

in ₹ Million

Particulars	As at	As at	As at
i anculais	September 30,	September 30,	March 31,
	2021	2020	2021
ASSETS			
Non-current assets			
Property, plant and equipment	2,785.17	2,194.48	2,401.4
Capital work-in-progress	7.57	24.84	121.8
Right- of- use assets	1,054.83	642.25	852.5
Goodwill	108.79	86.70	85.9
Other intangible assets	1,192.79	1,365.41	1,229.
· ·		,	,
Financial assets			
- Investments	3,871.73	3,882.21	3,621
- Loans	2,064.14	150.72	134.
-Other non-current financial assets	41.35	143.66	25.
Deferred tax assets (net)	1,065.25	1,031.30	1,037.
Other non-current assets	1,513.36	324.72	441.
Total non-current assets	13,704.98	9,846.29	9,952.
Current assets			
Financial assets			
- Investments	3,144.89	4,933.32	6,374.
	6,515.21	5,776.88	5,708.
- Trade receivables (net)		,	
- Cash and cash equivalents	5,176.54	1,297.50	2,419.
- Other bank balances	6,469.83	6,675.93	7,389.
- Loans	21.99	63.56	71.
- Other current financial assets	3,193.00	2,151.83	2,467.
Current tax assets (net)	283.09	165.77	188.
Other current assets	1,851.23	1,709.39	2,083.
Total current assets	26,655.78	22,774.18	26,703.
TOTAL ASSETS	40,360.76	32,620.47	36,655.2
EQUITY AND LIABILITIES			
Equity	764.05	7/4.05	764
Equity share capital	764.25	764.25	764.
Other equity	30,170.18	24,927.49	27,192.
Total Equity	30,934.43	25,691.74	27,956.
Liabilities			
Non- current liabilities			
Financial liabilities			
- Lease liabilities	897.95	438.24	716.
- Borrowings	43.34	45.52	44
Provisions	268.22	254.12	240.
Total Non- current liabilities	1,209.51	737.88	1,001.
Current liabilities			
Financial liabilities			
- Lease liabilities	250.96	295.84	222.
- Trade payables	3,479.88	2,517.90	2,733.
- Other financial liabilities	169.67	154.78	390
Other current liabilities	1,698.57	1,103.10	1,514
Provisions	2,278.68	1,793.34	2,477.
Current tax liabilities (net)	339.06	325.89	358.
		6,190.85	7,697.
Total current liabilities	8,216.82	0,190.03	1,097.

Audited unconsolidated financial information

in ₹ Million

Particulars	Quarter ended			Half yea	Year ended	
	September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
Revenue from operations (net)	8,469.85	7,648.34	5,961.78	16,118.19	11,523.16	24,796.08
Profit before tax	2,078.90	2,209.87	1,594.29	4,288.77	3,169.77	6,680.20
Profit after tax	1,523.95	1,660.95	1,176.35	3,184.90	2,391.11	5,050.86

Segment wise Revenue, Results and Capital Employed

The operating segments are:

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

in ₹ Million

							in ₹ Million
Sr.	Particulars		Quarter ended		Half yea	r ended	Year ended
No.		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
1	Segment revenue						
	- BFSI	4,141.95	3,792.03	3,217.36	7,933.98	6,370.47	12,857.05
	- Healthcare & Life Sciences	2,868.95	2,515.76	1,941.90	5,384.71	3,899.37	8,104.24
	- Technology Companies and	6,501.59	5,991.47	4,918.21	12,493.06	9,721.48	20,917.59
	Emerging Verticals						
	Total	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88
2	Less: Inter segment revenue	-	-	-	-	-	-
3	Net sales/income from operations	13,512.49	12,299.26	10,077.47	25,811.75	19,991.32	41,878.88
4	Segment results i.e. profit/ (loss) before tax,						
	interest and depreciation and amortization						
	- BFSI	1,564.97	1,348.25	1,157.13	2,913.22	2,206.18	4,818.38
	- Healthcare & Life Sciences	1,462.21	1,339.38	927.41	2,801.59	1,826.84	3,982.47
	- Technology Companies and	2,027.46	1,921.38	1,754.81	3,948.84	3,342.75	6,449.40
	Total	5,054.64	4,609.01	3,839.35	9,663.65	7,375.77	15,250.25
5	Less:						
	- Finance costs	20.94	22.62	14.20	43.56	28.36	57.94
	- Other un-allocable expenses	3,181.53	2,943.90	2,615.01	6,125.43	5,129.10	10,175.60
6	Un-allocable income	324.15	388.03	164.97	712.18	377.24	1,077.72
7	Profit before tax	2,176.32	2,030.52	1,375.11	4,206.84	2,595.55	6,094.43

