

Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Persistent Systems Limited (the "Company") (which includes its Employee Stock Option Plan (ESOP) trust (the "ESOP trust") which comprise the standalone balance sheet as at 31 March 2026, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone 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 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 other auditor referred to in paragraph (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter- Revenue recognition on fixed price contracts, wherein revenue is recognised using percentage of completion method

See Note 23 to standalone financial statements

The key audit matter

How the matter was addressed in our audit

Revenue recognition on fixed price

In view of the significance of the matter, we applied

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contracts, wherein revenue is recognised using percentage of completion method (See Note 23 to standalone financial statements)

The Company inter alia engages in Fixed-price contracts, wherein, revenue is recognised over the period of time using the percentage of completion computed as per the input method. This is based on the Company's estimate of efforts to complete the contracts.

Revenue recognition of fixed price contracts where the percentage of completion is used is identified as a key audit matter since –

- there is an inherent risk and presumed fraud risk around the existence of revenue recognized considering the customised and complex nature of these contracts;
- application of revenue recognition using percentage of completion under accounting standard (Ind AS 115, Revenue from Contracts with customers) is complex and involves:
 - i. estimating the future effort-to-complete these contracts, which is used to measure the stage of completion of the relevant performance obligation; and
 - ii. judgement in identification of distinct performance obligations and determination of transaction price for such performance obligations.
- further, these contracts may involve onerous obligations which requires critical assessment of foreseeable losses to be made by the Company; and at year-end, significant amount of contract assets and; unearned revenue balances related to these contracts are recognised on the balance sheet.

the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- Obtained an understanding of the systems, processes and controls for determining and recording revenue and the associated contract assets and unearned revenue balances.
- Evaluated the design and tested the operating effectiveness of management's key internal controls (including key IT controls) over revenue recognition.
- On a selection of contracts, we tested if the revenue recognised was in accordance with the revenue recognition accounting standard.

We:

- i. evaluated the identification of performance obligations;
 - ii. considered the terms of the contracts to determine the transaction price;
 - iii. determined if the Company's evaluation of the method used for recognition of revenue is appropriate;
 - iv. assessed if the estimates of efforts to complete were reviewed and approved by appropriate designated management personnel;
 - v. tested the Company's calculation of efforts incurred till date and estimation of efforts to complete the contract including estimation of onerous obligations, if any.
 - vi. performed retrospective review of efforts incurred till date against the estimated contract effort;
- Verified the mathematical accuracy of revenue recognised using percentage of completion method including associated contract assets and unearned revenue balances.
 - Assessed ageing of contract assets as on the balance sheet date and in case of aged items, obtained reasons for delays if any and expected timelines for invoicing
 - We tested journal entries on revenue recognised during the year, by considering specified risk based criteria, to identify unusual or irregular items.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon. The Company's annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

Management's and Board of Directors'/Board of Trustees' Responsibilities for the Standalone 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 of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the Company/ Board of Trustees of the ESOP trust are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the company/ESOP 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone financial statements, whether

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due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of ESOP trust of the Company to express an opinion on the standalone financial statements. For the ESOP trust included in the standalone financial statements, which has 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 (b) 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. The standalone financial statements of the Company for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 23 April 2025.

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- b. We did not audit the financial statements of one ESOP trust included in the standalone financial statements of the Company whose financial statements reflect total assets (before consolidation adjustments) of Rs. 2,234 million as at 31 March 2026, total revenue (before consolidation adjustments) of Rs. 47 million and net cash inflows (before consolidation adjustments) amounting to Rs. 7.61 million for the year ended on that date, as considered in the standalone financial statements. The financial statements of this ESOP trust has 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 ESOP trust, is based solely on the report of such other auditor.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- 2 A. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on 01 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its standalone financial statements - Refer Note 35 to the standalone financial statements.
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 47 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any

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guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 48 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

The interim dividend declared and paid by the Company during the year and until the date of the audit report is in compliance in accordance with Section 123 of the Act.

