B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Board of Directors of Persistent Systems Limited

Report on the Audit of the Standalone Condensed Interim Financial Statements

Opinion

We have audited the standalone condensed interim financial statements of Persistent Systems Limited ("the Company"), which comprise the standalone condensed interim balance sheet as at 31 December 2025, the standalone condensed interim statement of profit and loss (including other comprehensive income) for the quarter and year-to-date period then ended, standalone condensed interim statement of changes in equity and standalone condensed interim statement of cash flows for the year-to-date period then ended, and notes to the standalone condensed interim financial statements, including material accounting policies and other explanatory information, as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India [in which are included the condensed interim financial statements for the period ended on that date audited by the auditors of the Company's Employee Stock Option (ESOP) Trust ("the Trust")] (hereinafter referred to as "the standalone condensed interim financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of other auditor on condensed separate interim financial statements of the Trust as were audited by the other auditor, the aforesaid standalone condensed interim financial statements are prepared, in all material respects, in accordance with Ind AS 34 and other accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Condensed Interim Financial Statements* 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 together with the ethical requirements that are relevant to our audit of the standalone condensed interim 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 along with the consideration of report of the auditor referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone condensed interim financial statements.

Management's and Board of Directors'/ Board of Trustees' Responsibilities for the Standalone Condensed Interim Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone condensed interim financial statements in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the company/Board of Trustees of the Trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of company/trust 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 condensed standalone interim financial statements. which are free from material misstatement, whether due to fraud or error.

In preparing the standalone condensed interim financial statements, the respective Management and Board of Directors/Board of Trustees are responsible for assessing the ability of each company/trust 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/Board of Trustees either intends to liquidate the company/trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors/Board of Trustees are also responsible for overseeing the financial reporting process of each company/trust.

Auditor's Responsibilities for the Audit of the Standalone Condensed Interim Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone condensed interim financial statements as a whole are 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 these condensed standalone interim financial statements.
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 condensed standalone interim financial statements, 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 opinion on the effectiveness of the entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

Auditor's Responsibilities for the Audit of the Standalone Condensed Interim Financial Statements *(continued)*

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in the preparation of condensed standalone interim financial statements 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 condensed standalone interim financial statements 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 condensed standalone interim financial statements, including the disclosures, and whether the condensed standalone interim financial statements represent the underlying transactions and events in a manner that is in accordance with Ind AS 34.

- Obtain sufficient appropriate audit evidence regarding the condensed interim financial statements of the Trust of the Company to express an opinion on the standalone condensed interim financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audit carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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.

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.

Other Matters

(a) We did not audit the condensed interim financial statements of one Trust included in the standalone condensed interim financial statements of the Company whose condensed interim financial statements reflect total assets (before accounting adjustments) of Rs. 2,158 million as at 31 December 2025, total revenue (before accounting adjustments) of Rs. Nil and net cash flows (before accounting adjustments) amounting to Rs. 49 million for the year-to-date period ended on that date, as considered in the standalone condensed interim financial statements. The condensed interim financial statements of the trust have been audited by the other auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the trust, is based solely on the report of such other auditor.

Our opinion on the condensed interim consolidated financial statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Other Matters *(continued)*

(b) The standalone annual financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion on 23 April 2025.

The standalone condensed interim financial statements of the Company for the quarter ended 31 December 2024 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion on 22 January 2025.

Our opinion is not modified in respect of this matter.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No.101248W/W-100022

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.01.20 15:33:56 +05'30'

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 26113896VNVFTL7840

Place: Pune
Date: 20 January 2026

Persistent Systems Limited

STANDALONE CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2025

	Notes	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	3,516.48	3,987.28	3,868.36
Capital work-in-progress		470.93	153.26	38.12
Right of use assets	4.2	3,812.24	2,153.38	3,075.34
Goodwill	4.3	604.90	604.90	604.90
Other intangible assets	4.4	951.26	587.18	1,169.67
Intangible assets under development		1,564.87	355.14	731.77
		10,920.68	**7,841.14**	**9,488.16**
Financial assets				
- Investments	5	15,931.36	14,539.23	14,430.34
- Trade receivables				
- Billed	11	977.96	607.11	503.15
- Loans	6	-	-	-
- Other financial assets	7	860.61	679.31	709.87
Deferred tax assets (net)	8	732.51	460.89	390.17
Other non-current assets	9	429.72	1,373.74	542.40
Income tax assets (net)		1,032.43	-	-
		19,964.59	**17,660.28**	**16,575.93**
		30,885.27	**25,501.42**	**26,064.09**
Current assets				
Financial assets				
- Investments	10	9,865.12	4,136.88	3,335.01
- Trade receivables				
- Billed	11	21,920.66	20,786.33	16,414.06
- Unbilled		9,339.99	8,097.14	8,836.14
- Cash and cash equivalents	12	6,383.74	3,734.05	3,636.55
- Bank balances other than cash and cash equivalents	13	916.32	3,127.49	3,126.76
- Other financial assets	14	8,390.11	15,593.81	7,376.66
Income tax assets (net)		-	178.30	701.90
Other current assets	15	12,022.80	5,683.70	7,028.66
		68,838.74	**61,337.70**	**50,455.74**
TOTAL		**99,724.01**	**86,839.12**	**76,519.83**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	16(a)	788.75	779.25	779.25
Other equity	16(b)	67,557.16	53,982.29	55,249.54
		68,345.91	**54,761.54**	**56,028.79**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Lease liabilities	17	2,038.81	1,322.79	1,487.97
- Other financial liabilities	20	153.78	14.57	188.83
Other non-current liabilities	21	23.72	47.19	39.96
Provisions	18	1,714.82	1.21	69.06
		3,931.13	**1,385.76**	**1,785.82**
Current liabilities				
Financial liabilities				
- Lease liabilities	17	1,416.51	885.10	834.49
- Trade payables	19			
-total outstanding dues of micro enterprises and small enterprises		24.32	21.00	40.77
-total outstanding dues of creditors other than micro enterprises and small enterprises		14,025.05	19,823.56	10,152.90
- Other financial liabilities	20	4,372.87	2,430.40	2,739.42
Other current liabilities	21	6,331.75	6,385.57	3,655.56
Provisions	22	722.53	991.24	1,123.13
Income tax liabilities (net)		553.94	154.95	158.95
		27,446.97	**30,691.82**	**18,705.22**
Total Liabilities		**31,378.10**	**32,077.58**	**20,491.04**
TOTAL		**99,724.01**	**86,839.12**	**76,519.83**
Summary of material accounting policies	3			

The accompanying notes are an integral part of the standalone condensed interim financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W - 100022

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.01.20 15:34:25 +05'30'

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : January 20, 2026

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 20, 2026 13:58:47 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : January 20, 2026

Sandeep Kalra
Sandeep Kalra (Jan 20, 2026 14:48:19 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: Pune
Date : January 20, 2026

Praveen Kadle
Praveen Kadle (Jan 20, 2026 14:43:58 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : January 20, 2026

Vinit Teredesai
Vinit Teredesai (Jan 20, 2026 13:54:24 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : January 20, 2026

Amit Atre
Amit Atre (Jan 20, 2026 13:42:28 GMT+5.5)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : January 20, 2026

Persistent Systems Limited

STANDALONE CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR QUARTER AND NINE MONTHS PERIOD ENDED DECEMBER 31, 2025

	Notes	Quarter ended		Nine months period ended		Year ended
		December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	March 31, 2025
		In ₹ Million	In ₹ Million (Restated)	In ₹ Million	In ₹ Million (Restated)	In ₹ Million (Restated)
Income						
Revenue from operations	23	37,185.04	30,016.68	104,695.35	85,404.70	117,280.21
Other income	24	196.21	446.87	1,053.74	1,480.08	1,579.05
Total income (A)		**37,381.25**	**30,463.55**	**105,749.09**	**86,884.78**	**118,859.26**
Expenses						
Employee benefits expense	25.1	15,225.53	12,664.74	42,700.11	36,048.15	48,762.27
Subcontracting costs	25.2	9,526.75	8,511.64	28,072.64	25,375.64	36,527.73
Finance costs		165.99	122.05	459.50	327.33	474.66
Depreciation and amortisation expense	4.5	662.96	521.50	1,936.14	1,291.18	1,761.98
Other expenses	26	5,585.23	4,077.70	15,234.47	11,883.33	15,838.42
Total expenses (B)		**31,166.46**	**25,897.63**	**88,402.86**	**74,925.63**	**103,365.06**
Profit before exceptional item and tax (A - B)		**6,214.79**	**4,565.92**	**17,346.23**	**11,959.15**	**15,494.20**
Exceptional item						
Statutory Impact of new Labour Code (refer note 35)		890.25	-	890.25	-	-
Profit before tax (A - B)		**5,324.54**	**4,565.92**	**16,455.98**	**11,959.15**	**15,494.20**
Tax expense						
Current tax		1,485.29	1,316.34	4,442.16	3,299.65	4,051.26
Deferred tax (credit) / charge		(39.36)	(9.34)	(130.89)	165.83	139.12
Total tax expense		**1,445.93**	**1,307.00**	**4,311.27**	**3,465.48**	**4,190.38**
Profit for the period / year (C)		**3,878.61**	**3,258.92**	**12,144.71**	**8,493.67**	**11,303.82**
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities		(22.97)	37.57	44.91	207.89	197.91
- Income tax effect on above		5.78	(9.45)	(11.30)	(52.32)	(49.81)
		(17.19)	**28.12**	**33.61**	**155.57**	**148.10**
Items that will be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		(73.28)	(367.96)	(840.87)	(414.00)	(34.97)
- Income tax effect on above		19.03	86.60	212.22	98.19	8.80
		(54.25)	**(281.36)**	**(628.65)**	**(315.81)**	**(26.17)**
Total other comprehensive income for the period / year (D) + (E)		**(71.44)**	**(253.24)**	**(595.04)**	**(160.24)**	**121.93**
Total comprehensive income for the period / year (C) + (D) + (E)		**3,807.17**	**3,005.68**	**11,549.67**	**8,333.43**	**11,425.75**
Earnings per equity share						
[Nominal value of share ₹5 (Previous year: ₹5)]	27					
Basic (In ₹)		24.85	21.21	78.08	55.44	73.65
Diluted (In ₹)		24.66	20.91	77.54	54.82	72.85
Summary of material accounting policies	3					

The accompanying notes are an integral part of the standalone condensed interim financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W - 100022

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.01.20 15:34:45 +05'30'

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : January 20, 2026

For and on behalf of the Board of Directors of
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Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : January 20, 2026

Persistent Systems Limited

STANDALONE CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED DECEMBER 31, 2025

		Nine months period ended		Year ended
		December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
Cash flows from operating activities				
Profit before tax		**16,455.98**	**11,959.15**	**15,494.20**
Adjustments for:				
Interest income		(317.35)	(351.50)	(471.15)
Finance cost		247.73	327.33	255.97
Interest on lease liability		211.77	-	218.69
Depreciation and amortisation expense		1,936.14	1,291.18	1,761.98
Unrealised exchange (gain)		(385.14)	(375.74)	(717.40)
Exchange loss / (gain) on derivative contracts		105.34	67.66	44.39
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents		81.69	(69.90)	5.36
Bad debts		16.66	-	-
Change in provision for expected credit loss		204.85	25.88	141.60
Employee stock compensation expenses		53.05	596.13	609.37
Remeasurements of the defined benefit liabilities (before tax effects)		-	207.89	-
Excess provision in respect of earlier years written back		(3.01)	(4.55)	(32.29)
Profit on sale/fair valuation of financial assets designated as FVTPL		(500.75)	(333.11)	(444.99)
Provision towards employee benefits		-	(506.74)	(506.74)
Profit on sale of investments (net)		-	(336.02)	(336.02)
Profit on sale of Property, Plant and Equipment (net)		(1.35)	(66.92)	(78.06)
Profit on account of lease modification (net)		-	(28.15)	(28.15)
Operating profit before working capital changes		**18,105.61**	**12,402.59**	**15,916.76**
Movements in working capital :				
Decrease / (Increase) in other non current assets		157.79	(423.85)	(380.60)
(Increase) / Decrease in other non current financial assets		(88.23)	(7.10)	6.42
(Increase) in other current financial assets		143.32	(19,065.69)	(9,546.78)
(Increase) in current assets		(6,232.22)	(878.04)	(2,786.27)
(Increase) in trade receivables		(9,432.52)	(4,975.35)	(272.77)
Increase in trade payables, current liabilities and non-current liabilities		11,596.04	21,886.68	8,213.68
Increase/(Decrease) in provisions		1,293.08	468.46	919.52
Operating profit after working capital changes		**15,542.87**	**9,407.70**	**12,069.96**
Direct taxes paid (net of refunds)		(4,377.70)	(3,652.40)	(4,895.83)
Net cash generated from operating activities	**(A)**	**11,165.17**	**5,755.30**	**7,174.13**
Cash flows from investing activities				
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)		(1,548.31)	(2,656.59)	(1,709.35)
Proceeds from sale of Property, Plant and Equipment		74.72	116.01	172.87
Payment towards investment in wholly owned subsidiary		(1,466.57)	(880.05)	-
Payment for acquisition of financial instruments		(55,347.15)	(38,432.70)	(54,326.32)
Payment towards investment in Simple Agreement for Future Equity (SAFE)			(167.00)	
Proceeds from transfer of business undertaking		-	969.99	969.99
Payment to selling shareholders		(282.13)	-	-
Proceeds from sale of financial instruments		49,605.75	36,800.64	52,772.61
Proceeds from maturity of bank deposits having original maturity over three months		2,057.78	97.70	89.33
Disposal in deposit with financial institutions		-	100.00	-
Interest received		317.35	368.59	478.89
Net cash (used in) investing activities	**(B)**	**(6,588.56)**	**(3,683.41)**	**(1,551.98)**
Cash flows from financing activities				
Proceeds from issue of share capital including securities premium		180.72	1,845.90	1,845.90
Proceeds from issue of equity shares options		1,769.20	(1,121.31)	(1,008.77)
Repayment of long term borrowings		-	(1.85)	(1.85)
Payment towards lease liabilities		(1,103.92)	(602.67)	(813.90)
Dividend paid		(2,346.00)	(1,540.50)	(4,657.50)
Interest paid		(247.73)	(159.49)	(530.78)
Net cash (used in) financing activities	**(C)**	**(1,747.73)**	**(1,579.92)**	**(5,166.90)**

Persistent Systems Limited

STANDALONE CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR NINE MONTHS PERIOD ENDED DECEMBER 31, 2025

	Nine months period ended		Year ended
	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	2,828.88	491.97	455.25
Cash and cash equivalents at the beginning of the year	3,636.55	3,258.83	3,258.83
Movement in cash and cash equivalent on account of transfer of business undertaking	-	(86.65)	(72.17)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(81.69)	69.90	(5.36)
Impact of ESOP Trust	-	-	-
Cash and cash equivalents at the end of the year	**6,383.74**	**3,734.05**	**3,636.55**
Components of cash and cash equivalents (refer note no. 12)			
Cash on hand	0.16	0.08	0.19
Balances with banks			
On current accounts #	3,233.85	1,464.16	1,534.92
On saving accounts	16.54	45.02	26.87
On deposit account with original maturity of less than three months	206.00	59.00	586.00
On exchange earner's foreign currency accounts	2,927.19	2,165.79	1,488.57
Cash and cash equivalents	**6,383.74**	**3,734.05**	**3,636.55**

Of the cash and cash equivalent balance as at December 31, 2025, the Company can utilise ₹ 0.02 Million (Corresponding period: ₹ 0.02 Million / Previous year: ₹ 0.02 Million) only towards certain predefined activities.