8	Segment assets			in ₹ Million	
			As on		
		September 30,	September 30,	March 31,	
		2021	2020	2021	
	- BFSI	2,371.03	2,327.70	1,950.45	
	- Healthcare & Life Sciences	1,998.85	1,627.90	1,525.69	
	- Technology Companies and Emerging Verticals	5,199.29	3,838.57	4,405.60	
	Total allocable segment assets	9,569.17	7,794.17	7,881.74	
	Unallocable assets	30,791.59	24,826.30	28,773.50	
	Total assets	40,360.76	32,620.47	36,655.24	

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.

			in ₹ Millior
		year ended	For the year ended
Cook flow from anomating activities	September 30, 2021	September 30, 2020	March 31, 2021
Cash flow from operating activities Profit before tax	4,206.84	2,595.55	6,094.43
Adjustments for:	1,200.01	2,333.33	0,074.43
Interest income	(254.60)	(256.86)	(558.70)
Finance costs	43.56	28.36	57.94
Depreciation and amortization expense	720.92	875.40	1,755.50
Unrealised exchange (gain)/loss (net)	(18.56)	116.66	139.55
Change in foreign currency translation reserve	66.62	(487.82)	(42.32
Exchange loss / (gain) on derivative contracts	57.87	(66.75)	(169.80
Exchange loss on translation of foreign currency cash and cash equivalents	3.46	18.51	11.50
Bad debts	-	-	90.30
Change in provision for expected credit loss (net)	(27.36)	105.62	31.32
Employee stock compensation expenses	364.80	107.24	290.44
Provision for diminution in value of investments Remeasurements of the defined benefit liabilities / asset (before tax effects)	147.68 (132.97)	18.74 27.39	18.53 10.25
Impairment of loan	(132.97)	27.39	23.96
Excess provision in respect of earlier years/period (written back)	(32.55)	(6.57)	(41.79
Profit on sale/ fair valuation of financial assets designated as FVTPL	(233.58)	(203.37)	(346.74
Profit on sale of property, plant and equipment (net)	(4.72)	(3.65)	(1.34
Operating profit before working capital changes	4,907.41	2,868.45	7,363.03
Movements in working capital :	·		
Increase in non-current and current loans	(0.11)	(0.16)	(40.03
Increase in other non current assets	(109.05)	(5.83)	(76.81
(Increase) / Decrease in other current financial assets	(881.19)	51.25	(104.23
Decrease in other current assets	232.49	216.85	58.26
(Increase)/ Decrease in trade receivables	(749.25)	(45.56)	58.49
Increase/ (Decrease) in trade payables, current liabilities and non current liabilities	1,318.68	(263.11)	757.56
Increase/ (Decrease) in provisions	(171.83)	253.68	924.95
Operating profit after working capital changes	4,547.15	3,075.57	8,941.22
Direct taxes paid (net of refunds) Net cash generated from operating activities (A)	(1,150.38) 3,396.7 7	(691.91) 2,383.66	(1,581.97 7,359.25
Net cash generated from operating activities (A)	3,390.77	2,363.00	7,339.23
Cash flows from investing activities Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)	(2,325.90)	(451.63)	(1,281.04)
Proceeds from sale of property, plant and equipment Acquisition of step-down subsidiary including cash and cash equivalents: Nil (Corresponding period: Nil / Previous year ₹ 30.90 million)	15.21	7.96 -	30.02 (448.47
Purchase of bonds	(562.62)	(520.48)	(712.18
Proceeds from sale/ maturity of bonds	239.35	172.84	350.53
Investments in mutual funds	(15,686.10)	(11,815.87)	(24,591.91
Proceeds from sale / maturity of mutual funds	19,127.50	13,358.42	25,068.92
Maturity / (investments) of bank deposits	740.08	(3,738.15)	(4,198.89
Loan to ESOP trust	(1,880.00)	-	-
Interest received	368.05	160.38	366.29
Net cash generated/(used in) investing activities (B)	35.57	(2,826.53)	(5,416.73
Cash flows from financing activities			
Repayment of long term borrowings	(1.85)	(3.18)	(4.54
Payment of lease liabilities	(167.57)	(145.25)	(319.11
Specific project related grant received	- (====================================	9.00	9.00
Interest paid	(43.67)	(0.35)	(58.01
Dividends paid	(458.55)	(1.33)	(1,069.95
Net cash used in financing activities (C)	(671.64)	(141.11)	(1,442.61
Net increase/(decrease) in cash and cash equivalents (A + B + C)	2,760.70	- 583.98	499.91
Cash and cash equivalents at the beginning of the year	2,419.30	1,899.99	1,899.99
Cash and cash equivalents acquired on acquisition		-	30.90
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(3.46)	(18.51)	(11.50
Cash and cash equivalents at the end of the period/year	5,176.54	1,297.50	2,419.30
Components of cash and cash equivalents	0.23	0.21	0.41
	1	0.21	0.41
Cash on hand	1 2/		_
Cash on hand Cheques on hand (refer note 14)	1.34		
Cash on hand Cheques on hand (refer note 14) Balances with banks		1 105 90	1 583 20
Cash on hand Cheques on hand (refer note 14) Balances with banks On current accounts #	4,682.35	1,105.90 0.48	
Cash on hand Cheques on hand (refer note 14) Balances with banks On current accounts # On saving accounts	4,682.35 8.46	0.48	1.33
Cash on hand Cheques on hand (refer note 14) Balances with banks On current accounts #	4,682.35	· ·	1,583.20 1.33 208.57 625.79