As stated in Note 16 to the standalone financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Company is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Swapnil Dakshindas

Partner

Place: Pune

Membership No.: 113896

Date: 21 April 2026

ICAI UDIN:26113896SSYOVN1035

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Persistent Systems Limited for the year ended 31 March 2026

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The Company is a service company, primarily rendering information technology and related services. Accordingly, it does not hold any physical inventories. Accordingly, clause 3(ii)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made investments in companies and other parties, in respect of which the requisite information is as below. The Company has not made any investments in firms or limited liability partnership. Accordingly, provisions of clauses 3(iii)(a) and 3(iii)(c) to 3(iii)(f) of the Order are not applicable to the Company
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year are not prejudicial to the interest of the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 and 186 of the Companies Act, 2013 ("the Act"). In respect of the investments made by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Persistent Systems Limited for the year ended 31 March 2026 (Continued)

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities, though there have been slight delays in a few cases of professional tax and Labour Welfare fund.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

(INR million)

Name of the statute	Nature of the dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Income Tax Act, 1961	Income Tax	142.36	1.50	AY 2009-10 to AY 2010-11 and AY 2014-15 to AY 2016-17	Honorable High court	
Income Tax Act, 1961	Income Tax	780.07	147.25	AY 2018-19 to AY 2021-22	Commissioner (Appeals)	
Income Tax Act, 1961	Income Tax	632.26	18.97	AY 2018-19, AY 2020-21 and AY 2022-23	Income Tax Appellant Tribunal	
Good and Service Tax	Goods and	834.03	-	FY 2020-21 and FY	Deputy Commissio	

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Persistent Systems Limited for the year ended 31 March 2026
(Continued)**

Name of the statute	Nature of the dues	Amount	Amount paid under protest	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
Act, 2017	Service Tax			2021-22	ner	
Good and Service Tax Act, 2017	Goods and Service Tax	422.82	-	FY 2019-20 and FY 2022-23	Joint Commissioner Appeals	
Maharashtra Value Added Tax Act, 2005	Sales Tax	2.01	-	FY 2014-15, FY 2016-17 and FY 2017-18	Joint Commissioner Appeals	
Maharashtra Value Added Tax Act, 2005	Sales Tax	5.76	-	FY 2005-06 to FY 2008-09	Sales Tax Tribunal	
Uttar Pradesh Value Added Tax, 2005	Sales Tax	1.77	-	FY 2016-17	Additional Commissioner Appeal	
Tax Finance Act, 1994	Service Tax	173.78	-	FY 2014-15	Honorable High Court	

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Persistent Systems Limited for the year ended 31 March 2026
(Continued)**

basis have been used for long-term purposes by the Company.

- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not have any associate or joint venture.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries. (as defined under the Act).
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
(b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
(d) The Company is not part of any group (as defined in the regulations made by the Reserve Bank of India). Accordingly, the requirements of clause 3(xvi)(d) are not applicable
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding

**Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of Persistent Systems Limited for the year ended 31 March 2026
(Continued)**

financial year.

- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Swapnil Dakshindas

Partner

Place: Pune

Date: 21 April 2026

Membership No.: 113896

ICAI UDIN:26113896SSYOVN1035

Annexure B to the Independent Auditor's Report on the standalone financial statements of Persistent Systems Limited for the year ended 31 March 2026

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Persistent Systems Limited ("the Company") as of 31 March 2026 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

The company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Persistent Systems Limited for the year ended 31 March 2026
(Continued)**

provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Swapnil Dakshindas

Partner

Place: Pune

Membership No.: 113896

Date: 21 April 2026

ICAI UDIN:26113896SSYOVN1035

Persistent Systems Limited

STANDALONE BALANCE SHEET AS AT MARCH 31, 2026

	Notes	As at	
		March 31, 2026	March 31, 2025
		In ₹ Million	In ₹ Million (Restated)
ASSETS			
Non-current assets			
Property, plant and equipment	4.1	3,464.98	3,868.36
Capital work-in-progress	4.2	106.54	38.12
Right of use assets	4.3	4,730.13	3,075.34
Goodwill	4.4	604.90	604.90
Other intangible assets	4.5	2,654.28	1,169.67
Intangible assets under development	4.6	268.95	731.77
		11,829.78	9,488.16
Financial assets			
- Investments	5	16,895.31	14,430.34
- Loans	6	-	-
- Trade receivables			
- Billed	11	735.65	503.15
- Other financial assets	7	866.31	709.87
Deferred tax assets (net)	8	1,093.77	390.17
Other non-current assets	9	376.27	542.40
Income tax assets (net)		902.02	-
		20,869.33	16,575.93
		32,699.11	26,064.09
Current assets			
Financial assets			
- Investments	10	9,146.28	3,335.01
- Trade receivables			
- Billed	11	19,995.00	16,414.06
- Unbilled		12,015.92	8,836.14
- Cash and cash equivalents	12	7,237.11	3,636.55
- Bank balances other than cash and cash equivalents	13	1,069.49	3,126.76
- Other financial assets	14	9,370.55	6,468.78
Income tax assets (net)		-	701.90
Other current assets	15	15,264.60	7,936.54
		74,098.95	50,455.74
TOTAL		106,798.06	76,519.83
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	16(a)	788.75	779.25
Other equity	16(b)	66,314.33	55,249.54
		67,103.08	56,028.79
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	17	2,448.64	1,487.97
- Other financial liabilities	20	127.19	188.83
Other non-current liabilities	21	23.29	39.96
Provisions	18	2,093.07	69.06
		4,692.19	1,785.82
Current liabilities			
Financial liabilities			
- Lease liabilities	17	1,491.31	834.49
- Trade payables	19		
-total outstanding dues of micro enterprises and small enterprises		58.10	40.77
-total outstanding dues of creditors other than micro enterprises and small enterprises		19,374.10	10,152.90
- Other financial liabilities	20	6,658.94	2,739.42
Other current liabilities	21	6,418.76	3,655.56
Provisions	22	471.22	1,123.13
Income tax liabilities (net)		530.36	158.95
		35,002.79	18,705.22
Total Liabilities		39,694.98	20,491.04
TOTAL		106,798.06	76,519.83
Summary of material accounting policies	3		