The above Cash Flow Statement has been prepared under "Indirect Method" as set out in Ind AS - 7 on "Statement of Cash Flows" notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Summary of material accounting policy information (refer note 3)

The accompanying notes are an integral part of the standalone condensed interim financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W - 100022

SWAPNIL SATISH DAKSHINDAS

Digitally signed by SWAPNIL SATISH DAKSHINDAS Date: 2026.01.20 15:38:08 +05'30'

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : January 20, 2026

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 20, 2026 13:58:47 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: Pune
Date : January 20, 2026

Sandeep Kalra
Sandeep Kalra (Jan 20, 2026 14:48:19 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: Pune
Date : January 20, 2026

Praveen Kadle
Praveen Kadle (Jan 20, 2026 14:43:58 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : January 20, 2026

Vinit Teredesai
Vinit Teredesai (Jan 20, 2026 13:54:24 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : January 20, 2026

Amit Atre
Amit Atre (Jan 20, 2026 13:42:28 GMT+5.5)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : January 20, 2026

Persistent Systems Limited

STANDALONE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS PERIOD ENDED DECEMBER 31,

A. Equity share capital

(refer note 16(a))

In ₹ Million

Balance as at April 1, 2025	Changes in equity share capital during the nine months period	Balance as at December 31, 2025
779.25	9.50	788.75

In ₹ Million

Balance as at April 1, 2024	Changes in equity share capital during the nine months period	Balance as at December 31, 2024 (Restated)
770.25	9.00	779.25

In ₹ Million

Balance as at April 1, 2024	Changes in equity share capital during the year	Balance as at March 31, 2025 (Restated)
770.25	9.00	779.25

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Persistent Systems Limited

STANDALONE CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS PERIOD ENDED DECEMBER 31, 2025

B. Other equity

In ₹ Million

Particulars	Reserves and surplus							Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Securities premium	Effective portion of cash flow hedges	
Balance as at April 1, 2025	27,741.64	3,432.38	35.75	24,008.13	(3,585.51)	180.77	3,438.70	(2.32)	55,249.54
Profit for the period	-	-	-	12,144.71	-	-	-	-	12,144.71
Items recognised in / from other comprehensive income for the period	-	-	-	44.91	-	-	-	(840.87)	(795.96)
Income tax effect on above	-	-	-	(11.30)	-	-	-	212.22	200.92
Dividend	-	-	-	(2,346.00)	-	-	-	-	(2,346.00)
Dividend Paid to ESOP trust	-	-	-	-	-	13.70	-	-	13.70
Addition during the period	-	-	-	-	-	-	171.22	-	171.22
Shares held by ESOP trust	-	-	-	-	1,769.20	-	-	-	1,769.20
Employee stock compensation expenses	-	53.05	-	-	-	-	-	-	53.05
Employee stock compensation expenses of subsidiaries	-	1,156.77	-	-	-	-	-	-	1,156.77
Reserve on account of Subsidiary business transfer (refer note no.37)	-	-	-	(59.99)	-	-	-	-	(59.99)
Balance as at December 31, 2025	**27,741.64**	**4,642.20**	**35.75**	**33,780.46**	**(1,816.31)**	**194.47**	**3,609.92**	**(630.97)**	**67,557.16**

Million (Restated)

Particulars	Reserves and surplus							Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Securities premium	Effective portion of cash flow hedges	
Balance as at April 1, 2024	25,854.48	2,227.71	35.75	17,272.67	-	-	1,601.80	23.85	47,016.26
Impact of scheme of merger (refer note no.36) (CAPIOT)	-	-	-	(58.96)	-	-	-	-	(58.96)
Impact on account of ESOP consolidation	-	-	-	-	(2,677.25)	140.64		-	(2,536.61)
Profit for the period	-	-	-	8,493.67	-	-	-	-	8,493.67
Items recognised in / from other comprehensive income for the period	-	-	-	207.89	-	-	-	(414.00)	(206.11)
Income tax effect on above	-	-	-	(52.32)	-	-	-	98.19	45.87
Dividend	-	-	-	(1,540.50)	-	-	-	-	(1,540.50)
Dividend Paid to ESOP trust	-	-	-	-	-	10.00	-	-	10.00
Shares held by ESOP trust	-	-	-	-	(990.67)	-	-	-	(990.67)
Employee stock compensation expenses	-	596.13	-	-	-	-	-	-	596.13
Employee stock compensation expenses of subsidiaries	-	1,316.31	-	-	-	-	-	-	1,316.31
Premium on fresh issue of equity shares	-	-	-	-	-	-	1,836.90	-	1,836.90
Balance as at December 31, 2024(Restated)	**25,854.48**	**4,140.15**	**35.75**	**24,322.45**	**(3,667.92)**	**150.64**	**3,438.70**	**(291.96)**	**53,982.29**

Million (Restated)

Particulars	Reserves and surplus							Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Securities premium	Effective portion of cash flow hedges	
Balance as at April 1, 2024	25,854.48	2,227.71	35.75	17,272.67	-	-	1,601.80	23.85	47,016.26
Impact of scheme of merger (refer note no.36) (CAPIOT)	-	-	-	(58.96)	-	-	-	-	(58.96)
Impact on account of ESOP consolidation	-	-	-	-	(2,677.25)	140.64	-	-	(2,536.61)
Profit for the year	-	-	-	11,303.82	-	-	-	-	11,303.82
Items recognised in / from other comprehensive income for the year	-	-	-	197.91	-	-	-	(34.97)	162.94
Income tax effect on above	-	-	-	(49.81)	-	-	-	8.80	(41.01)
Dividend	-	-	-	(4,657.50)	-	-	-	-	(4,657.50)
Dividend Paid to ESOP trust	-	-	-	-	-	40.13	-	-	40.13
Shares held by ESOP trust	-	-	-	-	(908.26)	-	-	-	(908.26)
Adjustments towards employees stock options	1,887.16	(1,887.16)	-	-	-	-	-	-	-
Employee stock compensation expenses	-	609.37	-	-	-	-	-	-	609.37
Employee stock compensation expenses of subsidiaries	-	2,482.46	-	-	-	-	-	-	2,482.46
Premium on fresh issue of equity shares	-	-	-	-	-	-	1,836.90	-	1,836.90
Balance as at March 31, 2025	**27,741.64**	**3,432.38**	**35.75**	**24,008.13**	**(3,585.51)**	**180.77**	**3,438.70**	**(2.32)**	**55,249.54**

Summary of material accounting policy information (refer note 3)

The accompanying notes are an integral part of the standalone condensed interim financial statements.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W - 100022

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.01.20 15:38:37 +05'30'

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : January 20, 2026

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 20, 2026 13:58:47 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: Pune
Date : January 20, 2026

Sandeep Kalra
Sandeep Kalra (Jan 20, 2026 14:48:19 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: Pune
Date : January 20, 2026

Praveen Kadle
Praveen Kadle (Jan 20, 2026 14:43:58 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
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Vinit Teredesai

Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : January 20, 2026

Amit Atre
Amit Atre (Jan 20, 2026 13:42:28 GMT+5.5)

Amit Atre

Company Secretary
Membership No.: A20507

Place: Pune
Date : January 20, 2026

Nature and purpose of reserves

a) General reserve

The general reserve is a free reserve created by an appropriation from one component of equity (generally retained earnings) to another, not being an item of other comprehensive income ("OCI"). The same can be utilized in accordance with the provisions of the Companies Act, 2013.

b) Share options outstanding reserve

Share options outstanding reserve represents the cumulative expense recognised for equity-settled transactions at each reporting date until the employee share options are exercised / expired on which such amount is transferred to General reserve.

c) Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares bought back and is created and utilised in accordance with section 69 of the Companies Act, 2013.

d) Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company which includes remeasurements of the defined benefit liabilities / asset.

e) Securities premium reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of section 52 of the Companies Act, 2013.

f) Effective portion of Cash flow hedge reserve

When a derivative is designated as cashflow hedging instrument the effective portion of changes in the fair value of derivative is recognised in other comprehensive income (OCI) and accumulated in cashflow hedge reserve. Cumulative gains or losses previously recognised in cashflow hedge reserve are recognised in the statement of profit and loss in the period in which such transaction occurs / hedging instruments are settled / cancelled.

g) PSPL ESOP Trust reserve and Treasury shares

The Company has formed PSPL ESOP Management Trust ("PSPL ESOP Trust") for implementation of the schemes that are notified or may be notified from time to time under the plans providing share based payment to its employees.

PSPL ESOP Trust is a controlled entity of the Company and shares held by PSPL ESOP Trust are treated as treasury shares. Profit / (Loss) on sale of treasury shares and dividend earned on the same by PSPL ESOP Trust is recognised in Equity

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1 Company overview

Persistent Systems Limited ("the Company" or "PSL") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the 1956 Act"). The Company has its registered office at Bhageerath, 402 Senapati Bapat Road, Pune, Maharashtra, India. The shares of PSL are listed on Bombay Stock Exchange and National Stock Exchange. PSL is a global company specializing in software products, services and technology innovation. The company offers complete product life cycle services.

The Board of Directors approved the condensed interim standalone financial statements for Nine months period ended December 31, 2025 and authorised for issue on January 20, 2026.

2 Basis of preparation

The standalone condensed interim financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments and equity settled employee stock options which have been measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange of goods and services. The accounting policies are consistently applied by the Company during the quarter and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

These condensed interim standalone financial statements are prepared in accordance with Indian Accounting Standards (Ind AS 34), as prescribed by Section 133 of the Companies Act 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules, 2015 and guidelines issued by the Securities and Exchange Board of India (SEBI). These condensed interim financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. The condensed interim financial statements are presented in ₹ Million (Functional currency of the company) unless otherwise specified.

The Company had formulated an Employee Stock option Plan (ESOP) where the company granted an stock options to employees and the shares will be issued to employees at the time of exercising the options through PSPL ESOP Management Trust (the 'Trust'). As the Trust carried out activities on behalf of the Company, the Company consolidates the Trust in the standalone financial statements to reflect appropriate presentation of the activity of the Trust.

3 Material accounting policy information

3.1 Use of estimates and judgements

The preparation of the condensed interim standalone financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the condensed interim standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed interim standalone financial statements.

3.2 Critical accounting estimates & judgement

a) Revenue recognition

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligations to determine the deliverables and the ability of the customer to benefit independently from such deliverables, and allocation of transaction price to these distinct performance obligations involves significant judgment.

Revenue from fixed price maintenance type contracts is recognised rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from other fixed-price contracts is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Company's costs to fulfil the contract is not even through the period of the contract because the services are generally discrete in nature and not repetitive. The use of a method to recognise such revenues requires judgment and is based on the promises in the contract and nature of the deliverables.

When performance obligation is satisfied over the time, the Company uses the percentage-of-completion method in accounting for its fixed-price contracts. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Efforts or costs expended have been used to measure progress towards completion. Provisions for estimated losses, if any, on uncompleted contracts are recorded in the period in which such losses become probable based on the expected contract estimates at the reporting date.

Further, the Company uses significant judgement while determining the transaction price allocated to performance obligations using the expected cost plus margin approach.

In respect of the contracts where the transaction price is payable as revenue share at pre-defined percentage of customer revenue and bearing in mind, the time gap between the close of the accounting period and availability of the revenue report from the customer, the Company is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

The Company receives advance payments from customers for the sale of software products, services and technology innovation including complete product life cycle services after signing the contract and receipt of payment. There is a significant financing component for these contracts considering the length of time between the customers' payment and rendering of services as well as the prevailing interest rate in the market. As such, the transaction price for these contracts is discounted, using the interest rate implicit in the contract (i.e., the interest rate that discounts the cash selling price to the amount paid in advance). This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Company and the customer at contract inception.

The Company applies the practical expedient for short-term advances received from customers. That is, the promised amount of consideration is not adjusted for the effects of a significant financing component if the period between the transfer of the promised services and the payment is one year or less.

b) Income taxes

The Company's primary tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits are available against which deductible temporary differences & tax losses can be utilised. The Management evaluates if the deferred tax assets will be realised in future considering the historical taxable income, scheduled reversals of deferred tax liabilities, projected future taxable income and tax-planning strategies. While the Management believes that the Company will realise the deferred tax assets, the amount of deferred tax asset realisable, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

c) Business combination

Business combinations are accounted for using Ind AS 103, Business Combinations, which requires the acquirer to recognise the identifiable intangible assets and contingent consideration at fair value. Estimates are required to be made in determining the value of contingent consideration, value of option arrangements and intangible assets. These valuations are conducted by external valuation experts. These measurements are based on information available at the acquisition date and are based on expectations and assumptions that have been deemed reasonable by the Management.

d) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by the Management at the time the asset is acquired and reviewed periodically. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

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e) Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to the Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease periods relating to the existing lease contracts.