[#] Of the cash and cash equivalent balance as at September 30, 2021, the Group can utilise $\stackrel{?}{_{\sim}}$ 170.21 million (Corresponding period: $\stackrel{?}{_{\sim}}$ 0.12 Million/ Previous year: $\stackrel{?}{_{\sim}}$ 154.39 million) only towards certain predefined activities specified in the agreement.

Notes:

- 1 The audited condensed interim consolidated financial statements for the quarter and half year ended September 30, 2021, have been taken on record by the Board of Directors at its meeting (Day 2 of 3) held on October 26, 2021 as recommended by the Audit Committee at its meeting held on October 25, 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 Members of the Company at Thirty-First Annual General Meeting held on July 21, 2021 approved payment of Final Dividend of ₹ 6 per Equity Share for the Financial Year 2020-21 ('Final Dividend'). Accordingly, an amount of ₹ 458,503,678 was paid towards the Final Dividend as on September 30, 2021 out of the total dividend amount of ₹ 458,550,000. The remaining amount of ₹ 46,322 is unclaimed and the Company will make due efforts to pay the same to the respective Shareholders.
- 5 The Nomination and Remuneration Committee of the Board of Directors, on October 7, 2021, approved grant of 1,565,315 (One Million Five Hundred and Sixty Five Thousand Three Hundred and Fifteen) Employee Stock Options (ESOPs) to its 8,747 (Eight Thousand Seven Hundred and Forty-Seven) eligible employees under Persistent Systems Limited Employee Stock Option Plan 2017 ('ESOP 2017'). This is one of the most Inclusive ESOP grant in the Global IT Services Industry which covered approximate 80% employees of the Company.
- 6 The Company has entered into an Asset Purchase Agreement with Shree Infosoft Pvt. Ltd., India ('Shree Infosoft') on September 29, 2021 to acquire its business. Along with this transaction, the Company, through its wholly owned subsidiary, Persistent Systems Inc., USA, has acquired certain assets from Shree Partners LLC, USA, (Shree Partners) Parent company of Shree Infosoft.
- 7 Persistent Systems Inc., a wholly owned Subsidiary of the Company acquired Software Corporation International, USA and its affiliate Fusion360 LLC, USA on October 5, 2021.
- 8 Klisma E-Services Private Limited ('Klisma'), an Associate Company of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. The dissolution of Klisma does not have any impact on the operations of the Company.
- 9 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

Pune

•National Stock Exchange of India Ltd.: www.nseindia.com

By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande

Date: October 26, 2021 Chairman and Managing Director

"For risks and uncertainties relating to forward-looking statements, please visit our website :- www.persistent.com"

Anand Deshpande

Walker Chandiok & Co LLP

3rd floor, Unit No. 309 to 312, West Wing, Nyati Unitree Nagar Road, Yerwada, Pune - 411006 Maharashtra, India

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Independent Auditor's Report on Audited unconsolidated Quarterly Financial Results and Year to Date 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 results ('the Statement') of Persistent Systems Limited ('the Company') for the quarter ended 30 September 2021 and the year to date results for the period from 1 April 2021 to 30 September 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.
- In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - is presented in accordance with the requirements of Regulation 33 of the Listing Regulations, read with SEBI Circulars CIR/CFD/FAC/62/2016 dated 5 July 2016 (hereinafter referred to as 'the SEBI Circulars'), 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 Act read with relevant rules issued thereunder and other accounting principles generally accepted in India of the standalone net profit after tax (including other comprehensive income) and other financial information of the Company for the quarter ended 30 September 2021 and the year to date results for the period 1 April 2021 to 30 September 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 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.

Page 1 of 3

Independent Auditor's Report on Audited unconsolidated Quarterly Financial Results and Year to Date 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(s). 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.
- 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 Board of Directors.