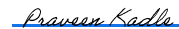
The accompanying notes are an integral part of the standalone annual financial statements.

As per our report of even date attached

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

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

Anand Deshpande (Apr 21, 2026 14:43:23 GMT+5.5)

Sandeep Kalra (Apr 21, 2026 14:18:46 GMT+5.5)

Praveen Kadle (Apr 21, 2026 14:12:25 GMT+5.5)
Swapnil Dakshindas
 Partner
 Membership No.: 113896

Dr. Anand Deshpande
 Chairman and
 Managing Director
 DIN: 00005721

Sandeep Kalra
 Executive Director and
 Chief Executive Officer
 DIN: 02506494

Praveen Kadle
 Independent Director
 DIN: 00016814

 Place: Pune
 Date : April 21, 2026

 Place: Pune
 Date : April 21, 2026

 Place: Pune
 Date : April 21, 2026

 Place: Pune
 Date : April 21, 2026


Vinit Teredesai (Apr 21, 2026 14:10:03 GMT+5.5)
Vinit Teredesai
 Executive Director and
 Chief Financial Officer
 DIN: 03293917


Amit Atre (Apr 21, 2026 14:10:03 GMT+5.5)
Amit Atre
 Company Secretary
 Membership No.: A20507

 Place: Pune
 Date : April 21, 2026

 Place: Pune
 Date : April 21, 2026

Persistent Systems Limited**STANDALONE STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2026**

	Notes	For the Year ended	
		March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Income			
Revenue from operations	23	144,279.59	117,280.21
Other income	24	1,671.22	1,579.05
Total income (A)		145,950.81	118,859.26
Expenses			
Employee benefits expense	25.1	58,745.72	48,762.27
Subcontracting costs	25.2	39,244.44	36,527.73
Finance costs	26	628.03	474.66
Depreciation and amortisation expense	4.7	2,658.67	1,761.98
Other expenses	27	21,624.67	15,838.42
Total expenses (B)		122,901.53	103,365.06
Profit before exceptional item and tax (A - B)		23,049.28	15,494.20
Exceptional item			
Statutory Impact of new Labour Code (refer note 49)		890.25	-
Profit before tax (A - B)		22,159.03	15,494.20
Tax expense			
Current tax		5,951.07	4,051.26
Deferred tax (credit) / charge		(140.69)	139.12
Total tax expense		5,810.38	4,190.38
Profit for the year (C)		16,348.65	11,303.82
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities		211.93	197.91
- Income tax effect on above		(53.34)	(49.81)
		158.59	148.10
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		(2,237.38)	(34.97)
- Income tax effect on above		562.91	8.80
		(1,674.47)	(26.17)
Total other comprehensive income/ (loss) for the year (D) + (E)		(1,515.88)	121.93
Total comprehensive income for the year (C) + (D) + (E)		14,832.77	11,425.75
Earnings per equity share			
[Nominal value of share ₹5 (Previous year: ₹5)]	28		
Basic (In ₹)		104.96	73.65
Diluted (In ₹)		104.20	72.85
Summary of material accounting policies	3		

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

As per our report of even date attached

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

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

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune

Date : April 21, 2026

Anand Deshpande

Anand Deshpande (Apr 21, 2026 14:43:23 GMT+5:30)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: Pune

Date : April 21, 2026

Sandeep Kalra

Sandeep Kalra (Apr 21, 2026 14:10:45 GMT+5:30)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: Pune

Date : April 21, 2026

Praveen Kadle

Praveen Kadle (Apr 21, 2026 14:17:25 GMT+5:30)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune

Date : April 21, 2026

Vinit Teredesai

Vinit Teredesai (Apr 21, 2026 14:25:54 GMT+5:30)

Vinit Teredesai
Executive Director and
Chief Financial Officer

DIN: 03293917

Place: Pune

Date : April 21, 2026

Amit Atre

Amit Atre (Apr 21, 2026 14:10:03 GMT+5:30)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune

Date : April 21, 2026

Persistent Systems Limited
STANDALONE STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2026

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Cash flows from operating activities		
Profit before tax	22,159.03	15,494.20
Adjustments for:		
Interest income	(430.24)	(471.15)
Finance cost	337.25	255.97
Interest on lease liability	290.78	218.69
Depreciation and amortisation expense	2,658.67	1,761.98
Unrealised exchange (gain)	(668.53)	(717.40)
Exchange loss / (gain) on derivative contracts	614.59	44.39
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	65.76	5.36
Bad debts	85.58	-
Change in provision for expected credit loss	106.27	141.60
Employee stock compensation expenses	141.50	609.37
Excess provision in respect of earlier years written back	(3.01)	(32.29)
Profit on sale/fair valuation of financial assets designated as FVTPL	(581.59)	(444.99)
Provision towards employee benefits	-	(506.74)
Profit on sale of investments (net)	(582.47)	(336.02)
Profit on sale of Property, Plant and Equipment (net)	(60.05)	(78.06)
Profit on account of lease modification (net)	-	(28.15)
Operating profit before working capital changes	24,133.54	15,916.76
Movements in working capital :		
Decrease / (Increase) in other non current assets	160.67	(380.60)
(Increase) / Decrease in other non current financial assets	(200.92)	6.42
(Increase) in other current financial assets	(1,468.01)	(9,546.78)
(Increase) in current assets	(13,735.12)	(2,786.27)
(Increase) in trade receivables	(11,903.95)	(272.77)
Increase in trade payables, current liabilities and non-current liabilities	25,283.50	8,213.68
Increase in provisions	1,577.25	919.52
Operating profit after working capital changes	23,846.96	12,069.96
Direct taxes paid (net of refunds)	(5,779.78)	(4,895.83)
Net cash generated from operating activities	(A) 18,067.18	7,174.13
Cash flows from investing activities		
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)	(2,016.83)	(1,709.35)
Proceeds from sale of Property, Plant and Equipment	133.57	172.87
Payment towards investment in wholly owned subsidiary	(1,466.57)	-
Payment for acquisition of financial instruments	(78,259.69)	(54,326.32)
Proceeds from transfer of business undertaking	-	969.99
Payment to selling shareholders	(282.13)	-
Proceeds from sale of financial instruments	72,246.77	52,772.61
Proceeds from maturity of bank deposits having original maturity over three months	1,989.81	89.33
Interest received	430.24	478.89
Net cash (used in) investing activities	(B) (7,224.83)	(1,551.98)
Cash flows from financing activities		
Proceeds from issue of share capital including securities premium	-	1,845.90
Proceeds from issue of treasury shares for stock options	2,547.75	(1,008.77)
Purchase of treasury shares for stock options	(2,048.57)	-
Repayment of long term borrowings	-	(1.85)
Payment towards lease liabilities	(1,547.48)	(813.90)
Dividend paid	(5,790.48)	(4,657.50)
Interest paid	(337.25)	(530.78)
Net cash (used in) financing activities	(C) (7,176.03)	(5,166.90)

Persistent Systems Limited**STANDALONE STATEMENT OF CASH FLOWS FOR YEAR ENDED MARCH 31, 2026**

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Net (decrease) / increase in cash and cash equivalents (A + B + C)	3,666.32	455.25
Cash and cash equivalents at the beginning of the year	3,636.55	3,258.83
Movement in cash and cash equivalent on account of transfer of business undertaking	-	(72.17)
Effect of exchange differences on translation of foreign currency cash and cash equivalents	(65.76)	(5.36)
Cash and cash equivalents at the end of the year	7,237.11	3,636.55
Components of cash and cash equivalents (refer note no. 12)		
Cash on hand	0.10	0.19
Balances with banks		
On current accounts #	2,781.37	1,534.92
On saving accounts	11.48	26.87
On deposit account with original maturity of less than three months	682.00	586.00
On exchange earner's foreign currency accounts	3,762.16	1,488.57
Cash and cash equivalents	7,237.11	3,636.55

Of the cash and cash equivalent balance as at March 31, 2026, the Company can utilise ₹ 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 annual financial statements.