As noted above, the Company enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Company uses its incremental borrowing rate as the discount rate for determining its lease liabilities at the lease commencement date. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

f) Provisions and contingent liabilities

The Company estimates the provisions that have present obligations as a result of past events and it is probable that outflow of resources will be required to settle the obligations. These provisions are reviewed at the end of each reporting period and are adjusted to reflect the current best estimates. The Company uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

The cost of the defined benefit plans, compensated absences and the present value of the defined benefit obligation are based on actuarial valuation using the projected unit credit method. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

h) Share based payments

The share based compensation expense is determined based on the Company's estimate of equity instruments that will eventually vest.

i) Impairment of assets

Investments in subsidiaries, goodwill and intangible assets are tested for impairment at least annually and when events occur or changes in circumstances indicate that the recoverable amount of the asset or cash generating units to which these pertain is less than its carrying value. The recoverable amount of cash generating units is higher of value-in-use and fair value less cost to dispose. The calculation of value in use of a cash generating unit involves use of significant estimates and assumptions which includes turnover and earnings multiples, growth rates and net margins used to calculate projected future cash flows, risk adjusted discount rate, future economic and market conditions.

3.3 Summary of material accounting policies

a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III of the Act. Operating cycle is the time between the acquisition of resources / assets for processing and their realisation in cash and cash equivalents. Based on the nature of products / services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months.

b) Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Capital work-in-progress includes cost of Property, plant and equipment that are not ready to be put to use and is stated at cost. The cost comprises the purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, cost of replacing part of the Property, plant and equipment, cost of asset retirement obligations and borrowing costs for long term construction projects if the recognition criteria are met. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of Property, plant and equipment is added to its original cost only if it is probable that future economic benefits associated with the item will flow to the Company. All other expenses on existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from disposal of Property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable cost of preparing the asset for its intended use.

Gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is disposed.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Company can demonstrate:

- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- its intention to complete the asset;
- its ability to use or sell the asset;
- how the asset will generate probable future economic benefits;
- the availability of adequate resources to complete the development and to use or sell the asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during development.

Such development expenditure, until capitalization, is reflected as intangible assets under development.

Following the initial recognition, internally generated intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Amortisation of internally generated intangible asset begins when the development is complete and the asset is available for use.

d) Depreciation and amortisation

Depreciation on Property, plant and equipment is provided using the Straight Line Method ('SLM') over the useful lives of the assets estimated by the management.

The management estimates the useful lives for the Property, plant and equipment except for leasehold improvements as follows:

Assets	Useful lives
Buildings*	25 years
Computers*	3 to 5 years
Computers - Servers and networks*	3 to 5 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment (Windmill)*	20 years
Plant and equipment (Solar Energy System) *	10 years
Furniture and fixtures*	5 years
Vehicles*	5 years

*For these classes of assets, based on a technical evaluation, the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Thus useful lives of these assets are different from useful lives as prescribed under Part C of Schedule II of the Act.

Leasehold improvements are amortised over the period of lease or useful life, whichever is lower.

Where cost of a part of the asset ("asset component") is significant to total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and such asset component is depreciated over its separate useful life.

Intangible assets are amortised on a straight-line basis over their estimated useful lives ranging from 3 to 7 years from the day the asset is made available for use.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically.

e) Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or development of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur.

f) Leases

The Company assesses at the inception of contract whether a contract is or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

(i) the contract involves the use of an identified asset

(ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and

(iii) the Company has the right to direct the use of the asset

Where the Company is a lessee

The Company recognises right of use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right of use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located.

The right of use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right of use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right of use asset. The estimated useful lives of right of use assets are determined on the same basis as those of property, plant and equipment.

Right of use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate.

The lease payments shall include fixed payments, variable lease payments based on an index or rate, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right of use asset, or statement of profit and loss if the right of use asset is already reduced to zero.

The Company has elected not to apply the requirements of Ind AS 116 to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease expenses associated with these leases are recognised in the statement of profit and loss on a straight-line basis.

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g) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on budgets and forecast calculations, prepared for each CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the services, industries, or country or countries in which the Company operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss, except for assets previously revalued with the revaluation surplus taken to OCI. For such assets, the impairment is recognised in OCI up to the amount of any previous revaluation surplus.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment on an annual basis and whenever there is an indication that the recoverable amount of a cash generating unit is less than its carrying amount based on a number of factors including operating results, business plans, future cash flows and economic conditions. The recoverable amount of cash generating units is determined based on higher of value-in-use and fair value less cost to sell. The goodwill impairment test is performed at the level of the cash-generating unit or groups of cash-generating units which are benefiting from the synergies of the acquisition and which represents the lowest level at which goodwill is monitored for the internal management purposes. If recoverable amount cannot be determined for an individual asset, an entity identifies the lowest aggregation of assets that generate largely independent cash inflows. Market related information and estimates are used to determine the recoverable amount. Key assumptions on which the Management has based its determination of recoverable amount include estimated long term growth rates, weighted average cost of capital and estimated operating margins. Cash flow projections take into account past experience and represent the Management's best estimate about future developments.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU or groups of CGUs, which benefit from the synergies of the acquisition. The synergy benefits derived from Goodwill are enjoyed interchangeably among segments and the company is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

h) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The Company recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Subsequent measurement

Non-derivative financial instruments

Financial assets

Financial assets at amortised cost

Financial assets that are held within a business model whose objective is to hold assets for collecting contractual cash flows and whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding are subsequently measured at amortised cost using the effective interest rate method. The change in measurements are recognised as finance income in the statement of profit and loss.

Financial assets at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets and the assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding are subsequently measured at fair value. Fair value movements are recognised in OCI.

Financial assets at fair value through profit or loss (**FVTPL**)

Any financial asset which does not meet the criteria for categorization as financial asset at amortized cost or at FVTOCI, is classified as financial asset at FVTPL. Financial assets except derivative contracts included within the FVTPL category are subsequently measured at fair value with all changes recognized in the statement of profit and loss.

Net gains or net losses on items at fair value through profit or loss include interest or dividend income received from these assets.

Investments in subsidiaries

Equity investment in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprises of cash at bank, cash in hand and short term deposits with an original maturity period of three months or less.

Financial liabilities

Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derivative financial instruments

The Company uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Company documents the hedging relationship between the hedging instrument and hedged item including whether the changes in cash flows of the hedging instruments are expected to offset the changes in cash flows of the hedged items. The Company documents its objective and strategy for undertaking its hedging transactions.

Derivatives are initially recognised at fair value on the date a derivative contract is entered and are subsequently re-measured at fair value at each reporting date.

For cash flow hedges that qualify for hedge accounting, the effective portion of fair value of derivatives are recognised in cash flow hedging reserve within equity through OCI.

Gains or losses relating to the ineffective portion is immediately recognised in statement of profit and loss.

Amounts accumulated in equity are reclassified to statement of profit and loss in the period when the hedged item affects profit and loss or hedged future cash flows are no longer expected to occur.

Derivatives which do not qualify for hedge accounting are accounted classified as FVTPL.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expired. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity, if any, is recognised in statement of profit and loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to statement of profit and loss.

The Company derecognises financial liabilities when the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices, dealer quotes.

For equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

All methods of assessing fair value result in general approximation of value, and such value may never actually be realised. For financial assets and liabilities maturing within one year from the balance sheet date and which are not carried at fair value, the carrying amounts approximate fair value due to the short maturity of these instruments.

Impairment of financial assets

The Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortised cost and financial assets that are debts instruments and are measured at FVTOCI. ECL is the difference between contractual cash flows that are due and the cash flows that the Company expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and allowance rates used in the provision matrix. For all other financial assets, expected credit losses are measured at an amount equal to the 12 months expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

i) Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved.

The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Company’s contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and licenses

The Company derives revenues primarily from IT services comprising of software development and related services and from the licensing of software products.

Arrangements with customers for software related services are either on a time-and-material or a fixed-price basis.

Revenue on time-and-material contracts are recognised as and when the related services are performed. Revenue from fixed-price contracts, where the performance obligations are satisfied over time and where there is no uncertainty as to measurement or collectability of consideration, is recognised as per the percentage-of-completion method. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Revenue from licenses where the customer obtains a “right to use” the licenses is recognised at the time the license is made available to the customer. Revenue from licenses where the customer obtains a “right to access” is recognised over the access period.

When support services are provided in conjunction with the licensing arrangement and the license and the support services have been identified as two separate performance obligations, the transaction price for such contracts are allocated to each performance obligation of the contract based on their relative standalone selling prices. Maintenance revenue is recognised proportionately over the period in which the services are rendered.

Income from services rendered to the group companies is recognised as and when services are rendered and are invoiced using cost-plus mark-up approach.

Revenue from revenue share is recognised in accordance with the terms of the relevant agreements.

Unbilled revenue represents revenue recognised in relation to work done until the balance sheet date for which billing has not taken place.

Unearned revenue represents the billing in respect of contracts for which the revenue is not recognised.

The Company collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Interest
Interest income is recognised on a time proportion basis taking into account the carrying amount and the effective interest rate.

Dividend
Dividend income is recognised when the Company's right to receive dividend is established. Dividend income is included under the head 'Other income' in the statement of profit and loss.

Contract balances
Contract assets
Contract assets are recognised when there are excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract liabilities
Unearned and deferred revenue ("contract liability") is recognised when there are billings in excess of revenue.

j) Foreign currency translation

Foreign currency transactions and balances

The functional currency of the company is ₹ (INR).

Initial recognition
Foreign currency transactions are recorded in the functional currency of the Company, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Conversion
Foreign currency monetary items are converted using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. Non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates at the date when the values were determined. For foreign currency transactions recognised in statement of profit and loss of the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Exchange differences
Exchange differences arising on conversion / settlement of foreign currency monetary items and on foreign currency liabilities relating to Property, plant and equipment acquisition are recognised as income or expenses in the period in which they arise.

Translation of foreign operations
The company presents the condensed interim standalone financial statements in ₹. For the purpose of the financial statements, the assets and liabilities of the company's foreign operations are translated using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising on translation are recognised in other comprehensive income and accumulated in equity.

k) Employee benefits

<u>**Defined contribution plan**</u>

Provident fund
Provident fund is a defined contribution plan covering eligible employees. The Company and the eligible employees make a monthly contribution to the provident fund maintained by the Regional Provident Fund Commissioner equal to the specified percentage of the eligible salary of the entitled employees as per the scheme. The contributions to the provident fund are charged to the statement of profit and loss for the period / year when the contributions are due. The Company has no obligation, other than the contribution payable to the provident fund.

Superannuation

Superannuation is a defined contribution plan covering eligible employees. The contribution to the superannuation fund managed by the insurer is equal to the specified percentage of the basic salary of the eligible employees as per the scheme. The contribution to this scheme is charged to the statement of profit and loss on an accrual basis. There are no other contributions payable other than contribution payable to the respective fund.

Defined benefit plan

Gratuity

Gratuity is a defined benefit obligation plan operated by the Company for its employees covered under Company Gratuity Scheme. The cost of providing benefit under gratuity plan is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date and are charged to the statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Compensated absences and long service awards

Leave encashment

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Company presents the entire leave encashment liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement beyond twelve months after the reporting date.

The expected cost of accumulating leave encashment is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid / availed as a result of the unused entitlement that has accumulated at the balance sheet date. Expense on non-accumulating leave encashment is recognised in the period in which the absences occur.

Other employee benefits

Other short-term employee benefits such as overseas social security contributions and performance incentives expected to be paid in exchange for services rendered by employees, are recognised in the statement of profit and loss during the period when the employee renders the service.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognised directly in equity is recognised in equity and not in statement of profit and loss.

Deferred income taxes reflect the impact of temporary differences between tax base of assets and liabilities and their carrying amounts. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except deferred tax liability arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit / loss at the time of transaction. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, except deferred tax assets arising from initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit / loss at the time of transaction. Deferred tax assets are recognised only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realised.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognised in the period in which the temporary differences originate.

The carrying amount of deferred tax asset is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available against which such deferred tax assets can be realised.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax relating to items recognised outside the statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

In accordance with para 4 of Indian Accounting Standard 108 (Ind AS-108) "Operating Segments" the Company has disclosed segment information only in condensed interim consolidated financial statements which are presented together with the condensed interim standalone financial statements.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period / year. The weighted average number of equity shares outstanding during the reporting period / year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any occurred during the reporting period, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted EPS, the net profit for the period / year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the period / year, are adjusted for the effects of all dilutive potential equity shares.

The number of shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any bonus shares issues including for changes effected prior to the approval of the condensed interim standalone financial statements by the Board of Directors.

o) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are determined based on the best estimate of the amount required to settle the obligation at the reporting date. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. These estimates are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

p) Contingent liabilities and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in condensed interim standalone financial statements.

q) Share based payments

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments granted (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value of the options at the date of the grant and recognised as employee compensation cost over the vesting period. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revisions to the original estimates, if any, in statement of profit and loss with a corresponding adjustment to equity.

The expense or credit recognised in the statement of profit and loss for the period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense with a corresponding increase in stock options outstanding reserve in equity. In case of the employee stock option schemes having a graded vesting schedule, each vesting tranche having different vesting period has been considered as a separate option grant and accounted for accordingly.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognised is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction or is otherwise beneficial to the employee as measured at the date of modification.

The employee stock option expenses in respect of the employees of the subsidiary are charged to the respective subsidiary.

r) Equity

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buyback are recognised as a deduction from equity, net of any tax effects.

s) Dividend

Final dividend on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

t) Business Combination

The acquisition method of accounting is used to recognized for all business combinations, when the acquired set of activities and assets meet the definition of business and control is transferred regardless of whether equity instruments or other assets are acquired. The acquisition cost is measured as the aggregate of the consideration transferred and the amount of any non-controlling interest in the acquiree at fair value.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Company recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- Consideration transferred and fair value of contingent consideration payable;
- Amount of any non-controlling interest in the acquired business, and
- Acquisition-date fair value of any previous equity interest in the acquired business

over the fair value of the net identifiable assets acquired is recognised as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in OCI and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase is recognised directly in equity as capital reserve.