Page 2 of 3

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

- Conclude on the appropriateness of the Board of Directors' 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 standalone financial results, including the disclosures, and whether the financial results 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 Digitally signed by SHASHI TADWALKAR Date: 2021.10.26 19:14:52 +05'30'

Shashi Tadwalkar

Partner

Membership No:101797

UDIN:21101797AAAADR7472

Place: Pune

Date: 26 October 2021

Registered Office: Bhageerath, 402, Senapati Bapat Road, Pune 411016, India
Ph. No. +91(20)67030000; Fax +91(20)67030009; Email: info@persistent.com, 'www.persistent.com'. CIN L72300PN1990PLC056696

Audited unconsolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2021

(In ₹ Million)

								(In ₹ Million)
Sr. No.	Particulars		Quarter ended		Half year ended		Year ended	
			September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
	Income							
1	Revenue from operations (net)		8,469.85	7,648.34	5,961.78	16,118.19	11,523.16	24,796.08
2	Other income		281.65	344.68	207.22	626.33	500.98	1,176.16
3	Total income	(1+2)	8,751.50	7,993.02	6,169.00	16,744.52	12,024.14	25,972.24
4	Expenses	()	0,100.00	.,	0,20000	,		
-	- Employee benefits expense		5,109.82	4,441.54	3,265.09	9,551.36	6,322.35	14,093.21
	- Cost of professionals		472.67	337.25	483.76	809.92	861.46	1,775.07
	- Finance costs		17.19	18.50	9.80	35.69	18.59	38.21
	- Depreciation and amortization expense		197.79	162.71	139.06	360.50	270.87	566.79
	- Other expenses		875.13	823.15	677.00	1,698.28	1,381.10	2,818.76
	Total expenses		6,672.60	5,783.15	4,574.71	12,455.75	8,854.37	19,292.04
5	Profit before exceptional items and tax	(3-4)	2,078.90	2,209.87	1,594.29	4,288.77	3,169.77	6,680.20
6	Exceptional items	(3-1)	2,070.50	2,203.07	1,074.27	4,200.77	-	0,000.20
7	1 *	(F.C)	2.070.00	2 200 07	1 504 20			
l '	Profit before tax	(5-6)	2,078.90	2,209.87	1,594.29	4,288.77	3,169.77	6,680.20
8	Tax expense							
	- Current tax		518.83	537.22	430.03	1,056.05	840.00	1,684.00
	- Tax charge / (credit) in respect of earlier years		-	-	-	-	2.74	2.74
	- Deferred tax charge / (credit)		36.12	11.70	(12.09)	47.82	(64.08)	(57.40)
	Total tax expense		554.95	548.92	417.94	1,103.87	778.66	1,629.34
9	Profit for the period / year	(7-8)	1,523.95	1,660.95	1,176.35	3,184.90	2,391.11	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		(39.47)	(58.30)	6.53	(97.77)	24.26	15.93
	(net of tax)		(03.17)	(50.50)	0.55	(>,)	21.20	10.50
	((39.47)	(58.30)	6.53	(97.77)	24.26	15.93
	B. Items that may be reclassified to profit and loss		(***-*)	(*****)		(*****)		
	- Effective portion of cash flow hedge (net of tax)		22.11	(95.11)	191.01	(73.00)	340.99	383.55
	Effective portion of cash now neage (net of tax)		22.11	, ,	191.01	(73.00)	340.99	383.55
			22.11	(95.11)	191.01	(73.00)	340.99	383.55
			(45.40)	(4== 44)	40==4		247.07	****
1	Total other comprehensive income for the period/year	(A+B)	(17.36)	(153.41)	197.54	(170.77)	365.25	399.48
1								
11	Total comprehensive income for the period/year	(9+10)	1,506.59	1,507.54	1,373.89	3,014.13	2,756.36	5,450.34
	(Comprising Profit/ (Loss) and Other Comprehensive							
	Income for the period/ year)							
12	Paid-up equity share capital		764.25	764.25	764.25	764.25	764.25	764.25
	(Face value of share ₹ 10 each)							
13	Other equity excluding revaluation reserves							26,890.99
14	Earnings per equity share in ₹ (Nominal value of share ₹ 10							
	each)							
	- Basic		19.94	21.73	15.39	41.67	31.29	66.09
	- Diluted		19.94	21.73	15.39	41.67	31.29	66.09
15	Dividend per share (in ₹) (Nominal value of share ₹ 10		19.94	21.73	15.59	41.07	31.27	30.07
10	each)							
	Interim dividend							14.00
	Final dividend		·	-	-	_	-	14.00 6.00
	Total dividend		-	-	-	-	-	20.00
<u> </u>	Total dividend				_		-	20.00

Audited unconsolidated statement of assets and liabilities

(In ₹ Million)

