

NSE & BSE / 2022-23 / 159

January 18, 2023

The Manager
Corporate Services,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai 400 051

Ref: Symbol: PERSISTENT

The Manager
Corporate Services,
BSE Limited
14th Floor, P J Towers, Dalal Street,
Mumbai 400 001

Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub: Outcome of the Board Meeting held on January 17, 2023, and concluded on January 18, 2023

Ref: Our earlier intimation under reference no. NSE & BSE / 2022-23 / 154 dated December 23, 2022 ('Intimation')

Further to the above-referred intimation, we wish to inform you that, the Board of Directors, at its meeting held on January 18, 2023, commenced at 0830 Hrs. (IST) and concluded at 1610 Hrs. (IST), has *inter-alia* taken the following decisions:

A. Approval of the Audited Financial Results for the quarter and period ended December 31, 2022

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 period ended December 31, 2022, have been approved. Accordingly, we enclose the following documents:

1. Auditors' Report dated January 18, 2023, on the Consolidated Financial Results of the Company for the quarter and period ended December 31, 2022.
2. Consolidated Financial Results of the Company for the quarter and period ended December 31, 2022.
3. Auditors' Report dated January 18, 2023, on the Unconsolidated Financial Results of the Company for the quarter and period ended December 31, 2022.
4. Unconsolidated Financial Results of the Company for the quarter and period ended December 31, 2022.

B. Approval of the payment of Interim Dividend for the FY 2022-23:

The Board of Directors has approved the payment of an Interim Dividend of INR 28/- (INR Twenty-Eight only) per Equity Share of INR 10 each for the Financial Year 2022-23.

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

To the Board of Directors of Persistent Systems Limited

Opinion

We have audited the accompanying consolidated 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'), for the quarter and nine months ended **31 December 2022**, 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').

1. 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 to in paragraph 12 below the Statement:
 - (i) includes the financial results of the entities listed in Annexure 1;
 - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
 - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, 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, for the quarter and nine months ended 31 December 2022.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in *the Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associates and joint ventures, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 together with the audit evidence 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.

Responsibilities of Management and Those Charged with Governance for the Statement

3. 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 annual 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 and other comprehensive income, and other financial information of the Group including its associates and joint ventures in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 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, 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 associates and joint ventures, 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.
4. In preparing the Statement, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group and of its associates and joint ventures, 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/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
5. The respective Board of Directors of the companies included in the Group, are responsible for overseeing the financial reporting process of the companies included in the Group.

Auditor's Responsibilities for the Audit of the Statement

6. 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.
7. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, 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. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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, 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 associates and joint ventures 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, 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.
8. 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.
9. 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.
10. 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 Matters

We did not audit the annual financial statements of Twenty nine subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 13,594.1 millions as at 31 December 2022, total revenues of ₹ 7,556.5 millions, total net profit after tax of ₹ 7.5 million, total comprehensive income of ₹ 187 million, and cash flows (net) of ₹ (61.2) million for the nine month ended on that date, as considered in the Statement. These financial statements have been audited by other auditors and 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 10 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.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

SHASHI

TADWALKAR

Digitally signed by
SHASHI TADWALKAR
Date: 2023.01.18
16:01:18 +05'30'

Shashi Tadwalkar

Partner

Membership No:101797

UDIN:23101797BGXEYI2887

Place: Pune

Date: 18 January 2023

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Annexure 1**List of entities included in the Statement**

Sr. No.	Name of Entity	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	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Wholly owned subsidiary of PSGG
16	PARX Consulting GmbH	Wholly owned subsidiary of Persistent Systems Switzerland 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	Software Corporation International	Wholly owned subsidiary of PSI
23	SCI Fusion360 LLC	Wholly owned subsidiary of PSI
24	Data Glove IT Solutions Limitada (Acquired w.e.f. March 1,2022)	Wholly owned subsidiary of PSGG
25	Persistent Systems S.r.l. (Formed w.e.f. June 17,2022)	Wholly owned subsidiary of PSGG
26	MediaAgility Inc.(MAI) (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of PSI
27	MediaAgility Pte. Ltd. (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
28	MediaAgility UK Ltd. (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
29	Digitalagility S de RL de CV (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
30	MediaAgility India Private Limited (Acquired w.e.f. April 29,2022)	Wholly owned subsidiary of PSL
31	PSPL ESOP Management Trust (Controlled w.e.f. April 1, 2022)	Controlled ESOP Trust