Business combinations between entities under common control is accounted for using pooling of interest method. The identity of the reserves is preserved as they appear in the standalone financial statements of the Company in the same form in which they appeared in the financial statements of the acquired entity. The difference, if any, between the consideration and the amount of share capital of the acquired entity is transferred to business transfer reserve.

u) **Goodwill / Gain on bargain purchase**

Goodwill represents the cost of business acquisition in excess of the Company's interest in the net fair value of identifiable assets, liabilities and contingent liabilities of the acquiree. When the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised in the OCI as gain on bargain purchase. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

v) **Cashflow statement**

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated. The Company considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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4.1 Property, plant and equipment

(In ₹ Million)

	Land-Freehold	Buildings (refer note)	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2025	991.53	2,821.18	4,047.43	72.58	2,152.03	12.80	848.43	15.37	10,961.35
Additions	-	30.20	220.47	1.16	74.03	0.03	8.90	-	334.79
Disposals	-	57.12	206.12	0.37	92.74	-	34.52	-	390.87
Other Adjustments*	-	-	(0.18)	-	(0.01)	-	-	-	(0.19)
As at December 31, 2025	**991.53**	**2,794.26**	**4,061.60**	**73.37**	**2,133.31**	**12.83**	**822.81**	**15.37**	**10,905.08**
Accumulated depreciation									
As at April 1, 2025	-	1,590.74	3,288.11	53.66	1,507.70	8.31	634.69	9.78	7,092.99
Charge for the period	-	96.99	292.38	4.22	166.15	0.80	62.95	1.46	624.95
Disposals	-	40.09	162.22	0.37	92.16	-	34.52	-	329.36
Other Adjustments	-	-	0.02	-	-	-	-	-	0.02
As at December 31, 2025	**-**	**1,647.64**	**3,418.29**	**57.51**	**1,581.69**	**9.11**	**663.12**	**11.24**	**7,388.60**
Net block									
As at December 31, 2025	**991.53**	**1,146.62**	**643.31**	**15.86**	**551.62**	**3.72**	**159.69**	**4.13**	**3,516.48**

In ₹ Million (Restated)

	Land-Freehold	Buildings (refer note)	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2024	991.53	2,825.52	3,727.84	67.17	2,057.11	20.79	876.97	14.81	10,581.74
Additions	-	7.00	496.98	11.11	153.21	5.23	18.29	0.87	692.69
Disposals	-	-	53.80	4.37	31.25	13.23	46.86	0.33	149.84
As at December 31, 2024	**991.53**	**2,832.52**	**4,171.02**	**73.91**	**2,179.07**	**12.79**	**848.40**	**15.35**	**11,124.59**
Accumulated depreciation									
As at April 1, 2024	-	1,481.62	3,132.32	54.36	1,400.79	20.79	611.18	8.14	6,709.20
Charge for the period	-	90.79	253.52	4.37	151.33	0.49	60.38	1.46	562.34
Disposals	-	-	45.72	4.37	28.86	13.23	41.72	0.33	134.23
As at December 31, 2024	**-**	**1,572.41**	**3,340.12**	**54.36**	**1,523.26**	**8.05**	**629.84**	**9.27**	**7,137.31**
Net block									
As at December 31, 2024	**991.53**	**1,260.11**	**830.90**	**19.55**	**655.81**	**4.74**	**218.56**	**6.08**	**3,987.28**

In ₹ Million (Restated)

	Land-Freehold	Buildings (refer note)	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (at cost)									
As at April 1, 2024	991.53	2,825.52	3,727.84	67.17	2,057.11	20.79	876.97	14.81	10,581.74
Additions	-	10.34	603.77	11.28	199.04	5.23	39.21	0.87	869.74
Disposals	-	14.90	295.66	6.71	91.57	13.23	67.73	0.33	490.13
Other Adjustments*	-	0.22	11.48	0.84	(12.55)	0.01	(0.02)	0.02	0.00
As at March 31, 2025	**991.53**	**2,821.18**	**4,047.43**	**72.58**	**2,152.03**	**12.80**	**848.43**	**15.37**	**10,961.35**
Accumulated depreciation									
As at April 1, 2024	-	1,481.62	3,132.32	54.36	1,400.79	20.79	611.18	8.14	6,709.20
Charge for the year	-	120.77	343.37	5.92	206.60	0.75	83.47	1.94	762.82
Disposals	-	11.65	198.55	6.71	88.54	13.23	59.99	0.33	379.00
Other Adjustments*	-	-	10.97	0.09	(11.15)	-	0.03	0.03	(0.03)
As at March 31, 2025	**-**	**1,590.74**	**3,288.11**	**53.66**	**1,507.70**	**8.31**	**634.69**	**9.78**	**7,092.99**
Net block									
As at March 31, 2025	**991.53**	**1,230.44**	**759.32**	**18.92**	**644.33**	**4.49**	**213.74**	**5.59**	**3,868.36**

*₹0.00 Million represents value less than ₹ 5,000

Note: Building includes those constructed on leasehold land:

a) Gross block as on December 31, 2025 ₹ 1446.20 million (Corresponding quarter: ₹₹ 1460.40 million / Previous year: ₹ 1460.20 million)
b) Depreciation charge for the quarter ₹ 43.39 million (Corresponding quarter: ₹ 43.80 / Previous year: ₹58.04 million)
c) Accumulated depreciation as on December 31, 2025 ₹830.72 million (Corresponding quarter: ₹ 779.32 / Previous year: ₹793.47 million)
d) Net book value as on December 31, 2025 ₹615.48 million (Corresponding period: ₹ 681.08 million / Previous year: ₹ 666.73 million)

4.2 Right of use assets

(In ₹ Million)

	Office premises	Leasehold land	Other Assets	Total
Gross block (at cost)				
As at April 1, 2025	3,124.28	973.36	276.80	4,374.44
Additions	414.99	-	1,247.76	1,662.75
Disposals	189.69	-	-	189.69
Lease Modification	(11.31)	-	-	(11.31)
As at December 31, 2025	**3,338.27**	**973.36**	**1,524.56**	**5,836.19**
Accumulated depreciation				
As at April 1, 2025	1,267.49	17.52	14.09	1,299.10
Charge for the period	532.41	9.20	361.07	902.68
Disposals	177.83	-	-	177.83
As at December 31, 2025	**1,622.07**	**26.72**	**375.16**	**2,023.95**
Net block				
As at December 31, 2025	**1,716.20**	**946.64**	**1,149.40**	**3,812.24**

In ₹ Million (Restated)

	Office premises	Leasehold land	Other Assets	Total
Gross block (at cost)				
As at April 1, 2024	2,150.19	131.97	-	2,282.16
Additions	1,284.80	-	-	1,284.80
Disposals	166.65	-	-	166.65
Lease Modification	(142.32)	-	-	(142.32)
As at December 31, 2024	**3,126.02**	**131.97**	**-**	**3,257.99**
Accumulated depreciation				
As at April 1, 2024	853.14	4.76	-	857.90
Charge for the period	481.64	1.23	-	482.87
Disposals	116.85	-	-	116.85
Lease Modification	(119.31)	-	-	(119.31)
As at December 31, 2024	**1,098.62**	**5.99**	**-**	**1,104.61**
Net block				
As at December 31, 2024	**2,027.40**	**125.98**	**-**	**2,153.38**

In ₹ Million (Restated)

	Office premises	Leasehold land	Other Assets	Total
Gross block (at cost)				
As at April 1, 2024	2,150.19	131.97	-	2,282.16
Additions	1,284.80	835.59	276.80	2,397.19
Disposals	168.39	-	-	168.39
Lease Modification	(142.32)	-	-	(142.32)
Other Adjustments	-	5.80	-	5.80
As at March 31, 2025	**3,124.28**	**973.36**	**276.80**	**4,374.44**
Accumulated depreciation				
As at April 1, 2024	853.14	4.76	-	857.90
Charge for the year	650.51	6.95	14.09	671.55
Disposals	116.85	-	-	116.85
Lease Modification	(119.31)	-	-	(119.31)
Other Adjustments	-	5.81	-	5.81
As at March 31, 2025	**1,267.49**	**17.52**	**14.09**	**1,299.10**
Net block				
As at March 31, 2025	**1,856.79**	**955.84**	**262.71**	**3,075.34**

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4.3 Goodwill

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Balance at the beginning of the year	604.90	604.90	604.90
Balance at the end of the year	**604.90**	**604.90**	**604.90**

4.4 Other intangible assets

In ₹ Million

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2025	1,235.47	1,316.77	2,552.24
Additions	50.28	141.22	191.50
Disposals	-	261.73	261.73
Other Adjustments	(2.82)	-	(2.82)
As at December 31, 2025	**1,282.93**	**1,196.26**	**2,479.19**
Accumulated amortisation			
As at April 1, 2025	946.01	436.56	1,382.57
Charge for the period	182.93	225.58	408.51
Disposals	-	261.73	261.73
Other Adjustments	(1.42)	-	(1.42)
As at December 31, 2025	**1,127.52**	**400.41**	**1,527.93**
Net block			
As at December 31, 2025	**155.41**	**795.85**	**951.26**

In ₹ Million (Restated)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	912.12	652.64	1,564.76
Additions	323.38	-	323.38
As at December 31, 2024	**1,235.50**	**652.64**	**1,888.14**
Accumulated amortisation			
As at April 1, 2024	674.15	380.84	1,054.99
Charge for the quarter	203.99	41.98	245.97
As at December 31, 2024	**878.14**	**422.82**	**1,300.96**
Net block			
As at December 31, 2024	**357.36**	**229.82**	**587.18**

In ₹ Million (Restated)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	912.12	652.64	1,564.76
Additions	323.38	664.13	987.51
Disposals	(0.03)	-	(0.03)
As at March 31, 2025	**1,235.47**	**1,316.77**	**2,552.24**
Accumulated amortisation			
As at April 1, 2024	674.15	380.84	1,054.99
Charge for the year	271.89	55.72	327.61
Disposals	(0.03)	-	(0.03)
As at March 31, 2025	**946.01**	**436.56**	**1,382.57**
Net block			
As at March 31, 2025	**289.46**	**880.21**	**1,169.67**

4.5 Depreciation and amortisation expense

In ₹ Million

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025	December 31, 2024 (Restated)	December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
On Property, plant and equipment	203.40	200.41	624.95	562.34	762.82
On Right of use assets	327.07	174.27	902.68	482.87	671.55
On Other intangible assets	132.49	146.82	408.51	245.97	327.61
	662.96	**521.50**	**1,936.14**	**1,291.18**	**1,761.98**

5. Non-current financial assets : Investments

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Investments carried at cost			
Unquoted investments			
Investments in equity instruments			
- In wholly owned subsidiary companies (refer note 29)			
Persistent Systems, Inc. 702.00 Million (Corresponding period / Previous year : 702.00 Million) shares of USD 0.10 each, fully paid up	4,729.74	4,729.74	4,729.74
Persistent Systems Pte Ltd. 0.50 Million (Corresponding period / Previous year : 0.50 Million) shares of SGD 1 each, fully paid up	15.50	15.50	15.50
Persistent Systems France SAS 1.50 Million (Corresponding period / Previous year : 1.50 Million) shares of EUR 1 each, fully paid up	97.47	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd. 5.45 Million (Corresponding period / Previous year : 5.45 Million) shares of MYR 1 each, fully paid up	102.25	102.25	102.25
Persistent Systems Germany GmbH 16.73 Million (Corresponding period / Previous year : 16.73 Million) shares of EUR 1	1,719.40	1,719.40	1,719.40
MediaAgility India Private Limited 3.21 Million (Corresponding period / Previous year : 3.21 Million) shares of Rs. 10 each, fully paid up.	971.45	971.45	971.45
Persistent Systems UK Limited 12.39 Million (Corresponding period / Previous year : 12.39 Million) shares of EUR 1 each, fully paid up.	782.01	782.01	782.01
Persistent India Foundation 0.05 Million (Corresponding period / Previous year : 0.05 Million) shares of INR 10 each, fully paid up.	0.50	0.50	0.50
Arrka Infosec Private Limited 0.103 Million (Corresponding period: NIL / Previous year : 0.103Million) shares of INR 10 each, fully paid up.	133.31	134.48	133.31
Aepona Group Limited 544,432.52 Million (Corresponding period: / Previous year : NIL) shares of EUR 0.012 and EUR 0.0000012 each, fully paid up.	1,466.57	-	-
Total investments carried at cost (A)	10,018.20	8,552.80	8,551.63
Investments carried at amortised cost			
Quoted investments			
In bonds (refer note 28)	2,475.47	2,916.91	2,916.91
Add: Interest accrued on bonds	100.14	92.81	78.66
Total investments carried at amortised cost (B)	2,575.61	3,009.72	2,995.57
Investments carried at fair value through profit and loss			
Quoted investments			
- Investments in mutual funds			
Fair value of long term mutual funds (refer note 5 (a))	3,331.55	2,970.71	2,877.14
	3,331.55	2,970.71	2,877.14
- Others*			
Altizon Systems Private Limited 3,766 equity shares (Corresponding period / Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00	6.00
	6.00	6.00	6.00
Total investments carried at fair value (C)	3,337.55	2,976.71	2,883.14
Total investments (A+B+C)	15,931.36	14,539.23	14,430.34
Aggregate amount of quoted investments (bonds)	2,575.61	3,009.72	2,995.57
Aggregate amount of quoted investments (mutual funds)	3,331.55	2,970.71	2,877.14
Aggregate book value of quoted investments	5,907.16	5,980.43	5,872.71
Aggregate market value of quoted investments	5,588.54	5,681.73	5,580.86

* Investments, where the Company does not have joint-control or significant influence including situations where such joint-control or significant influence is intended to be temporary, are classified as "investments in others".