Particulars	As on September 30, 2021	As on September 30, 2020	As on March 31, 20			
ASSETS						
Non-current assets						
Property, plant and equipment	2,601.22	2,040.34	2,2			
Capital work-in-progress	7.15	23.63				
Right of use assets	556.78	347.20				
Other intangible assets	176.27	174.53				
Financial assets	170.27	174.03				
- Investments	8,165.99	7,664.60	7,			
- Loans	1,987.70	101.45	,,			
-Other non-current financial assets	3,010.95	143.66				
Deferred tax assets (net)	222.47	266.74				
Other non-current assets	1,417.97	319.71				
Total non-current assets	18,146.50	11,081.86	11,			
Current assets						
Financial assets						
- Investments	3,144.87	4,933.32	6,			
- Trade receivables (net)	3,383.92	2,642.65	2,			
- Cash and cash equivalents	638.75	497.51				
- Other bank balances	6,308.38	6,431.04	7,			
- Loans	6.00	7.16				
- Other current financial assets	2,756.01	2,122.70	2,			
Other current assets	1,535.35	1,661.95	1,			
Total current assets	17,773.28	18,296.33	21,			
TOTAL ASSETS	35,919.78	29,378.19	32,			
EQUITY AND LIABILITIES						
Equity						
Equity share capital	764.25	764.25				
Other equity	29,811.43	24,989.27	26,			
Total Equity	30,575.68	25,753.52	27,			
Total Equity	30,373.08	23,733.32	27,			
Liabilities						
Non- current liabilities						
Financial liabilities						
- Lease liabilities	518.87	254.94				
- Borrowings	3.69	5.54				
Provisions T-1-1 Non-constant like little	252.59	225.80				
Total Non- current liabilities	775.15	486.28				
Current liabilities						
Financial liabilities						
- Lease liabilities	112.83	162.34				
- Trade payables	902.14	824.85				
- Other financial liabilities	167.97	146.82				
Other current liabilities	1,961.69	872.53	1,			
Provisions	1,168.02	824.21	1,			
Current tax liabilities (net)	256.30	307.64				
Total current liabilities	4,568.95	3,138.39	4,			
	1,000,50	-,	32,			

(In ₹ Million)