Persistent Systems Limited

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 nine months ended December 31, 2022

in ₹ Million

Sr. No.	Particulars		Quarter ended			Nine months ended		Year ended
			December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Income							
1	Revenue from operations (net)		21,693.68	20,486.41	14,917.17	60,961.20	40,728.92	57,107.46
2	Other income		327.57	80.55	306.64	617.90	1,018.82	1,439.55
3	Total income	(1+2)	22,021.25	20,566.96	15,223.81	61,579.10	41,747.74	58,547.01
4	Expenses							
	- Employee benefits expense		12,754.19	12,371.20	9,103.37	36,232.08	24,519.43	34,593.10
	- Cost of professionals		2,861.93	2,638.00	2,031.24	8,102.75	5,835.03	7,974.18
	- Finance costs		135.18	111.08	25.50	325.09	69.06	118.35
	- Depreciation and amortization expense		683.51	693.07	427.85	2,021.70	1,148.77	1,660.12
	- Other expenses		2,062.01	1,797.57	1,271.73	5,598.26	3,604.49	4,958.47
	Total Expenses		18,496.82	17,610.92	12,859.69	52,279.88	35,176.78	49,304.22
5	Profit before exceptional item and tax	(3-4)	3,524.43	2,956.04	2,364.12	9,299.22	6,570.96	9,242.79
6	Exceptional item							
	Provision for export incentives		296.55	-	-	296.55	-	-
7	Profit before tax	(5-6)	3,227.88	2,956.04	2,364.12	9,002.67	6,570.96	9,242.79
8	Tax expense							
	- Current tax		701.14	727.28	635.59	2,121.87	1,721.58	2,322.85
	- Tax charge in respect of earlier years / periods		4.57	7.31	19.31	11.88	1.70	42.57
	- Deferred tax charge / (credit)		142.63	21.31	(54.73)	173.12	(46.28)	(26.49)
	Total tax expense		848.34	755.90	600.17	2,306.87	1,677.00	2,338.93
9	Profit for the period / year	(7-8)	2,379.54	2,200.14	1,763.95	6,695.80	4,893.96	6,903.86
10	Other comprehensive income							
	A. Items that will not be reclassified to profit and loss							
	- Remeasurements of the defined benefit liabilities / asset		(45.68)	(23.95)	74.54	(1.32)	(58.42)	(248.05)
	- Income tax effect on above		11.44	5.75	(64.93)	1.08	(32.06)	64.18
			(34.24)	(18.20)	9.61	(0.24)	(90.48)	(183.87)
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge		111.54	(178.81)	53.29	(351.30)	(44.25)	(130.49)
	- Income tax effect on above		(28.08)	45.01	(13.38)	88.41	11.17	32.84
	- Exchange differences in translating the financial statements of foreign operations		193.43	308.50	219.11	657.93	333.84	138.96
			276.89	174.70	259.02	395.04	300.76	41.31
	Total other comprehensive income for the period / year	(A+B)	242.65	156.50	268.63	394.80	210.28	(142.56)
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	(9+10)	2,622.19	2,356.64	2,032.58	7,090.60	5,104.24	6,761.30
12	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	764.25	764.25	764.25	764.25	764.25
13	Other equity excluding revaluation reserves							32,917.95
14	Earnings per equity share in ₹ (Nominal value of share ₹ 10 each)							
	- Basic		31.90	29.61	23.08	90.08	64.04	90.34
	- Diluted		31.14	28.79	23.08	87.61	64.04	90.34
15	Dividend per share (in ₹) (Nominal value per share ₹ 10)							
	Interim dividend		28.00	-	20.00	28.00	20.00	20.00
	Final dividend		-	-	-	-	-	11.00
	Total dividend		28.00	-	20.00	28.00	20.00	31.00