5 (a) Details of fair value of investment in long term mutual funds (quoted)

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Axis Mutual Fund	708.33	657.34	672.09
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	504.15	799.20	532.52
HDFC Mutual Fund	212.18	196.65	201.26
DSP Mutual Fund	177.53	164.88	168.52
HSBC Mutual Fund	178.06	164.60	168.43
Kotak Mutual Fund	583.20	174.57	208.86
ICICI Prudential Mutual Fund	684.35	226.10	324.15
SBI Mutual Fund	-	162.02	166.04
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	109.56	263.63	269.72
Aditya Birla Sun Life Mutual Fund	174.19	161.72	165.55
	3,331.55	**2,970.71**	**2,877.14**

6. Non-current financial assets : Loans

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Unsecured, credit impaired			
Inter-corporate deposit	0.58	0.58	0.58
Less: Impairment	(0.58)	(0.58)	(0.58)
	-	-	-
	-	-	-

7. Other non-current financial assets

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Considered good			
Carried at amortised cost			
Deposits with bank (refer note 13)*	108.53	4.29	48.29
Add: Interest accrued but not due on deposits with bank (refer note 13)	3.08	0.18	0.70
	111.61	**4.47**	**48.99**
Security deposits	416.25	341.54	328.02
Simple Agreement for Future Equity (SAFE)	332.75	332.75	332.75
Considered good (A)	**860.61**	**678.76**	**709.76**
Credit impaired			
Deposit with financial institutions (refer note 32)	408.88	430.00	408.88
Add: Interest accrued but not due on deposit with financial institutions	0.30	0.98	0.30
Less: Credit impaired	(409.18)	(430.98)	(409.18)
Credit impaired (B)	-	-	-
Other financial assets	-	0.55	0.11
Total (A+B)	**860.61**	**679.31**	**709.87**

* Out of the balance, fixed deposits of ₹ 62.80 Million (Corresponding period: ₹ 4.10 Million / Previous year : ₹ 3.00 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

8. Deferred tax assets (net)

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Deferred tax assets			
Provision for leave encashment	317.24	242.56	252.79
Allowance for expected credit loss	106.59	25.22	54.29
Right of use asset and lease liability	50.58	49.44	51.08
Provisions for doubtful investment	113.28	117.23	113.28
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	65.62	2.16	12.42
Cash flow hedges	212.22	98.19	0.78
Others	-	27.93	28.26
	865.53	562.73	512.90
Deferred tax liabilities			
Capital gains (net)	133.02	101.84	122.73
	133.02	101.84	122.73
Deferred tax assets (net)	732.51	460.89	390.17

9. Other non-current assets

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Capital advances (unsecured, considered good)	78.64	821.62	33.53
Prepayments	351.08	552.12	508.87
	429.72	1,373.74	542.40

10. Current financial assets : Investments

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Investments carried at fair value through profit and loss			
- Quoted investments			
Investments in mutual funds (A)			
Fair value of current mutual funds (refer note 10(a))	8,833.02	4,136.88	3,335.01
Investments carried at amortised cost (B)			
- Quoted investments			
In bonds (refer note 28)	550.00	-	-
Add: Interest accrued on bonds	-	-	-
Total investments carried at amortised cost	550.00	-	-
- Unquoted investments			
Investment in commercial papers	482.10	-	-
Total investments carried at amortised cost	482.10	-	-
Total investments	9,865.12	4,136.88	3,335.01
Aggregate market value of quoted investments	**9,383.53**	**4,136.88**	**3,335.01**
Aggregate market value of unquoted investments	**482.10**	**-**	**-**

10(a) Details of fair value of current investment in mutual funds (quoted)

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Aditya Birla Sun Life Mutual Fund	692.42	673.72	438.79
UTI Mutual Fund	1,297.30	394.08	383.48
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	1,241.81	461.13	472.47
Axis Mutual Fund	980.26	393.09	275.99
Kotak Mutual Fund	515.40	288.65	609.18
HDFC Mutual Fund	206.29	315.99	118.00
Tata Mutual Fund	1,006.03	390.97	195.10
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	242.75	195.88	195.40
HSBC Mutual Fund	-	-	-
ICICI Prudential Mutual Fund	137.01	284.24	70.03
DSP Mutual Fund	393.52	341.69	-
Mirae Asset Mutual Fund	495.87	199.09	195.64
SBI Mutual Fund	197.88	-	70.04
Sundaram Mutual Fund	408.13	-	115.28
Invesco Mutual Fund	699.07	198.35	195.61
Bajaj Finserv Mutual Fund	319.28	-	-
	8,833.02	4,136.88	3,335.01

11. Trade receivables

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
- Non current - Billed			
Unsecured, considered good	977.96	607.11	503.15
	977.96	**607.11**	**503.15**
- Current - Billed			
Unsecured, considered good*	21,920.66	20,786.33	15,798.11
Unsecured, credit impaired	423.50	100.20	831.67
	22,344.16	**20,886.53**	**16,629.78**
Less : Allowance for expected credit loss	(423.50)	(100.20)	(215.72)
	21,920.66	**20,786.33**	**16,414.06**
- Current - Unbilled*	9,339.99	8,097.14	8,836.14
	32,238.61	**29,490.58**	**25,753.35**

*Includes dues from related parties (refer note 29)

12. Cash and cash equivalents

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Cash and cash equivalents			
Cash on hand	0.16	0.08	0.19
Balances with banks			
On current accounts#	3,233.85	1,464.16	1,534.92
On saving accounts	16.54	45.02	26.87
On exchange earner's foreign currency accounts	2,927.19	2,165.79	1,488.57
On deposit accounts with original maturity less than three months	206.00	59.00	586.00
On Escrow account**		-	
Cheques on hand	-	-	-
	6,383.74	**3,734.05**	**3,636.55**

Of the cash and cash equivalent balance as at December 31, 2025, the Company can utilise ₹ 0.02 Million (Corresponding period: ₹ 0.02 Million / Previous year: ₹ 0.02 Million) only towards certain predefined activities.

13. Bank balances other than cash and cash equivalents

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Deposits with banks*	996.35	3,045.76	3,054.13
Add: Interest accrued but not due on deposits with banks	31.58	76.77	101.39
Deposits with banks (carried at amortised cost)	**1,027.93**	**3,122.53**	**3,155.52**
Less: Deposit with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 7)	(108.53)	(4.29)	(48.29)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	(3.08)	(0.18)	(0.70)
	916.32	**3,118.06**	**3,106.53**
Balances with banks on unpaid dividend accounts**	-	9.43	20.23
	916.32	**3,127.49**	**3,126.76**

* Out of the balance, fixed deposits of ₹ 806.85 Million (Corresponding period: ₹ 2,365.29 Million / Previous year : ₹ 2,367.54 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

** The Company can utilise these balances only towards settlement of the respective unpaid dividend.

14. Other current financial assets

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Carried at amortised cost			
Advances to related parties (Unsecured, considered good) (refer note 29)			
Persistent Systems France SAS	0.31	0.81	0.81
Persistent Telecom Solutions Inc.	-	0.22	0.26
Persistent Systems Malaysia Sdn. Bhd.	0.62	0.13	0.13
Persistent Systems Lanka (Private) Limited	-	0.35	-
Persistent Systems UK Limited (Formerly known as Aepona Limited)	192.16	140.50	137.07
Aepona Group Limited	-	-	-
Persistent Systems Mexico, S.A. de C.V	3.30	1.93	2.18
Persistent Systems Germany GmbH	0.30	0.75	0.86
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	-	0.20	0.20
Persistent Systems Australia Pty Limited	0.56	5.20	0.45
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	2.70	1.32	1.28
	199.95	**151.41**	**143.24**
Unbilled Revenue	-	747.94	907.88
Security deposits	100.02	65.95	85.35
Other receivables *	8,090.14	14,628.51	6,240.19
	8,390.11	**15,593.81**	**7,376.66**

* Includes amounts received in subsidiaries on behalf of the company of ₹ 3,647.74 million (Corresponding period:₹ 14,628.51 million / previous year - ₹ 6,240.19 million) (refer note 29).

15. Other current assets

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	457.15	887.94	1,173.59
Prepayments	1,182.31	1,016.80	913.65
Deferred finance cost	28.77	13.82	5.72
Contract Assets	1,386.81	-	-
Other advances (Unsecured, considered good)			
VAT receivable (net)	85.55	63.13	55.25
GST receivable (net) (refer note 30)	8,882.21	3,702.01	4,880.45
	8,967.76	**3,765.14**	**4,935.70**
	12,022.80	**5,683.70**	**7,028.66**

16(a). Share Capital

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Authorized shares (No. in Million)			
400 (Corresponding period / Previous year:400) equity shares of ₹5 each	2,000.00	2,000.00	2,000.00
	2,000.00	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in Million)			
157.75 (Corresponding period: 155.85 / Previous year: 155.85) equity shares of ₹5 each	788.75	779.25	779.25
Issued, subscribed and fully paid-up share capital	**788.75**	**779.25**	**779.25**

a) Reconciliation of the shares outstanding at the beginning and at the end of the year

The reconciliation of the number of shares outstanding and the amount of share capital is set out below:

(In Million)

	As at December 31, 2025		As at December 31, 2024		As at March 31, 2025	
	No of Shares	In ₹	No of Shares	In ₹ (Restated)	No of Shares	In ₹ (Restated)
Number of shares at the beginning of the reporting period	155.85	779.25	154.05	770.25	154.05	770.25
Add: Changes during the reporting period	1.90	9.50	1.80	9.00	1.80	9.00
Number of shares at the end of the reporting period	**157.75**	**788.75**	**155.85**	**779.25**	**155.85**	**779.25**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹5 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. However, no such preferential amounts exist currently.

c) Aggregate number of shares bought back during the period of five years immediately preceding the reporting date

In the period of five years immediately preceding December 31, 2025, the Company has not done any buyback of shares.

d) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder*	As at December 31, 2025		As at December 31, 2024 (Restated)		As at March 31, 2025 (Restated)	
	No. in million	% Holding	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande	45.78	29.02	45.75	29.35	45.75	29.35
Motilal Oswal Midcap Fund	9.60	6.09	-	-	-	-

* The shareholding information is based on legal ownership of shares and has been extracted from the records of the Company including register of shareholders / members.

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16(b). Other equity

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Reserves and Surplus			
General reserve	27,741.64	25,854.48	27,741.64
Share options outstanding reserve	4,642.20	4,140.15	3,432.38
Capital redemption reserve	35.75	35.75	35.75
Retained earnings	33,780.46	24,322.45	24,008.13
Securities premium	3,609.92	3,438.70	3,438.70
PSL ESOP Trust reserve	194.47	150.64	180.77
Treasury shares	(1,816.31)	(3,667.92)	(3,585.51)
Items of other comprehensive income			
Effective portion of cash flow hedges	(630.97)	(291.96)	(2.32)
	67,557.16	**53,982.29**	**55,249.54**

(i) General reserve

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	27,741.64	25,854.48	25,854.48
Adjustments towards employees stock options	-	-	1,887.16
	27,741.64	**25,854.48**	**27,741.64**

(ii) Share options outstanding reserve

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	3,432.38	2,227.71	2,227.71
Adjustments towards employees stock options	-	-	(1,887.16)
Employee stock compensation expenses	53.05	596.13	609.37
Employee stock compensation expenses of subsidiaries	1,156.77	1,316.31	2,482.46
	4,642.20	**4,140.15**	**3,432.38**

(iii) Capital redemption reserve

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	35.75	35.75	35.75
	35.75	**35.75**	**35.75**

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(iv) Retained earnings

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	24,008.13	17,272.67	17,272.67
Profit for the year	12,144.71	8,493.67	11,303.82
Impact of scheme of merger		(58.96)	(58.96)
Items recognised in / from other comprehensive income for the year	44.91	207.89	197.91
Impact on account of ESOP consolidation		-	-
Reserve on account of Subsidiary business transfer	(59.99)	-	-
Income tax effect on above	(11.30)	(52.32)	(49.81)
Dividend	(2,346.00)	(1,540.50)	(4,657.50)
	33,780.46	**24,322.45**	**24,008.13**

(v) Securities premium

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	3,438.70	1,601.80	1,601.80
Premium on fresh issue of equity shares	171.22	1,836.90	1,836.90
	3,609.92	**3,438.70**	**3,438.70**

(vi) Effective portion of cash flow hedges

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	(2.32)	23.85	23.85
Items recognised in / from other comprehensive income for the year (net of tax)	(628.65)	(315.81)	(26.17)
	(630.97)	**(291.96)**	**(2.32)**

(vii) PSL ESOP Trust reserve

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	40.13	-	-
Dividend Paid to ESOP trust	13.70	10.00	40.13
	53.83	**10.00**	**40.13**

(viii) Treasury shares

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	(2,677.25)	-	-
Shares held by ESOP trust	1,769.20	(2,677.25)	(2,677.25)
	(908.05)	**(2,677.25)**	**(2,677.25)**

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17. Lease liabilities

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Non-current			
Lease liabilities	3,455.32	2,207.89	2,322.46
Less: Current portion of lease liabilities	(1,416.51)	(885.10)	(834.49)
	2,038.81	**1,322.79**	**1,487.97**
Current			
Lease liabilities	1,416.51	885.10	834.49
	1,416.51	**885.10**	**834.49**

The table below shows change in the Company's liabilities arising from lease, including both cash and non-cash changes:

	Nine months period ended		Year ended
	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
Opening balance	2,322.46	1,503.97	1,503.97
Additions	2,048.59	1,284.80	1,561.60
Deletions	(14.24)	(100.75)	(102.58)
Lease modification	(9.34)	(45.32)	(45.32)
Add: Interest recognised during the year	211.77	167.86	218.69
Less: Payments made during the year	(1,103.92)	(602.67)	(813.90)
Closing balance	**3,455.32**	**2,207.89**	**2,322.46**

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18. Non current liabilities : Provisions

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Provision for employee benefits			
- Gratuity	757.82	1.21	69.06
- Leave Encashment	922.00	-	-
Other provisions	35.00	-	-
	1,714.82	1.21	69.06

19. Trade payables

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Trade payables for goods and services*			
-total outstanding dues of micro enterprises and small enterprises	24.32	21.00	40.77
-total outstanding dues of creditors other than micro enterprises and small enterprises	14,025.05	19,823.56	10,152.90
	14,049.37	19,844.56	10,193.67

*Includes dues payable to related parties (refer note 29)

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the balance sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous years.

20. Other financial liabilities

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Non-current			
At amortised cost			
Security deposits	4.84	14.57	15.70
At fair value through profit & loss			
Liability towards contingent consideration	148.94	-	173.13
	153.78	14.57	188.83
Current			
At amortised cost			
Capital creditors	132.78	49.83	59.66
Accrued employee liabilities	2,145.50	1,617.24	2,055.01
Unpaid dividend*	0.07	9.43	20.23
Other liabilities**	144.41	9.42	31.77
Payable to selling shareholders	28.00	-	283.71
Advance from related parties (Unsecured, considered good)			
Persistent Systems, Inc.	805.42	201.09	194.71
Aepona Group Limited	-	0.04	-
MediaAgility India Private Limited	2.21	2.21	2.21
Persistent Systems Pte. Ltd.	0.35	0.31	0.32
Starfish Associates, LLC	9.11	-	-
Persistent Systems Lanka (Private) Limited	33.33	-	-
	850.42	203.65	197.24
At fair value through profit & loss			
Liability towards contingent consideration	96.57	36.64	54.98
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	975.12	447.15	36.82
Other Liabilities**	-	57.04	-
	4,372.87	2,430.40	2,739.42

* Unpaid dividend is credited to Investor Education and Protection Fund as and when due.