Cash froms from operating activities Porfile before tax Allgustaments Cash from strom operating activities Cash from strom income Cash		1		(In ₹ Million)
Cash Bows from operating activities				For the year ended
Puritis before tax Allastiments for Citation C		September 30, 2021	September 30, 2020	March 31, 2021
Adjustments for: Interest income Finance cost Finance cost Finance cost Finance cost Finance cost Dipreciation and amortization expense Unrealised exchange loss (net) Dipreciation and amortization expense Dipreciation and amortization expense Unrealised exchange loss (net) Directacing loss / (gain) on derivative contracts Dechange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cosh equivalents Lockange (not) / (soe on translation of foreign currency cost and cost equivalents Lockange (not) / (soe on translation of foreign current and current loans Lockange (not) / (soe on translation of foreign current and current loans Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial assets Lockange (not) / (soe on translation of foreign current financial current financial current financial current financial current financial cu			****	6 500 50
Interest income		4,288.77	3,169.77	6,680.20
Finance cost 55,69 15,50 10,50	l '	(251 23)	(251 57)	(548.82)
Divident income		· '	` ′	38.21
Depreciation and ameritation expense 30.650 27.087 56.67 10.08		-		(131.45)
Exchange loss / (gain) on derivative contracts		360.50	` ′	566.79
Exchange (gain Less on translation of foreign currency cash and cash equivalents 1.5		30.66	0.85	151.02
Bad debts		57.87	(66.75)	(169.80)
Change in provision for expected credit loss (net)	Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(3.59)	0.41	23.15
Employee stock compensation expenses 277.34 73.01 250.5 250.		-	-	46.96
Remeasurements of the defined benefit labilities / asset (before tax effects)		` ′		(20.20)
Porifi on sale / fatr valuation of financial assets designated as FVITE (218.20) (203.37) (244.47) (2.52) (2.53) (2.55) (2		1		236.33
Profit Jose on sale of property, plant and equipment (net) 4,53,45 2,992.50 6,551.95		1 '		15.93
Operating profit before working capital changes 4,503.45 2,992.30 6,551.90 Morements in working capital: (16.69) 1,931 37.0 (Increase) / Decrease in non-current and current loans (16.69) 1,231 37.0 (Increase) / Decrease in onder current financial assets (76.58,22) 126.14 88.8 Decrease / (Increase) in other current assets (10.69) 1,231 37.0 (Increase) / Decrease in trade revarbales (40.11) 192.25 (31.56) (Increase) in bear current liabilities and non current liabilities and payables, current liabilities and non current liabilities and payables, current liabilities and non		· ′	` ′	, ,
Movements in working capital: (16-99)			` '	
(Increase) / Decrease in non-current and current loans (Increase) 16,000 19,31 37,000 10,000		4,505.45	2,992.30	0,551.99
(Increase) in other non current assets ((16.00)	10.21	27.02
(Increase) / Decrease in other current financial assets 765.82 126.14 5638 5000 5		1 ' '		
Decrease Increase in other current assets 120.82 (17.55.83 17.15 (17.65.	[` '	1 ' '	, ,	363.88
(thorcase) / Decrease in trade receivables (440.16) 192.55 (312.6 Increase in trade payables, current liabilities and no current liabilities 56.679 16.88 1.0594		1 ' '		(171.56)
Increase in trade payables, current liabilities and non current liabilities 566.79 16.83 1,059.4 16.75 1.059.4 1.059.4 1.059.4 1.059.4 1.059.4 1.059.4 1.059.4 1.059.5 1.059.4 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1.059.4 1.059.5 1			` ′	(312.65)
Increase in provisions 3.408 276.84 6.13.2 (0.134.187) (0.16		1 ' '		1,059.46
Depending profit after working capital changes 3,988.54 3,444.85 8,062.75 1,114.177 (61.99) 1,149.48 1,14		34.08	276.84	613.36
Net cash generated from operating activities		3,988.54	3,444.85	8,062.77
Cash flows from investing activities Payment towards capital expenditure (including intangible assets, capital advances and capital creditors) C328.08 (707.2 capital creditors) C329.06 (2.969.60) C	Direct taxes paid (net of refunds)	(1,144.77)	(661.99)	(1,494.81)
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors) Capital creditors Capital creditor	Net cash generated from operating activities (A)	2,843.77	2,782.86	6,567.96
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors) Capital creditors Capital creditor				
capital creditors) Proceeds from sale of property, plant and equipment Sology (2,969,60) Proceeds from sale of property, plant and equipment (2,969,60) Proceeds from sale of broberty (1,880,00) Purchase of bonds (562,62) (520,48) (712,14) Proceeds from sale of bonds (15,686,10) Investments in mutual funds (18,000) Investments in mutual funds Investments in mutual funds (18,000) Investments in mutual funds Investments in bank deposits having original maturity over three months Investments in investing activities Investments in bank deposits having original maturity over three months Investments in investing activities Investments in investing activities Investments in bank deposits having original maturity over three months Investments in investing activities Investments investing activities Investments investing activities Investments in investing activities Investments in investing activities Investments in investing activities Investments investing activities Investments investing activities Investments in	Cash flows from investing activities			
Proceeds from sale of property, plant and equipment	Payment towards capital expenditure (including intangible assets, capital advances and	(2,027.12)	(328.08)	(707.24)
Share application money paid (2,969,60)	capital creditors)			
Investment in wholly owned subsidiaries	Proceeds from sale of property, plant and equipment	5.05	7.59	4.13
Loan to ESOP trust	Share application money paid	(2,969.60)	-	-
Purchase of bonds (562.62) (52.048) (712.1 Proceeds from sale of bonds 239.35 172.84 350.5 Investments in mutual funds (15,686.10) (11,815.87) (24,591.9 Proceeds from sale / maturity of mutual funds 19,127.50 13,358.42 25,068.9 Maturity / (investments) in bank deposits having original maturity over three months 900.50 (3,759.80) (4,648.8 Interest received 363.04 154.76 359.8 Dividend received - - 131.4 Net cash used in investing activities (B) (2,490.00) (2,730.62) (4,937.8 Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (85.13) (91.11) (173.1 Dividend paid in financing activities (C) (581.33) (86.95) (1,276.8	Investment in wholly owned subsidiaries	-	-	(376.61)
Proceeds from sale of bonds 239.35 172.84 350.5 Investments in mutual funds (15,686.10) (11,815.87) (24,591.9 Proceeds from sale / maturity of mutual funds 19,127.50 13,358.42 25,068.9 Maturity / (investments) in bank deposits having original maturity over three months 900.50 (3,759.80) (4,464.8) Interest received 363.04 154.76 359.8 Dividend received - - - 131.4 Net ash used in investing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities (B) (2,490.00) (2,730.62) (4,937.8 Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of long term borrowings (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (85.13) (91.11) (173.1 Dividend paid in financing activities (C) (581.33)	Loan to ESOP trust	(1,880.00)	-	-
Investments in mutual funds	Purchase of bonds	(562.62)	(520.48)	(712.18)
Proceeds from sale / maturity of mutual funds Maturity / (investments) in bank deposits having original maturity over three months Interest received Interest received Net cash used in investing activities Repayment of long term borrowings Repayment of lease liabilities Repayment of lease liabilities Repayment of lease liabilities Reteash used in financing activities Reteash used in financing activities Repayment of lease liabilities Repayment of lease liabilities Reteash used in financing activities Repayment of lease liabilities Repayment of lease li	Proceeds from sale of bonds	239.35	172.84	350.53