Audited unconsolidated financial information

in ₹ Million

Particulars	Quarter ended			Nine months ended		Year ended
	December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
Revenue from operations (net)	13,072.29	12,247.66	9,286.51	36,340.71	25,404.70	35,754.80
Profit before tax	2,417.12	2,332.58	2,241.50	7,060.66	6,530.27	9,120.61
Profit after tax	1,827.46	1,751.05	1,728.91	5,327.30	4,913.81	6,858.66

Segment wise Revenue, Results and Capital Employed

The operating segments are:

- a. Banking, Financial Services and Insurance (BFSI)
- b. Healthcare & Life Sciences
- c. Software, Hi-Tech and Emerging Industries

in ₹ Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
1	Segment revenue						
	- BFSI	6,960.39	6,636.10	4,808.48	19,940.93	12,742.46	18,063.65
	- Healthcare & Life Sciences	4,139.74	3,862.55	3,086.34	11,722.83	8,471.05	11,842.75
	- Software, Hi-Tech and Emerging Industries	10,593.55	9,987.76	7,022.35	29,297.44	19,515.41	27,201.06
	Total	21,693.68	20,486.41	14,917.17	60,961.20	40,728.92	57,107.46
2	Less: Inter segment revenue	-	-	-	-	-	-
3	Net sales / income from operations	21,693.68	20,486.41	14,917.17	60,961.20	40,728.92	57,107.46
4	Segment results i.e. profit before tax, interest and depreciation and amortization						
	- BFSI	2,594.66	2,327.64	1,778.95	7,191.58	4,692.17	6,184.33
	- Healthcare & Life Sciences	2,080.29	1,930.81	1,569.97	5,841.37	4,371.56	6,063.74
	- Software, Hi-Tech and Emerging Industries	3,566.13	3,367.60	2,446.53	9,232.45	6,395.37	9,269.10
	Total	8,241.08	7,626.05	5,795.45	22,265.40	15,459.10	21,517.17
5	Less:						
	- Finance costs	135.18	111.08	25.50	325.09	69.06	118.35
	- Other un-allocable expenses	5,205.59	4,639.48	3,712.47	13,555.54	9,837.90	13,595.58
6	Un-allocable income	327.57	80.55	306.64	617.90	1,018.82	1,439.55
7	Profit before tax	3,227.88	2,956.04	2,364.12	9,002.67	6,570.96	9,242.79
8	Segment assets	in ₹ Million					
		As on					
		December 31, 2022	December 31, 2021	March 31, 2022			
	- BFSI	4,263.41	2,903.95	2,570.89			
	- Healthcare & Life Sciences	3,450.02	2,185.27	2,274.57			
	- Software, Hi-Tech and Emerging Industries	15,093.97	5,814.60	7,769.14			
	Total allocable segment assets	22,807.40	10,903.82	12,614.60			
	Unallocable assets	45,720.63	36,247.28	41,526.37			
	Total assets	68,528.03	47,151.10	54,140.97			

Note for segment wise information:

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision makers, in deciding how to allocate resources and assessing performance. The Group's chief operating decision makers are the Chief Executive Officer and Chairman & Managing Director.

Segment wise capital employed

Segregation of assets (other than trade receivables and unbilled revenue), liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented as the assets and liabilities are used interchangeably among segments and the Group is of the view that it is not practical to reasonably allocate the other assets, liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

Notes:

- 1 The audited condensed interim consolidated financial statements for the quarter and nine months ended December 31, 2022, have been taken on record by the Board of Directors at its meeting held on January 18, 2023 as recommended by the Audit Committee at its meeting held on January 17, 2023. 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 Board of Directors of Persistent Systems Limited, at its meeting held on January 17, 2023, and concluded on January 18, 2023, declared an interim dividend of ₹ 28 per equity share of the face value of ₹ 10 each for the Financial Year 2022-23 on January 18, 2023. The Record Date for the payment of the dividend will be Friday, January 27, 2023. The payment of the dividend will be made by Monday, February 6, 2023.
- 4 Dr. Anant Jhingran (DIN: 05116722) Independent Director of the Company retired with effect from November 20, 2022. The re-appointment of Dr. Jhingran for the second term was made on November 21, 2017, for a period of 5 years. Accordingly, he retired as an Independent Director with effect from November 20, 2022.
- 5 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.
- 6 In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, aggregating to ₹ 296.55 million, the Parent Company had filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. However, based on consultation with subject matter specialists, this matter is likely to involve a prolonged litigation. With the intention of avoiding prolonged litigation and settling the dispute, the Parent Company has requested the relevant authorities for settlement of the case and has submitted an application before the Settlement Commission on 29 December 2022. As part of this settlement, the Parent Company has offered to forego ₹ 296.55 million. While the hearing against the settlement application is awaited, the Parent Company has accordingly recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022. This is presented as an "exceptional item" in the statement of profit and loss for the current period.
- 7 The investors are requested to visit the following website of the Company and Stock Exchanges for further details:
 - Company's website: <https://www.persistent.com/investors>
 - BSE Ltd: www.bseindia.com
 - National Stock Exchange of India Ltd.: www.nseindia.com