** Includes amounts received in company on behalf of the subsidiaries of ₹ 167.72 million (Corresponding period- INR 57.04 millions / previous year - ₹ 16.84 million).

21. Other liabilities

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Non-current			
Other Liabilities	23.72	47.19	39.96
	23.72	47.19	39.96
Current			
Unearned revenue	4,084.69	2,536.37	2,207.79
Advance from customers	751.01	349.18	106.25
Other payables			
- Statutory liabilities	915.38	1,093.81	837.16
Payable to related companies	-	2,332.47	438.21
Other Liabilities	580.67	73.74	66.15
	6,331.75	6,385.57	3,655.56

22. Current liabilities : Provisions

	As at December 31, 2025 In ₹ Million	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
Provision for employee benefits			
- Leave encashment	722.53	991.24	1,123.13
	722.53	991.24	1,123.13

23. Revenue from operations (refer note 29)

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
Revenue from operations					
Software and other services	35,432.72	29,707.63	100,626.96	84,076.19	115,074.17
Software licenses	1,752.32	309.05	4,068.39	1,328.51	2,206.04
	37,185.04	**30,016.68**	**104,695.35**	**85,404.70**	**117,280.21**

24. Other income

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
Interest income					
- On deposits carried at amortised cost	25.76	59.57	140.74	183.42	244.23
- On others	56.66	59.37	176.61	168.08	226.92
Other non-operating income					
Foreign exchange gain	(101.44)	199.18	198.12	301.74	113.39
Profit on sale of Property, plant and equipment (net)	(4.52)	0.58	1.35	66.92	78.06
Profit on account of lease modification	-	0.68	-	28.15	28.15
Profit on sale of investments (net)	-	-	-	336.02	336.02
Net profit on sale / fair valuation of financial assets designated as FVTPL	203.39	103.61	500.75	354.57	471.09
Excess provision in respect of earlier periods / years written back	-	4.55	3.01	4.55	10.49
Miscellaneous income	16.36	19.33	33.16	36.63	70.70
	196.21	**446.87**	**1,053.74**	**1,480.08**	**1,579.05**

25. Personnel expenses

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	December 31, 2025 In ₹ Million	December 31, 2024 In ₹ Million (Restated)	March 31, 2025 In ₹ Million (Restated)
25.1 Employee benefits expense					
Salaries, wages and bonus	14,550.03	11,608.91	39,840.21	32,741.76	44,287.34
Contribution to provident and other funds*	355.07	628.64	1,885.74	1,922.27	2,639.27
Staff welfare expense	313.58	257.58	921.11	787.99	1,226.29
Share based payments to employees	6.85	169.61	53.05	596.13	609.37
	15,225.53	**12,664.74**	**42,700.11**	**36,048.15**	**48,762.27**
25.2 Subcontracting costs					
- Related parties (refer note 29)	4,134.51	4,544.25	12,953.78	13,530.08	20,376.15
- Others	5,392.24	3,967.39	15,118.86	11,845.56	16,151.58
	9,526.75	**8,511.64**	**28,072.64**	**25,375.64**	**36,527.73**
	24,752.28	**21,176.38**	**70,772.75**	**61,423.79**	**85,290.00**

* Includes contribution towards gratuity.

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26. Other expenses*

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024	March 31, 2025
	In ₹ Million	In ₹ Million (Restated)	In ₹ Million	In ₹ Million (Restated)	In ₹ Million (Restated)
Travelling and conveyance	275.64	233.51	809.65	703.41	1,012.39
Electricity expenses (net)	34.56	28.97	96.56	89.43	117.72
Internet link expenses	26.69	28.36	77.44	94.05	106.74
Communication expenses	6.70	7.40	17.59	18.99	24.17
Recruitment expenses	84.41	35.63	207.30	119.83	168.76
Training and seminars	48.42	37.96	119.20	97.13	145.26
Royalty expenses	-	-	20.71	-	-
Purchase of software licenses and support expenses	1,992.32	1,071.53	5,226.01	3,197.13	4,545.79
Bad debts	-	-	16.66	-	-
Charge/ (reversal) of allowance for expected credit loss (net)	135.05	10.76	204.85	25.88	141.60
Rent	2.11	11.79	25.71	35.89	60.23
Insurance	38.87	35.86	107.38	100.08	124.73
Rates and taxes	35.75	31.68	114.61	96.62	169.94
Legal and professional fees	228.04	130.93	600.28	411.59	564.21
Repairs and maintenance					
- Plant and machinery	45.00	38.28	135.66	117.38	156.28
- Buildings	13.95	6.54	35.54	23.15	43.79
- Others	11.18	6.45	30.00	21.67	33.71
Selling and marketing expenses	2,340.00	2,117.53	6,686.79	6,067.61	7,554.79
Advertisement, conference and sponsorship fees	6.55	4.41	9.56	8.56	8.80
Computer consumables	7.61	6.88	26.38	14.42	17.36
Auditors' remuneration	4.55	3.37	10.55	7.67	13.31
Corporate social responsibility expenditure	72.44	51.57	176.11	155.88	217.78
Books, memberships & subscriptions	1.46	-	3.22	4.80	6.08
Directors' sitting fees	1.32	2.63	5.70	7.58	9.10
Directors' commission	13.13	8.77	39.38	26.82	35.55
Miscellaneous expenses	159.48	166.89	431.63	437.76	560.33
	5,585.23	**4,077.70**	**15,234.47**	**11,883.33**	**15,838.42**

* Includes expenses incurred with related parties (refer note 29)

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27. Earnings per share

		Quarter ended		Nine months period ended		Year ended
		December 31, 2025	December 31, 2024 (Restated)	December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Numerator for basic and diluted EPS						
Net profit after tax (In ₹ Million)	(A)	3,878.61	3,258.92	12,144.71	8,493.67	11,303.82
Denominator for basic EPS						
Weighted average number of equity shares	(B)	156,084,472	153,646,143	155,532,161	153,205,608	153,487,571
Denominator for Diluted EPS						
Number of equity shares	(C)	157,295,109	155,850,000	156,623,455	154,942,364	155,166,164
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**24.85**	**21.21**	**78.08**	**55.44**	**73.65**
Diluted earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	**24.66**	**20.91**	**77.54**	**54.82**	**72.85**

	Quarter ended		Nine months period ended		Year ended
	December 31, 2025	December 31, 2024 (Restated)	December 30, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Number of outstanding equity shares	157,295,109	155,850,000	156,623,455	154,942,364	155,166,164
Less: weighted average number of shares issued during the period	1,210,637	2,203,857	1,091,294	1,736,756	1,678,593
Number of outstanding equity shares considered for basic EPS	**156,084,472**	**153,646,143**	**155,532,161**	**153,205,608**	**153,487,571**

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28. Financial assets and liabilities

The carrying values of financial instruments by categories are as follows:

(In ₹ Million)

Financial assets / Financial liabilities	December 31, 2025				December 31, 2024 (Restated)				March 31, 2025 (Restated)				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial assets:													
Investments in subsidiaries	-	-	-	10,018.20	-	-	-	8,552.80	-	-	-	8,551.63	
Investments in other equity instruments	6.00	-	-	-	6.00	-	-	-	6.00	-	-	-	Level 3
Investments in bonds	-	-	2,575.61	-	-	-	3,009.72	-	-	-	2,995.57	-	
Investments in Commercial papers			482.10										
Investments in mutual funds	12,714.57	-	-	-	7,107.59	-	-	-	6,212.15	-	-	-	Level 2
Loans	-	-	-	-	-	-	-	-	-	-	-	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	1,027.93	-	-	-	3,122.53	-	-	-	3,155.52	-	
Cash and cash equivalents (including unpaid dividend)	-	-	6,383.74	-	-	-	3,743.48	-	-	-	3,656.78	-	
Trade receivables (net)	-	-	32,238.61	-	-	-	29,490.58	-	-	-	25,753.35	-	
Forward contracts receivable	-	-	-	-	-	-	-	-	-	-	-	-	Level 2
Unbilled revenue	-	-	-	-	-	-	747.94	-	-	-	907.88	-	
Other non current financial assets	-	-	749.00	-	-	-	674.84	-	-	-	660.88	-	
Other current financial assets	-	-	8,390.11	-	-	-	14,845.87	-	-	-	6,468.78	-	
Total financial assets	**12,720.57**	**-**	**51,847.10**	**10,018.20**	**7,113.59**	**-**	**55,634.96**	**8,552.80**	**6,218.15**	**-**	**43,598.76**	**8,551.63**	
Financial liabilities:													
Borrowings (including accrued interest)	-	-	-	-	-	-	-	-	-	-	-	-	
Trade payables	-	-	14,049.37	-	-	-	19,844.56	-	-	-	10,193.67	-	
Lease liabilities	-	-	3,455.32	-	-	-	2,207.89	-	-	-	2,322.46	-	
Forward contracts payables	-	975.12	-	-	-	447.15	-	-	-	36.82	-	-	Level 2
Payable to selling shareholders	-	-	-	28.00	-	-	-	-	-	-	-	-	Level 3
Liability towards contingent consideration	245.51	-	-	-	36.64	-	-	-	228.11	-	-	-	
Other financial liabilities (excluding borrowings)	-	-	3,278.02	-	-	-	1,961.18	-	-	-	2,663.32	-	
Total financial liabilities	**245.51**	**975.12**	**20,782.71**	**28.00**	**36.64**	**447.15**	**24,013.63**	**-**	**228.11**	**36.82**	**15,179.45**	**-**	

***Fair value hierarchy:**
The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. In respect of equity instruments of unlisted companies, in limited circumstances, insufficient more recent information is available to measure fair value, or if there are a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. The Company recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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29. Related party disclosures

(i) Names of related parties and related party relationship

Related parties where control exists	
Subsidiaries	Persistent Systems, Inc., USA (Wholly owned subsidiary)
(Refer note 3 of consolidated financial statement for list of subsidiaries and ownership %)	Persistent Systems Pte Ltd., Singapore (Wholly owned subsidiary)
	Persistent Systems France SAS, France (Wholly owned subsidiary)
	Persistent Systems Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary)
	Persistent Systems Germany GmbH., Germany (PSG) (Wholly owned subsidiary)
	MediaAgility India Private Limited, India (Wholly owned subsidiary)
	Persistent Systems UK Limited, UK (Formerly known as Aepona Limited) (Wholly owned subsidiary w.e.f March 19, 2024)
	Persistent Telecom Solutions Inc., USA (Wholly owned subsidiary of Persistent Systems, Inc.)
	Aepona Group Limited, Ireland (Wholly owned subsidiary w.e.f December 23, 2025)
	Persistent Systems Mexico, S.A. de C.V., Mexico (Wholly owned subsidiary of Persistent Systems Inc.)
	Persistent Systems Israel Ltd., Israel (Wholly owned subsidiary of Persistent Systems Inc.)
	Software Corporation International LLC., USA (Dissolved w.e.f. June 27, 2024) (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility Inc., USA (Wholly owned subsidiary of Persistent Systems Inc.)
	MediaAgility UK Limited, UK (Wholly owned subsidiary of MediaAgility Inc.)
	Digitalagility S de RL de CV, Mexico (Wholly owned subsidiary of MediaAgility Inc.)
	MediaAgility Pte Ltd, Singapore (Wholly owned subsidiary of MediaAgility Inc.)
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd) (Wholly owned subsidiary of Persistent Systems Inc.)
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG) (Wholly owned subsidiary of Aepona Group Limited, Ireland)
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada, Costa Rica) (Wholly owned subsidiary of Persistent Systems Inc)
	Persistent Systems S.R.L. Romania (Wholly owned subsidiary of Persistent Systems Germany GmbH)
	Persistent Systems Lanka (Private) Limited, Sri Lanka (Wholly owned subsidiary of Aepona Group Limited)
	Starfish Associates LLC, USA (w.e.f August 1, 2024) (Wholly owned subsidiary of Persistent Systems Inc.)
	Arrka Infosec Private Limited (w.e.f. October 28, 2024) (Wholly Owned Subsidiary)
	Persistent India Foundation (w.e.f. May 1, 2024) (Wholly Owned Subsidiary)

29. Related party disclosures

Related parties with whom transactions have taken place	
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director Mr Sandeep Kalra, Executive Director and Chief Executive Officer Mr. Sunil Sapre, Executive Director (Retired w.e.f. December 31, 2024) and Chief Financial Officer (Retired w.e.f. May 15, 2024) Mr. Vinit Teredesai, Executive Director and Chief Financial Officer (appointed on May 15, 2024) Mr. Amit Atre, Company Secretary Ms. Roshini Bakshi, Independent Director (Retired w.e.f. July 16, 2024) Ms. Anjali Joshi, Independent Director (w.e.f. June 12, 2024) Dr. Deepak Phatak, Independent Director (Retired w.e.f. April 2, 2023) Ms. Avani Davda, Independent Director Mr. Praveen Kadle, Independent Director Mr. Arvind Goel, Independent Director Mr. Ambuj Goyal,Independent Director Mr. Dan'l Lewin , Independent Director Dr. Ajit Ranade, Independent Director
Relatives of Key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director) Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director) Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director) Dr. Mukund Deshpande (Brother of the Chairman and Managing Director) Mrs. Chitra Buzruk (Sister of the Chairman and Managing Director) Mr. Arul Deshpande (Son of the Chairman and Managing Director) Dr. Asha Sapre (upto December 31, 2024) (Wife of Executive Director) Mr. Hemant Bakshi (Husband of Independent Director) Ms. Alpana Ajit Ranade (Wife of Independent Director) Ms. Ria Anand Deshpande (Daughter of Chairman and Managing Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel has significant influence	Persistent India Foundation Persistent Systems Foundation Inc.
Controlled Trust	PSPL ESOP Management Trust

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(iii) Outstanding balances

(In ₹ Million)