Proceeds from sale / maturity of mutual funds Maturity / (investments) in bank deposits having original maturity over three months Interest received Interest received Net cash used in investing activities Repayment of long term borrowings Repayment of lease liabilities Repayment of lease liabilities Repayment of lease liabilities (B) Net cash used in financing activities Repayment of lease liabilities (C) Repayment of lease liabilities (C) Ret cash used in financing activities (C) Repayment of lease liabilities (Repayment of lease liabilities (Repay	Investments in mutual funds	(15,686.10)	(11,815.87)	(24,591.91)
Maturity / (investments) in bank deposits having original maturity over three months 900.50 (3,759.80) (4,464.8 Interest received 363.04 154.76 359.8 Dividend received - - - 131.4 Net cash used in investing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities (B) (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 9.0 9.0 1.33 1(1.69) 1.13 1(1.69) 1.13 1(1.69) 1.13 1(1.69) 1.2 1.3 1(1.69) 1.2 <	Proceeds from sale / maturity of mutual funds	1 '	13,358.42	25,068.92
Interest received 363.04 154.76 359.8 Dividend received - - 131.4 Net cash used in investing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities (B) (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1.069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1.276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/year 638.75 497.51 862.7 Components of cash and cash equivalents Cash on hand 0.07 0.15 0.1 Balances with banks 0.07 0.15 0.1 Balances with banks 271.62 305.97 360.2 On saving accounts 271.62 305.97 360.2 On saving accounts with maturity of less than three months - 21.00 292.5		900.50	(3,759.80)	(4,464.82)
Dividend received - - 131.4 Net cash used in investing activities (B) (2,490.00) (2,730.62) (4,937.8 Cash flows from financing activities Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9,00 9.0 Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/year 638.75 497.51 862.7 Components of cash and cash equivalents			l ' '	359.89
Net cash used in investing activities		_	_ ·	131.45
Cash flows from financing activities (1.85) (3.18) (4.5 Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of lease liabilities (85.13) (91.11) (17.31) Dividend paid (458.55) (1.33) (1.069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Balances with banks 0.0 0.15 0.1 On saving accounts 8.46 0.48 1.3 On saving accounts 21.00 292.5		(2.490.00)	(2.730.62)	(4,937.84)
Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Balances with banks 0.07 0.15 0.1 On current accounts # 271.62 305.97 360.2 On saving accounts - 271.62 305.97 360.2 On deposit account with maturity of less than three months<	(-)	(_,_,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	(_,:::::_)	(-)
Repayment of long term borrowings (1.85) (3.18) (4.5 Specific project related grant received - 9.00 9.0 Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Balances with banks 0.07 0.15 0.1 On current accounts # 271.62 305.97 360.2 On saving accounts - 271.62 305.97 360.2 On deposit account with maturity of less than three months<	Cash flows from financing activities			
Specific project related grant received		(1.85)	(3.18)	(4.54)
Payment of lease liabilities (85.13) (91.11) (173.1 Dividend paid (458.55) (1.33) (1,069.9 Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents Cash on hand 0.07 0.15 0.1 Balances with banks 0.07 0.15 0.1 Contract accounts # 271.62 305.97 360.2 On saving accounts 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5 Contract account with maturity of less than three months - 21.00 292.5		_ ′	· '	9.00
Dividend paid (458.55) (1.33) (1,069.90 Interest paid (35.80) (0.33) (38.20 Net cash used in financing activities (C) (581.33) (86.95) (1,276.80 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.20 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.60 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.10 Cash and cash equivalents at the end of the period/year 638.75 497.51 862.70 Components of cash and cash equivalents Cash on hand 0.07 0.15 0.10 Balances with banks 0.00 0.15 0.10 Contract accounts # 271.62 305.97 360.20 On saving accounts 0.08 0.48 0.48 1.30 On deposit account with maturity of less than three months - 21.00 292.50 Contract 20.00 292.50 Contract 20.00 20.00 Contract 20.00 Contract 20.00 20.00 Contract 20.00		(85.13)		
Interest paid (35.80) (0.33) (38.2 Net cash used in financing activities (C) (581.33) (86.95) (1,276.8 Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents Cash on hand 0.07 0.15 0.1 Balances with banks 0		· '	` ′	, ,
Net cash used in financing activities (C) (581.33) (86.95) (1,276.8) Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Cash on hand 0.07 0.15 0.1 Balances with banks 0.0 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5		` ′	· '	, ,
Net (decrease)/ increase in cash and cash equivalents (A + B + C) (227.56) (34.71) 353.2 Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Cash on hand 0.07 0.15 0.1 Balances with banks 00 current accounts # 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5			` /	(1,276.88)
Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Cash on hand 0.07 0.15 0.1 Balances with banks 00 current accounts # 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5	(C)	(501.55)	(00.55)	(2,2,0,30)
Cash and cash equivalents at the beginning of the year 862.72 532.63 532.6 Effect of exchange differences on translation of foreign currency cash and cash equivalents 3.59 (0.41) (23.1 Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Cash on hand 0.07 0.15 0.1 Balances with banks 00 current accounts # 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5	Net (decrease)/ increase in cash and cash equivalents (A + B + C)	(227.56)	(34.71)	353.24
Effect of exchange differences on translation of foreign currency cash and cash equivalents Cash and cash equivalents at the end of the period/ year Components of cash and cash equivalents Cash on hand Balances with banks On current accounts # On saving accounts On deposit account with maturity of less than three months 3.59 (0.41) (23.1 638.75 497.51 862.7 0.07 0.15 0.1 0.1 0.1 0.07 0.15 0.1 0.1 0.1 0.1 0.2 0.2 0.2 0.3 0.4 0.4 0.48		, , ,	` ′	532.63
Cash and cash equivalents at the end of the period/ year 638.75 497.51 862.7 Components of cash and cash equivalents 0.07 0.15 0.1 Cash on hand 0.07 0.15 0.1 Balances with banks 0.07 0.15 0.2 On current accounts # 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5				(23.15)
Components of cash and cash equivalents Cash on hand Balances with banks On current accounts # On saving accounts On deposit account with maturity of less than three months On deposit account with maturity of less than three months On deposit account with maturity of less than three months On deposit account with maturity of less than three months			` ′	862.72
Cash on hand 0.07 0.15 0.1 Balances with banks 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5			157.101	552.72
Cash on hand 0.07 0.15 0.1 Balances with banks 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5	Components of cash and cash equivalents			
Balances with banks 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5		0.07	0.15	0.10
On current accounts # 271.62 305.97 360.2 On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5		0.07	0.15	0.10
On saving accounts 8.46 0.48 1.3 On deposit account with maturity of less than three months - 21.00 292.5		271.62	305.97	360.22
On deposit account with maturity of less than three months - 21.00 292.5		1		1.33
•		- 0.40		292.50
1 000,001 107,711 200,0		358.60		208.57
				862.72