By order of Board of Directors of Persistent Systems Limited

Anand Deshpande

Dr. Anand Deshpande
Chairman and Managing Director

Pune

Date : January 18, 2023

Walker Chandiok & Co LLP

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Independent Auditor's Report on Audited Standalone 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

We have audited the accompanying statement of standalone financial results ('the Statement') of **Persistent Systems Limited** ('the Company') for the quarter ended **31 December 2022** and the year to date results for the period 01 April 2022 to 31 December 2022, being submitted by the Company pursuant to the requirements Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').

1. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
 - (i) is presented in accordance with the requirements of Regulation 33 of the Listing Regulations. 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 31 December 2022 and the year to date results for the period 01 April 2022 to 31 December 2022.

Basis for Opinion

2. 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.

Responsibilities of Management and Those Charged with Governance for the Statement

3. 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. 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.
4. 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.
5. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Statement

6. 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.
7. 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.

Persistent Systems Limited

Independent Auditor's Report on Audited Standalone 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.
8. 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.
9. 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 Chandiook & Co LLP**

Chartered Accountants

Firm Registration No:001076N/N500013

SHASHI

TADWALKAR

Digitally signed by
SHASHI TADWALKAR
Date: 2023.01.18
16:00:30 +05'30'

Shashi Tadwalkar

Partner

Membership No:101797

Place: Pune

Date: 18 January 2023

Audited unconsolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2022

(In ₹ Million)

Sr. No.	Particulars		Quarter ended			Nine months ended		Year ended
			December 31, 2022	September 30, 2022	December 31, 2021	December 31, 2022	December 31, 2021	March 31, 2022
	Income							
1	Revenue from operations (net)		13,072.29	12,247.66	9,286.51	36,340.71	25,404.70	35,754.80
2	Other income		283.03	107.16	307.33	627.96	933.66	1,324.57
3	Total income	(1+2)	13,355.32	12,354.82	9,593.84	36,968.67	26,338.36	37,079.37
4	Expenses							
	- Employee benefits expense		8,229.98	7,758.59	5,770.02	22,943.85	15,321.38	21,882.72
	- Cost of professionals		609.06	601.74	368.86	1,638.51	1,178.58	1,461.91
	- Finance costs		35.34	29.32	15.85	84.52	51.54	68.78
	- Depreciation and amortization expense		341.65	332.24	218.73	958.42	579.23	837.57
	- Other expenses		1,425.62	1,300.35	979.08	3,986.16	2,677.36	3,707.78
	Total expenses		10,641.65	10,022.24	7,352.34	29,611.46	19,808.09	27,958.76
5	Profit before exceptional items and tax	(3+4)	2,713.67	2,332.58	2,241.50	7,357.21	6,530.27	9,120.61
6	Exceptional items							
	Provision for export incentives		296.55	-	-	296.55	-	-
7	Profit before tax	(5+6)	2,417.12	2,332.58	2,241.50	7,060.66	6,530.27	9,120.61
8	Tax expense							
	- Current tax		596.20	603.72	584.76	1,812.16	1,640.81	2,236.61
	- Tax charge in respect of earlier period / year		-	-	-	-	-	13.48
	- Deferred tax (credit) / charge		(6.54)	(22.19)	(72.17)	(78.80)	(24.35)	11.86
	Total tax expense		589.66	581.53	512.59	1,733.36	1,616.46	2,261.95
9	Profit for the period / year	(7-8)	1,827.46	1,751.05	1,728.91	5,327.30	4,913.81	6,858.66
10	Other comprehensive income							
	A. Items that will not be reclassified to profit and loss							
	- Remeasurements of the defined benefit asset / liabilities		(29.93)	(24.24)	5.97	(5.69)	(124.67)	(255.00)
	- Income tax effect on above		6.83	5.75	(0.81)	1.08	32.06	64.18
			(23.10)	(18.49)	5.16	(4.61)	(92.61)	(190.82)
	B. Items that may be reclassified to profit and loss							
	- Effective portion of cash flow hedge		172.49	(178.81)	53.29	(351.30)	(44.26)	(130.50)
	- Income tax effect on above		(43.40)	45.01	(13.38)	88.41	11.17	32.84
			129.09	(133.80)	39.91	(262.89)	(33.09)	(97.66)
	Total other comprehensive income for the period / year	(A+B)	105.99	(152.29)	45.07	(267.50)	(125.70)	(288.48)
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	(9+10)	1,933.45	1,598.76	1,773.98	5,059.80	4,788.11	6,570.18
12	Paid-up equity share capital (Nominal value of share ₹ 10 each)		764.25	764.25	764.25	764.25	764.25	764.25
13	Other equity excluding revaluation reserves							32,424.60
14	Earnings per equity share in ₹ (Nominal value of share ₹ 10 each)							
	- Basic		23.91	22.91	22.62	69.71	64.30	89.74
	- Diluted		23.91	22.91	22.62	69.71	64.30	89.74
15	Dividend per share (in ₹) (Nominal value of share ₹ 10 each)							
	Interim dividend		28.00	-	20.00	28.00	20.00	20.00
	Final dividend		-	-	-	-	-	11.00
	Total dividend		28.00	-	20.00	28.00	20.00	31.00