	Name of the related party and nature of relationship	As at		
		December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Advances given	**Subsidiaries**			
	Persistent Systems France SAS	0.31	0.81	0.81
	Persistent Telecom Solutions Inc.	-	0.22	0.26
	Persistent Systems Lanka (Private) Limited	-	0.35	-
	Persistent Systems Malaysia Sdn. Bhd	0.62	0.13	0.13
	Persistent Systems México, S.A. de C.V.	3.30	1.93	2.18
	Persistent Systems Germany GmbH	0.30	0.75	0.86
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	-	0.20	0.20
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	192.16	140.50	137.05
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	0.56	5.20	0.45
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	2.70	1.32	1.28
	Total	**199.95**	**151.41**	**143.22**
Other receivables	**Subsidiaries**			
	Persistent Systems UK Limited (FKA Aepona Limited)	15.23	102.87	104.69
	Persistent Systems, Inc.	3,580.25	14,833.28	6,135.50
	Persistent Systems Malaysia Sdn. Bhd.	1.94	-	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd	50.32	9.04	-
	Total	**3,647.74**	**14,945.19**	**6,240.19**
Trade receivables	**Subsidiaries**			
	Persistent Systems France SAS	43.48	43.56	20.18
	Persistent Systems, Inc.	365.91	3,434.05	973.95
	Persistent Telecom Solutions Inc.	6.01	39.83	32.85
	Persistent Systems Pte Ltd	11.88	3.27	12.42
	Persistent Systems Malaysia Sdn. Bhd.	14.05	-	-
	Persistent Systems Mexico, S.A. de C.V	26.67	-	-
	Persistent Systems Germany GmbH	321.29	228.52	259.39
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd	312.83	106.35	187.62
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	48.83	-	60.51
	Persistent Systems Lanka (Private) Limited	-	0.03	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	1,581.28	489.21	484.25
	MediaAgility UK Limited	-	0.40	-
	MediaAgility Inc.	141.79	176.58	68.36
	MediaAgility India Private Limited	130.10	62.38	44.91
	Arrka Infosec Private Limited	8.92	-	21.48
	Starfish Associates, LLC	156.11	-	68.42
	Total	**3,169.15**	**4,584.18**	**2,234.34**

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Persistent Systems Limited
Notes forming part of financial statements

(iii) Outstanding balances

(In ₹ Million)

	Name of the related party and nature of relationship	As at		
		December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Unbilled Receivable	**Subsidiaries**			
	Persistent Systems, Inc.	0.08	-	20.50
	Persistent Telecom Solutions Inc.	-	-	9.47
	Persistent Systems Malaysia Sdn. Bhd.	34.47	-	10.05
	Persistent Systems Mexico, S.A. de C.V	0.37	-	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	571.88	431.80	514.34
	Persistent Systems Germany GmbH	5.03	1.58	-
	Persistent Systems France SAS	5.42	1.88	-
	MediaAgility Inc.	2.01	-	63.38
	MediaAgility India Private Limited	16.86	8.46	33.86
	MediaAgility UK Limited	-	-	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd	146.29	84.20	90.43
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	5.75	-	11.66
	Starfish Associates, LLC	2.08	-	37.83
	Arrka Infosec Private Limited	-	6.18	-
	Persistent Systems Pte. Ltd.	8.44	8.92	-
	Total	**798.68**	**543.02**	**791.52**
Investments	**Subsidiaries**			
	Persistent Systems, Inc.	4,729.74	4,729.74	4,729.74
	Persistent Systems Pte Ltd	15.50	15.50	15.50
	Persistent Systems France SAS	97.47	97.47	97.47
	Persistent Systems Malaysia Sdn. Bhd.	102.25	102.25	102.25
	Persistent Systems Germany GmbH	1,719.40	1,719.40	1,719.40
	MediaAgility India Private Limited	971.45	971.45	971.45
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	782.01	782.01	782.01
	Persistent India Foundation	0.50	0.50	0.50
	Arrka Infosec Private Limited	133.31	134.48	133.31
	Aepona Group Limited	1,466.57	-	-
	Total	**10,018.20**	**8,552.80**	**8,551.63**
Advance taken	**Subsidiaries**			
	Persistent Systems Pte. Ltd.	0.35	0.31	0.32
	MediaAgility India Private Limited	2.21	2.21	2.21
	Starfish Associates, LLC	9.11	-	-
	Persistent Systems Lanka (Private) Limited	33.33	-	-
	Aepona Group Limited		0.04	
	Persistent Systems, Inc.	805.42	201.09	194.71
	Total	**850.42**	**203.65**	**197.24**
Advance from customers	**Subsidiaries**			
	MediaAgility Pte Ltd	1.34	1.28	1.28
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	0.45	0.43	0.43
	Persistent Systems Malaysia Sdn. Bhd.	-	10.18	10.06
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	-	0.12	-
	Total	**1.79**	**12.01**	**11.77**
Trade payables	**Subsidiaries**			
	Persistent Systems France SAS	71.27	-	3.32
	Persistent Systems S.R.L. Romania	15.42	17.36	13.71
	Persistent Systems, Inc.	5,684.06	14,490.54	3,325.60
	Persistent Systems Malaysia Sdn. Bhd.	221.35	79.43	135.13
	Persistent Telecom Solutions Inc.	142.83	90.48	92.95
	Persistent Systems Pte Ltd	19.18	4.88	12.71
	Persistent Systems Germany GmbH	-	21.21	122.22
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd	105.22	93.61	130.00
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	57.82	59.52	31.33
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	454.97	513.80	250.45
	Persistent Systems Poland Sp. z.o.o.	108.75	8.74	32.90
	Persistent Systems Lanka (Private) Limited	84.97	8.68	57.18
	Persistent Systems Mexico, S.A. de C.V.	168.66	274.26	80.09
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	4.67	9.46	7.92
	Aepona Group Limited	127.03	22.08	61.75
	Persistent Systems Israel Ltd.	3.25	1.34	1.72
	Starfish Associates, LLC	114.74	-	12.75
	Total	**7,384.19**	**15,695.39**	**4,371.73**
Other liabilities	**Subsidiaries**			
	Persistent Systems Pte Ltd	4.92	0.05	4.62
	Persistent Systems Germany GmbH	3.65	3.28	1.71
	Persistent Systems Australia Pty Limited	47.08	64.38	10.51
	MediaAgility Inc.	1.55	-	-
	Persistent Systems Malaysia Sdn. Bhd.	0.19	-	-
	Persistent Systems UK Limited (FKA Aepona Limited)	177.39	187.83	-
	Persistent Systems, Inc.	454.10	2,324.02	-
	Total	**688.88**	**2,579.56**	**16.84**
Payable to related parties	**Subsidiaries**			
	Persistent Systems Germany GmbH	-	-	1.63
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	-	-	159.12
	Persistent Systems, Inc.	-	-	277.46
	Total	**-**	**-**	**438.21**

(iii) Outstanding balances

(In ₹ Million)

	Name of the related party and nature of relationship	As at		
		December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Unearned Revenue	**Subsidiaries**			
	Arrka Infosec Private Limited	-	-	4.57
	Persistent Systems Germany GmbH	-	-	6.78
	Persistent Systems France SAS	-	-	0.90
	Total	-	-	**12.25**

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(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	Nine months period ended		Year ended
		December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Sale of software services	**Subsidiaries**			
	Persistent Systems, Inc.	835.92	1,989.22	2,522.95
	Persistent Systems Malaysia Sdn. Bhd.	55.43	24.12	34.17
	Persistent Systems Pte Ltd	21.12	12.10	15.72
	Persistent Systems France SAS	27.85	10.35	12.08
	Persistent Telecom Solutions Inc.	17.62	50.86	73.16
	Persistent Systems Germany GmbH	75.86	91.56	105.25
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	2,316.21	1,234.23	1,920.80
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	92.42	-	72.73
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	632.02	337.22	477.37
	MediaAgility India Private Limited	55.20	63.64	97.50
	MediaAgility Inc.	4.92	174.22	200.20
	Persistent Systems Mexico, S.A. de C.V	26.78	-	-
	MediaAgility Pte Ltd	-	0.48	0.48
	Arrka Infosec Private Limited	-	6.18	13.87
	Starfish Associates, LLC	264.17	-	106.97
	Total	**4,425.52**	**3,994.18**	**5,653.25**
Investment in wholly owned subsidiary	**Subsidiaries**			
	Persistent India Foundation	-	0.50	0.50
	Arrka Infosec Private Limited	-	96.45	133.31
	Total	**-**	**96.95**	**133.81**
Cost of professionals	**Subsidiaries**			
	Persistent Systems, Inc.	10,356.36	11,622.19	17,713.67
	Persistent Systems France SAS	91.82	13.49	17.88
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	96.17	114.37	147.09
	Persistent Systems Malaysia Sdn. Bhd.	277.49	193.28	264.81
	Persistent Telecom Solutions Inc.	77.92	15.76	74.19
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	536.47	502.36	706.60
	Persistent Systems Lanka (Private) Limited	76.38	79.48	99.55
	Persistent Systems Mexico, S.A. de C.V.	514.36	422.74	556.23
	Persistent Systems Germany GmbH	63.66	70.15	90.01
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	18.89	36.69	48.69
	Persistent Systems Pte Ltd	16.01	24.36	30.26
	Persistent Systems S.R.L. Romania	64.00	114.45	141.52
	Persistent Systems Poland Sp. z.o.o.	419.93	174.09	247.17
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	109.46	67.94	107.90
	Starfish Associates, LLC	111.56	-	12.95
	Aepona Group Limited	121.91	77.15	115.70
	Persistent Systems Israel Ltd.	1.40	1.31	1.70
	MediaAgility UK LTD	-	-	0.04
	Total	**12,953.79**	**13,529.81**	**20,375.96**
Profit on sale of investments (net)	**Subsidiary**			
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	-	336.02	336.02
	Total	**-**	**336.02**	**336.02**
Selling and marketing expenses	**Subsidiaries**			
	Persistent Systems, Inc.	6,453.64	5,897.06	7,211.79
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	4.47	14.00	16.55
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	149.34	155.01	205.17
	Persistent Systems France SAS	16.03	-	-
	Persistent Systems Germany GmbH	55.96		116.87
	Total	**6,679.44**	**6,066.07**	**7,550.38**
Commission received on corporate guarantee	**Subsidiary**			
	Persistent Systems, Inc.	-	-	3.11
	Total	**-**	**-**	**3.11**

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	Nine months period ended		Year ended
		December 31, 2025	December 31, 2024 (Restated)	March 31, 2025 (Restated)
Remuneration # **(Salaries, bonus and contribution to PF)**	**Key Management Personnel**			
	Dr. Anand Deshpande	31.61	30.60	39.78
	Mr. Sunil Sapre	-	17.21	20.18
	Mr Vinit Teredesai (including fair value of perquisites for stock options exercised ₹ 66.22 million during the year (Corresponding period / Previous year: ₹ NIL)	85.65	15.46	23.74
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ NIL million during the year (Corresponding period: ₹ 19.44 million / Previous year: ₹ 19.44 million)	5.65	24.30	25.94
	Mr Sandeep Kalra*	2.32	2.37	3.15
	Independent directors:		-	
	Ms. Roshini Bakshi		2.15	2.15
	Mr. Praveen Kadle	6.68	5.10	6.70
	Dr. Deepak Phatak		-	0.03
	Ms. Avani Davda	6.60	5.03	6.55
	Mr. Arvind Goel	6.48	4.73	6.15
	Dr. Ambuj Goyal	6.30	4.73	6.30
	Mr. Dan'l Lewin	6.18	4.55	5.90
	Dr. Ajit Ranade	6.70	4.93	6.45
	Ms. Anjali Joshi	6.15	3.23	4.64
	Total	**170.32**	**124.39**	**157.66**
Dividend paid	**Key Management Personnel**			
	Dr. Anand Deshpande	685.92	457.46	1,372.41
	Mr. Sunil Sapre	-	1.44	1.44
	Mr Sandeep Kalra	9.75	2.50	3.60
	Mr. Amit Atre	0.09	0.07	0.19
	Mr Vinit Teredesai	0.12	-	-
	Relatives of Key Management Personnel			
	Mr. Suresh Deshpande	0.02	0.01	0.03
	Mrs. Chitra Buzruk	14.08	9.39	28.16
	Mrs. Sonali Anand Deshpande	3.36	2.24	6.72
	Mrs. Sulabha Suresh Deshpande	0.02	0.01	0.03
	Mr. Arul Deshpande	0.30	0.20	0.60
	Mr. Mukund Deshpande	12.00	-	-
	Ms. Ria Anand Deshpande	0.30	-	-
	Ms. Alpana Ajit Ranade	0.01	-	0.01
	Arvind Goel	-	-	0.02
	Total	**725.97**	**473.32**	**1,413.21**
Other payments	**Key Management Personnel**			
	Sunil Sapre	-	0.24	0.26
	Relatives of Key Management Personnel			
	Asha Sapre	-	0.24	0.26
	Total	**-**	**0.48**	**0.52**
Employee stock compensation - Reimbursement	**Subsidiaries**			
	Persistent Systems Inc.	1,156.77	1,316.31	2,482.46
	Total	**1,156.77**	**1,316.31**	**2,482.46**
CSR Expenditure	**Entity over which a key management personnel has significant influence**			
	Persistent Foundation	176.11	155.88	-
	Subsidiary			
	Persistent India Foundation Inc.	10.97	2.09	217.78
		187.08	**157.97**	**217.78**

Notes

* Amount of remuneration represents remuneration paid through Persistent Systems Limited only.

The remuneration to the key managerial personnel does not include the provisions made for gratuity, long service awards and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

Terms and conditions of transactions with related parties:

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. All other outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash. There have guarantees and letters of comfort provided for subsidiaries. For the year ended 31 March 2025, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2024: Nil).

30. Contingent liabilities & Capital Commitments

Sr. No	Particulars	As at December 31, 2025 (In ₹ Million)	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
a	**Claims against the company not acknowledged as debt***			
1	**Indirect tax matters**			
	(i) In respect to the order passed by the Learned Principal Commissioner of Service Tax, Pune, for Service tax under import of services on reverse charge basis for the Financial Year 2014-15, the Company has filed an appeal against the order passed by Learned Principal Commissioner of Service Tax, Pune with the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT) on September 23, 2017. The Company has paid ₹ 165.58 Million under protest towards the demand and the same forms part of the GST receivable balance. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Company will be eligible to claim credit / refund for the amount paid.	173.78	173.78	173.78
	(ii) Other pending litigations in respect of indirect taxes.	1,099.19	265.16	723.33
2	**Income tax demands disputed in appellate proceedings.**	1,408.06	1,168.61	1,041.74
b	**Capital Commitments**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	260.00	183.15	326.88

* The Company, based on independent legal opinions and judgments in favour of the Company in the earlier years, believes that the liabilities with respect to the above matters is not likely to arise and therefore, no provision is considered necessary in the condensed interim standalone financial statements.