[#] Of the cash and cash equivalent balance as at September 30, 2021, the Company can utilise $\stackrel{?}{\underset{?}{?}}$ 170.21 million (Corresponding period: $\stackrel{?}{\underset{?}{?}}$ 0.12 million/ Previous year: $\stackrel{?}{\underset{?}{?}}$ 154.39 million) only towards certain predefined activities specified in the agreement.

Notes:

- 1 The audited condensed unconsolidated financial statements for the quarter ended September 30, 2021, have been taken on record by the Board of Directors at its meeting (Day 2 of 3) held on October 26, 2021 as recommended by the Audit Committee at its meeting held on October 25, 2021. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited interim condensed unconsolidated financial statements.
- 2 The Members of the Company at Thirty-First Annual General Meeting held on July 21, 2021 approved payment of Final Dividend of INR 6 per Equity Share for the Financial Year 2020-21 ('Final Dividend'). Accordingly, an amount of INR 458,550,000. The remaining amount of INR 46,322 is unclaimed and the Company will make due efforts to pay the same to the respective Shareholders.
- The Nomination and Remuneration Committee of the Board of Directors, on October 7, 2021, approved grant of 1,565,315 (One Million Five Hundred and Sixty Five Thousand Three Hundred and Fifteen Only) Employee Stock Options (ESOPs) to its 8,747 (Eight Thousand Seven Hundred and Forty-Seven) eligible employees under Persistent Systems Limited Employee Stock Option Plan 2017 (ESOP 2017'). This is one of the most Inclusive ESOP grant in the Global IT Services Industry which covered approximate 80% employees of the Group.
- 4 The Company has entered into an Asset Purchase Agreement with Shree Infosoft Pvt. Ltd., India ('Shree Infosoft') on September 29, 2021 to acquire its business. Along with this transaction, the Company, through its wholly owned subsidiary, Persistent Systems Inc., USA, has acquired certain assets from Shree Partners LLC, USA, (Shree Partners) Parent company of Shree Infosoft.
- 5 Persistent Systems Inc., a wholly owned Subsidiary of the Company acquired Software Corporation International, USA and its affiliate Fusion360 LLC, USA on October 5, 2021.
- 6 Klisma e-Services Private Limited ('Klisma'), an Associate Company of the Company has been dissolved w.e.f. August 10, 2021 vide dissolution order passed by the Hon'ble National Company Law Tribunal, Mumbai Bench. The dissolution of Klisma does not have any impact on the operations of the Company.
- 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.
- 8 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.
- 9 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.
- 10 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

Dr. Anand Deshpande

Chairman and Managing Director

Anand Deshpande

Pune

Date: October 26, 2021