Notes:

- The audited condensed interim unconsolidated financial statements for the quarter and nine months ended December 31, 2022, have been taken on record by the Board of Directors at its meeting held on January 18, 2023 as recommended by the Audit Committee at its meeting held on January 17, 2023. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed interim unconsolidated financial statements.
- The above unconsolidated financial results have been prepared from the condensed interim unconsolidated 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 unconsolidated financial results (including notes) are reported in millions of Indian rupees (in ₹ millions) except share and per share data, unless otherwise stated.
- The Board of Directors of Persistent Systems Limited, at its meeting held on January 17, 2023, and concluded on January 18, 2023, declared an interim dividend of ₹ 28 per equity share of the face value of ₹ 10 each for the Financial Year 2022-23 on January 18, 2023. The Record Date for the payment of the dividend will be Friday, January 27, 2023. The payment of the dividend will be made by Monday, February 6, 2023.
- Dr. Anant Jhingran (DIN: 05116722) Independent Director of the Company retired with effect from November 20, 2022. The re-appointment of Dr. Jhingran for the second term was made on November 21, 2017, for a period of 5 years. Accordingly, he retired as an Independent Director with effect from November 20, 2022.
- 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.
- In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 Million, which have been refunded under protest with interest of ₹ 41.03 Million, aggregating to ₹ 296.55 Million, the Company had filed an application with Directorate General of Foreign Trade (DGFT). The Company believes that its services are eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. However, based on consultation with subject matter specialists, this matter is likely to involve a prolonged litigation. With the intention of avoiding prolonged litigation and settling the dispute, the Company has requested the relevant authorities for settlement of the case and has submitted an application before the Settlement Commission on 29 December 2022. As part of this settlement, the Company has offered to forego ₹ 296.55 Million. While the hearing against the settlement application is awaited, the Company has accordingly recognized a provision of ₹ 296.55 Million for the quarter ended 31 December 2022. This is presented as an "exceptional item" in the statement of profit and loss for the current period.
- The investors are requested to visit the following website of the Company and Stock Exchanges for further details:
 - Company's website: <https://www.persistent.com/investors>
 - BSE Ltd: www.bseindia.com
 - National Stock Exchange of India Ltd.: www.nseindia.com

By order of Board of Directors of Persistent Systems Limited

Anand Deshpande

Dr. Anand Deshpande

Chairman and Managing Director

Pune

Date : January 18, 2023