31. Letter of comfort on behalf of subsidiaries

Sr. No	Particulars	As at December 31, 2025 (In ₹ Million)	As at December 31, 2024 In ₹ Million (Restated)	As at March 31, 2025 In ₹ Million (Restated)
1	Guarantees given on behalf of subsidiaries	15.28	870.65	869.23
2	Letters of comfort on behalf of subsidiaries (₹NIL (Corresponding period USD 20.83 Million / Previous year : ₹ NIL))	-	1,783.26	-

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32 The Company has deposits of ₹ 408.88 Million (corresponding quarter: ₹ 430.00 Million / previous year: ₹ 408.88 Million) with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as “IL&FS Group”) as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Company has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery.

33 The Company has recognised notional interest on lease liability of ₹ 211.77 Million (Corresponding period: ₹ 167.86 Million / Previous year: ₹ 218.69 Million) under finance cost as required by Ind AS 116: Leases and notional interest on amounts due to selling shareholders ₹ 32.19 Million (Corresponding period: ₹ NIL / Previous year: ₹ 1.38 Million).

34 During the current quarter, Persistent Systems Limited ("the Company” or “PSL”) executed the Share Purchase Agreement (‘SPA’) on December 06, 2025, with Persistent Systems Inc (PSI) (wholley owned subsidiary of "PSL"), for the transfer of the 100% shareholding of Aepona Group Limited, Ireland (AGL) (was wholly owned subsidiary of PSI). Upon completion of the customary closing conditions, AGL has become a Wholly Owned Subsidiary of PSL effective from December 23, 2025.

35 On November 21, 2025, the Government of India notified the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. The Company has assessed and accounted/disclosed the incremental impact of these changes on the basis of the best information available, consistent with the guidance provided by the Institute of Chartered Accountants of India.

Considering the materiality and regulatory-driven, non-recurring nature of this impact, the Company has presented such incremental impact as “Statutory impact of new Labour Codes” under “Exceptional Items” in the standalone financial results for the quarter and period ended December 31, 2025. The incremental impact consisting of gratuity of ₹ 527.59 Million and long-term compensated absences of ₹ 362.66 Million primarily arises due to change in wage definition. The Company continues to monitor the finalisation of Central / State Rules and clarifications from the Government on other aspects of the Labour Code and would provide appropriate accounting effect on the basis of such developments as needed.

36 Restatement of Standalone Financial statements

A) Consolidation of PSPL ESOP Management Trust (THE 'TRUST')

The Company had formulated an Employee Stock option Plan (ESOP) where the company granted an stock options to employees and the shares will be issued to employees at the time of exercising the options through PSPL ESOP Management Trust (the ‘Trust’). The Company has granted a loan to the Trust for acquisition of shares of the Company and those shares will be issued to employees at the time of exercising options under Stock Option Plan. The Trust was identified as a subsidiary. Accordingly, in the standalone financial statements, the Company had adopted the policy of considering the trust as a legal entity separate from the Company and therefore, was not consolidating the Trust in the standalone financial statements. The Company recognized the loan given to the Trust as financial asset and tested it for impairment on a periodic basis in accordance with the requirements of applicable accounting standards. However, given that the Trust was identified as a subsidiary, in the consolidated financial statements of the Company, the Trust was consolidated and consequently, the related loan to Trust (including interest) appearing in the standalone financial statements of the Company was eliminated.

During the period ended 31 December 2025, the Company changed its accounting policy whereby it decided to consolidate the Trust in the standalone financial statements to reflect a more appropriate presentation of the activity of the Trust in the standalone financial statements as the Trust carried out activities on behalf of the Company. Consequently, in the standalone financial statements of the Company, the loan given to the Trust (including interest) is eliminated.
This change in accounting policy in the standalone financial statements has been given effect by restating the comparative information for the preceding period in accordance with the requirements of applicable standards for change in accounting policy.

B) Merger with Capiot Software Private Limited

The Board of Directors of the Company at its meeting held on January 20, 2024 had approved the Composite Scheme of Arrangement (the 'Scheme') for merger of Persistent Systems Limited, parent company and Capiot Software Private Limited, wholly owned subsidiary of the Company. The Scheme of Amalgamation by Absorption was approved by the NCLT Bench of Mumbai, on April 9, 2025 for the merger of the parent company and subsidiary . In accordance with IND AS 103, the merger has been accounted on April 1, 2024 and accordingly, the financial statements for the corresponding and comparative quarter and year have been restated. The reserves and surplus has decreased by Rs. 58.96 Million on April 1, 2024.

(1) For the peiod ended 31 December 2024

(I) Balance Sheet as at 31 December 2024

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
ASSETS				
Non-current assets				
Goodwill	236.00	-	368.90	604.90
Financial assets				-
- Investments	14,692.58	330.36	(483.71)	14,539.23
- Loans	4,010.00	(4,010.00)	-	-
Deferred tax assets (net)	432.96	-	27.93	460.89
Financial assets				
Cash and cash equivalents	3,697.96	21.61	14.48	3,734.05
Income tax assets (net)	8.52	165.22	4.56	178.30
Other current assets	5,678.01	-	5.72	5,683.73
EQUITY AND LIABILITIES				
Other equity				
Retained earnings	24,562.75	(177.71)	(62.59)	24,322.45
Treasury shares	-	(3,667.92)	-	(3,667.92)
PSL ESOP Trust reserve	-	150.64	-	150.64
	24,562.75	**(3,694.99)**	**(62.59)**	**20,805.17**
LIABILITIES				
Current liabilities				
Trade payables				-
-total outstanding dues of creditors other than micro enterprises and small enterprises	19,823.10	-	0.46	19,823.56
Other current liabilities	6,338.36	47.21	-	6,385.57
Income tax liabilities (net)	-	154.94	-	154.94

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(II) Statement of Profit and Loss

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
For Nine months ended 31 December 2024				
Income				
Other income	1,648.25	(168.17)	-	1,480.08
Expenses				
Other expenses	11,877.44	1.02	4.87	11,883.33
Tax expense				
Current tax	3,291.15	8.50	-	3,299.65
Deferred tax charge / (credit)	167.05	-	(1.22)	165.83
For quarter ended 31 December 2024				
Income				
Other income	517.48	(70.61)	-	446.87
Expenses				
Other expenses	4,074.41	0.30	2.99	4,077.70
Tax expense				
Current tax	1,312.34	4.00	-	1,316.34
Deferred tax charge / (credit)	(8.59)	-	(0.75)	(9.34)

(III) Statement of Cash Flows for nine months ended 31 December 2024

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
Cash Flows from operating activities	5,681.09	69.35	4.87	5,755.30
Cash Flows from investing activities	(4,762.53)	1,079.12	-	(3,683.41)
Cash Flows from financing activities	(458.61)	(1,121.31)	-	(1,579.92)

(IV) Earnings Per Share (EPS)

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
For Nine months ended 31 December 2024				
Basic EPS	55.99	(0.53)	(0.02)	55.44
Diluted EPS	55.99	(1.15)	(0.02)	54.82
For quarter ended 31 December 2024				
Basic EPS	21.41	(0.19)	(0.01)	21.21
Diluted EPS	21.41	(0.49)	(0.01)	20.91
Weighted average number of equity shares				
For Nine months ended 31 December 2024				
For Basic EPS	154,942,364	(1,736,756)	-	153,205,608
For Diluted EPS	154,942,364	-	-	154,942,364
For quarter ended 31 December 2024				
For Basic EPS	155,850,000	(2,203,857)	-	153,646,143
For Diluted EPS	155,850,000	-	-	155,850,000

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(2) For the year ended 31 March 2025

(I) Balance Sheet as at 31 March 2025

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
ASSETS				
Non-current assets				
Goodwill	236.00	-	368.90	604.90
Financial assets				-
- Investments	14,860.87	53.18	(483.71)	14,430.34
- Loans	3,694.86	(3,694.86)	-	-
Deferred tax assets (net)	361.91	-	28.26	390.17
Current assets				
Financial assets				
Cash and cash equivalents	3,618.00	14.48	4.07	3,636.55
Income tax assets (net)	527.99	169.34	4.57	701.90
Other current assets	7,023.68	-	4.98	7,028.66
EQUITY AND LIABILITIES				-
EQUITY				-
Other equity				
Retained earnings	24,314.68	(242.96)	(63.59)	24,008.13
Treasury shares	-	(3,585.51)	-	(3,585.51)
PSL ESOP Trust reserve	-	180.77	-	180.77
	24,314.68	**(3,647.70) -**	**63.59**	**20,603.39**
LIABILITIES				
Current liabilities				-
Trade payables		-		-
-total outstanding dues of creditors other than micro enterprises and small enterprises	10,151.84	-	1.06	10,152.90
Other current liabilities	3,635.07	20.49	-	3,655.56
Income tax liabilities (net)	-	158.95	-	158.95

(II) Statement of Profit and Loss

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
For year ended 31 March 2025				
Income				
Other income	1,808.25	(229.20)	-	1,579.05
Expenses				
Other expenses	15,830.96	1.26	6.20	15,838.42
Tax expense				
Current tax	4,038.76	12.50	-	4,051.26
Deferred tax charge / (credit)	140.69	-	(1.57)	139.12

(III) Statement of Cash Flows

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
Cash Flows from operating activities	7,129.62	38.31	6.20	7,174.13
Cash Flows from investing activities	(2,516.24)	964.26	-	(1,551.98)
Cash Flows from financing activities	(4,158.13)	(1,008.77)	-	(5,166.90)

(IV) Earnings Per Share (EPS)

In ₹ Million

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	As Restated
For year ended 31 March 2025				
Basic EPS	74.45	(0.77)	(0.03)	73.65
Diluted EPS	74.45	(1.57)	(0.03)	72.85
Weighted average number of equity shares				
For Basic EPS	155,166,164	(1,678,593)	-	153,487,571
For Diluted EPS	155,166,164	-	-	155,166,164

37 The Business Transfer Agreement ('BTA') for the transfer of service business of Starfish Associates LLC (Step-down Subsidiary of the Company) to Persistent Systems Limited ('the Company') as executed on June 26, 2025 with effective date as April 01, 2025. Under this agreement, the Company has acquired Net Assets with carrying value of ₹ 149.41 million for a consideration of ₹ 209.40 million. Persuant to this transaction, reserves of the company has been decreased by Rs. 59.99 Million on April 01, 2025.

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NOTES FORMING PART OF STANDALONE CONDENSED INTERIM FINANCIAL STATEMENTS

38 The condensed interim standalone financial statements are presented in ₹ Million and decimal thereof except for per share information or as otherwise stated.

39 During the nine months period ended December 31, 2025, the Company has re-classified the following comparatives, which are primarily to conform to the current year's classification. This reclassification do not have material impact on the Standalone Financial Statements and has been done for the better presentation and to enhance the understanding of the users of the Standalone

In ₹ Million

Balance Sheet Caption	Dec-24			Mar-25		
	Previously reported amounts	Change in Amounts	Revised Amounts	Previously reported amounts	Change in Amounts	Revised Amounts
Current Asset- Trade Receivable	20,786.33	8,097.14	28,883.47	16,414.06	8,836.14	25,250.20
Other Current financial assets	23,690.95	(8,097.14)	15,593.81	16,212.80	(8,836.14)	7,376.66
Other Current financial liabilities	960.00	1,470.40	2,430.40	1,221.55	1,517.87	2,739.42
Current liabilities Provisions	2,461.64	(1,470.40)	991.24	2,641.00	(1,517.87)	1,123.13

40 Based on the approval of the Board of Directors of the Company at its meeting held on July 23, 2025, the tranche of 1,350,000 Equity Shares of ₹ 5 each were allotted to the PSPL ESOP Management Trust ('ESOP Trust') on October 14, 2025, at an allotment price of ₹ 5 per Equity Share, aggregating to the total consideration of ₹ 6.75 Million.
Consequent to this, the paid-up share capital of the Company increased from 156,400,000 Equity Shares of ₹ 5 each (aggregating to ₹ 782.00 Million) to 157,750,000 Equity Shares of ₹ 5 each (aggregating to ₹ 788.75 Million).

41 During the corresponding period ended, based on review of method and estimated useful lives of property, plant and equipment, the management has revised the estimated useful lives of computers and networking equipment prospectively from 3 years to 4 years w.e.f. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

(In ₹ Million)

Particulars	For the quarter ended				FY 2024-25	FY 2025-26
	June 30, 2024	Sept 30, 2024	Dec 31, 2024	March 31, 2025		
Decrease in depreciation expense	75.04	48.97	32.14	11.19	167.33	44.84

42 The Board of Directors of Persistent Systems Limited, at its meeting concluded on January 20, 2026, declared an interim dividend of ₹ 22 per Equity Share having the face value of ₹ 5 each for the Financial Year 2025-26. The Record Date for the payment of the dividend will be January 27, 2026. The payment of the interim dividend will be made within the prescribed time as per the provisions of the Companies Act, 2013

43 The Board of Directors of the Company at its meeting concluded on January 20, 2026, approved the issuance of 1,100,000 Equity Shares of ₹ 5 each to the PSPL ESOP Management Trust ('ESOP Trust') and authorized the Stakeholders Relationship and ESG Committee to allot the said Equity Shares to the ESOP Trust in one or multiple tranches as may be required at the weighted average price of the respective underlying options.

44 In accordance with para 4 of notified Ind AS-108 "Operating Segments", the Company has disclosed segment information only on the basis of consolidated financial results.

For B S R & Co. LLP
Chartered Accountants
Firm Registration No.: 101248W/W - 100022

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.01.20 15:40:13 +05'30'

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : January 20, 2026

For and on behalf of the Board of Directors of
Persistent Systems Limited

Anand Deshpande
Anand Deshpande (Jan 20, 2026 13:58:47 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: Pune
Date : January 20, 2026

Sandeep Kalra
Sandeep Kalra (Jan 20, 2026 14:48:19 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: Pune
Date : January 20, 2026

Praveen Kadle
Praveen Kadle (Jan 20, 2026 14:43:58 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : January 20, 2026

Vinit Teredesai
Vinit Teredesai (Jan 20, 2026 13:54:24 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : January 20, 2026

Amit Atre
Amit Atre (Jan 20, 2026 13:42:28 GMT+5.5)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : January 20, 2026