



Persistent
See Beyond, Rise Above

Persistent Systems Limited

CIN: L72300PN1990PLC056696

Registered Office: 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, Maharashtra, India

Tel.: +91 (20) 6703 0000; **Fax:** +91 (20) 6703 0008

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ERRATA TO THE 32ND ANNUAL REPORT 2021-22

Dear Shareowner,

Persistent Systems Limited (the "Company") circulated its 32nd Annual Report 2021-22 on June 24, 2022 ("Annual Report") along with a notice for convening the 32nd Annual General Meeting of the Members of the Company, scheduled to be held on Tuesday, July 19, 2022, at 16:00 Hrs. IST at Persistent Systems Limited, Dewang Mehta Auditorium, 'Bhageerath', 402 Senapati Bapat Road, Pune 411 016, India in-person and through Video Conferencing ('VC') / Other Audio-Visual Means ('OAVM') in due compliance with the provisions of the Companies Act, 2013 read with the relevant rules made thereunder.

In Part A of Annexure C to the Report of the Directors appearing on pages 99 and 100 of the above-mentioned Annual Report, while determining the median remuneration of employees, the interns who are undergoing an internship with the Company were erroneously included. Since the median is determined over a range of values of remuneration of employees, the large addition of interns to the list resulted in pushing the median down.

Due to this error, under Note 2 of Part A, the median remuneration of employees of the Company was inadvertently disclosed as ₹ 714,812 whereas the number without considering the interns is ₹ 1,259,004. Further, under Note 4, it was stated that the median remuneration showed a decrease of 35% in FY 2021-22, whereas it has actually increased by 14.5%.

The above correction in median remuneration has an effect on the ratio of remuneration of directors and key managerial personnel to the median remuneration of employees, as disclosed in Note 1 of Part A. Accordingly, the ratios have been reworked.

Further, while calculating the ratio of remuneration of Mr. Sandeep Kalra to the median remuneration of employees based in India and in the USA, the remuneration paid to him in India and in the USA was separately considered, whereas the total remuneration paid to him needs to be considered for working out the ratio. The same has also been corrected.

Therefore, the said disclosure under Part A of Annexure C to the Report of the Directors in the Annual Report is being amended and corrected by this Errata. The revised disclosure is annexed to this letter.

The members of the Company are hereby requested to take note of this Errata. The Annual Report and the Errata should be read in conjunction.

This Errata has also been published today in the Financial Express and Loksatta (Pune Edition) . Further, this Errata along with Annual Report 2021-22, with the corrected Part A of Annexure C to the

Report of the Directors appearing on pages 99 and 100 has been filed with the BSE Limited (<https://www.bseindia.com>) and the National Stock Exchange of India Limited (<https://www.nseindia.com>) and is available on their respective websites.

The above-mentioned updated copy of the Annual Report 2021-22 is also made available on the website of the Company at the [Link for Annual Report](#)

Except for the correction as provided above, there are no changes in the 32nd Annual Report 2021-22 as printed, published, released, and circulated including in the soft form.

We sincerely apologize to the shareowners for the inconvenience caused.

For Persistent Systems Limited

Amit Atre
Company Secretary
ACS 20507

Pune, July 12, 2022

Persistent Systems Limited
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ERRATA to Annual Report 2021-22

In Part A of Annexure C to the Report of the Directors appearing on pages 99 and 100 of the Annual Report, while determining the median remuneration of employees, the interns who are undergoing an internship with the Company were erroneously included. Since the median is determined over a range of values of remuneration of employees, the large addition of interns to the list resulted in pushing the median down.

Due to this error, under note 2 of Part A, the median remuneration of employees of the Company was inadvertently disclosed as ₹ 714,812 whereas the number without considering the interns is ₹ 1,259,004. Further, under Note 4 of Part A, it was stated that the median remuneration showed a decrease of 35% in FY 2021-22, whereas it has actually increased by 14.5%.

Further, while calculating the ratio of remuneration of Mr. Sandeep Kalra to the median remuneration of employees based in India and in the USA, the remuneration paid to him in India and in the USA was separately considered, whereas the total remuneration paid to him needs to be considered for working out the ratio. The same has also been corrected.

Part A as appearing in Annual Report 2021-22 and the revised Part A after considering this Errata are given below.

Part A of Annexure C to the Report of the Directors, as it was appearing in the Annual Report 2021-22

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

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

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million) | % increase in Remuneration in the Financial Year 2021-22 | % increase in remuneration in the Financial Year 2021-22 * (excluding perquisite value of stock options exercised during the year) | Ratio of remuneration of each Director to median remuneration of employees | Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive) | Comparison of the remuneration of the KMP against the performance of the Company |
|-------------------------------------|---|--|--|--|--|---|--|
| Executive Directors and KMPs | | | | | | | |
| a. | Dr. Anand Deshpande Chairman and Managing Director India | 31.94 | 21.68% | NA | 44.68 | NA | |
| b. | Sandeep Kalra® Executive Director and Chief Executive Officer, USA | 468.68^^ | 329.27% | 68.39% | | | |
| | Ratio of remuneration to median remuneration of employees located in India | | | | 4.06 | 4.06 | The increase in revenue was 36.4% and in Profit After Tax was 53.2% |
| | USA | | | | 651.62 | 146.50 | |
| c. | Sunil Sapre Executive Director and Chief Financial Officer India | 90.21 | 94.33% | 15.37% | 126.20 | 23.73 | |
| d. | Amit Atre Company Secretary India | 7.17 | 110.26% | 16.72% | 10.03 | 5.57 | |

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million) | % increase in Remuneration in the Financial Year 2021-22 | % increase in remuneration in the Financial Year 2021-22 * (excluding perquisite value of stock options exercised during the year) | Ratio of remuneration of each Director to median remuneration of employees | Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive) | Comparison of the remuneration of the KMP against the performance of the Company |
|--------------------------------|---|--|--|--|--|---|--|
| Non-Executive Directors | | | | | | | |
| e. | Roshini Bakshi Independent Director | 4.08 | 64.52% | NA | 5.71 | NA | |
| f. | Pradeep Bhargava Independent Director | 4.33 | 64.02% | NA | 6.06 | NA | |
| g. | Avani Davda# Additional Director (Independent Member) | 0.79 | NA | NA | 1.11 | NA | |
| h. | Guy Eiferman Independent Director | 3.81 | 74.77% | NA | 5.33 | NA | |
| i. | Dr. Anant Jhingran Independent Director | 3.53 | 59.73% | NA | 4.94 | NA | |
| j. | Praveen Kadle Independent Director | 4.19 | 69.64% | NA | 5.87 | NA | |
| k. | Thomas Kendra Non-Independent Non-Executive Director | 3.63 | 74.52% | NA | 5.08 | NA | |
| l. | Prof. Deepak Phatak Independent Director | 3.88 | 77.17% | NA | 5.43 | NA | |

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

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

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

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

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

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

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

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

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

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

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

- 6\ As on March 31, 2022, there were 15,422 permanent employees who were on the payroll of the Company (on a standalone basis).
- 7\ It is affirmed that the remuneration paid, is as per the Remuneration Policy for Directors, Key Managerial Personnel and other senior management employees.

Revised Part A of Annexure C to the Report of the Directors as amended and corrected by this Errata:

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

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

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million) | % increase in Remuneration in the Financial Year 2021-22 | % increase in remuneration in the Financial Year 2021-22* (excluding perquisite value of stock options exercised during the year) | Ratio of remuneration of each Director to median remuneration of employees | Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive) | Comparison of the remuneration of the KMP against the performance of the Company |
|-------------------------------------|---|--|--|---|--|---|--|
| Executive Directors and KMPs | | | | | | | |
| a. | Dr. Anand Deshpande Chairman and Managing Director India | 31.94 | 21.68% | NA | 25.37 | NA | |
| b. | Sandeep Kalra® Executive Director and Chief Executive Officer, USA | 468.68^^ | 329.27% | 68.39% | | | |
| | Ratio of remuneration to median remuneration of employees located in India | | | | 372.26 | 85.48 | The increase in revenue was 36.4% and in Profit After Tax was 53.2% |
| | USA | | | | 45.81 | 10.52 | |
| c. | Sunil Sapre Executive Director and Chief Financial Officer India | 90.21 | 94.33% | 15.37% | 71.65 | 13.47 | |
| d. | Amit Atre Company Secretary India | 7.17 | 110.26% | 16.72% | 5.69 | 3.16 | |
| Non-Executive Directors | | | | | | | |
| e. | Roshini Bakshi Independent Director | 4.08 | 64.52% | NA | 3.24 | NA | |
| f. | Pradeep Bhargava Independent Director | 4.33 | 64.02% | NA | 3.44 | NA | |
| g. | Avani Davda# Additional Director (Independent Member) | 0.79 | NA | NA | 0.63 | NA | |
| h. | Guy Eiferman Independent Director | 3.81 | 74.77% | NA | 3.03 | NA | |

| Sr. No. | Name of Director/ KMP and Designation | Remuneration of Director/ KMP for Financial Year 2021-22 (₹ Million) | % increase in Remuneration in the Financial Year 2021-22 | % increase in remuneration in the Financial Year 2021-22 * (excluding perquisite value of stock options exercised during the year) | Ratio of remuneration of each Director to median remuneration of employees | Ratio of remuneration of each Director to median remuneration of Employees* (excluding perquisite value of stock incentive) | Comparison of the remuneration of the KMP against the performance of the Company |
|---------|---|--|--|--|--|---|--|
| i. | Dr. Anant Jhingran Independent Director | 3.53 | 59.73% | NA | 2.80 | NA | |
| j. | Praveen Kadle Independent Director | 4.19 | 69.64% | NA | 3.33 | NA | |
| k. | Thomas Kendra Non-Independent Non-Executive Director | 3.63 | 74.52% | NA | 2.88 | NA | |
| l. | Prof. Deepak Phatak Independent Director | 3.88 | 77.17% | NA | 3.08 | NA | |

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

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