As per our report of even date attached

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

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

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune

Date : April 21, 2026

Anand Deshpande
Anand Deshpande (Apr 21, 2026 14:43:23 GMT+5:5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: Pune

Date : April 21, 2026

Vinit Teredesai
Vinit Teredesai (Apr 21, 2026 14:26:34 GMT+5:5)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune

Date : April 21, 2026

Sandeep Kalra
Sandeep Kalra (Apr 21, 2026 14:18:45 GMT+5:5)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: Pune

Date : April 21, 2026

Amit Atre
Amit Atre (Apr 21, 2026 14:10:03 GMT+5:5)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune

Date : April 21, 2026

Praveen Kadle
Praveen Kadle (Apr 21, 2026 14:12:26 GMT+5:5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune

Date : April 21, 2026

Persistent Systems Limited**STANDALONE STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2026****A. Equity share capital**

(refer note 16(a))

In ₹ Million		
Balance as at April 1, 2025	Changes in equity share capital during the year	Balance as at March 31, 2026
779.25	9.50	788.75

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 STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED MARCH 31, 2026

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	-	-	-	16,348.65	-	-	-	-	16,348.65
Items recognised in / from other comprehensive income for the period	-	-	-	211.93	-	-	-	(2,237.38)	(2,025.45)
Income tax effect on above	-	-	-	(53.34)	-	-	-	562.91	509.57
Dividend	-	-	-	(5,816.50)	-	-	-	-	(5,816.50)
Adjustments towards employees stock options	3,927.51	(3,927.51)	-	-	-	-	-	-	-
Dividend Paid to ESOP trust	-	-	-	-	-	41.71	-	-	41.71
Addition during the period	-	-	-	-	-	-	171.22	-	171.22
Employee stock compensation expenses	-	141.50	-	-	-	-	-	-	141.50
Exercise of stock options	-	-	-	-	1,954.76	-	-	-	1,954.76
Purchase of treasury shares	-	-	-	-	(2,229.29)	-	-	-	(2,229.29)
Adjustment during the year	-	-	-	-	1,706.40	(1,706.40)	-	-	-
Employee stock compensation expenses of subsidiaries	-	1,435.62	-	-	-	-	-	-	1,435.62
Impact on account of Subsidiary business transfer (refer note no.54)	-	-	-	(59.99)	-	-	-	-	(59.99)
Other changes during the year	-	-	-	(631.55)	-	1,224.54	-	-	592.99
Balance as at March 31, 2026	31,669.15	1,081.99	35.75	34,007.33	(2,153.64)	(259.38)	3,609.92	(1,676.79)	66,314.33

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.50) (CAPIOT)	-	-	-	(58.96)	-	-	-	-	(58.96)
Impact on account of ESOP consolidation (refer note no.50)	-	-	-	-	(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 annual financial statements.

As per our report of even date attached

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

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

Swapnil Dakshindas
Partner

Membership No.: 113896

Place: Pune
Date : April 21, 2026

Anand Deshpande
Anand Deshpande (Apr 21, 2026 14:43:23 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : April 21, 2026

Vinit Teredesai
Vinit Teredesai (Apr 21, 2026 14:26:30 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : April 21, 2026

Sandeep Kalra
Sandeep Kalra (Apr 21, 2026 14:16:45 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: Pune
Date : April 21, 2026

Amit Atre
Amit Atre (Apr 21, 2026 14:05:00 GMT+5.5)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : April 21, 2026

Praveen Kadle
Praveen Kadle (Apr 21, 2026 14:12:26 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : April 21, 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 created an Employee Stock Options Trust (ESOP Trust) for providing share-based payment to its employees. The Company uses ESOP Trust as a vehicle for distributing shares to employees. The ESOP Trust buys shares of the Company from the market, for giving shares to employees. The shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in equity. Share options whenever exercised, would be satisfied with treasury shares.

(This space is intentionally left blank)

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 annual standalone financial statements for the year ended March 31, 2026 and authorised for issue on April 21, 2026.

2 Basis of preparation

The Standalone financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 ("the Act") and Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for the following items, which are measured on an alternative basis on each reporting date -

Items	Basis of Measurement
Derivative financial instruments	Fair Value
Non-derivative financial instruments at FVTPL	Fair Value
Derivative financial instruments	Fair Value
Debt and equity securities at FVOCI	Fair Value
Contingent consideration assumed in a business combination	Fair Value
Net defined benefit (asset) / liability	Fair value of plan assets less the present value of the defined benefit obligation

The Ind AS are prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

Accounting policies have been consistently applied 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.

Amounts in the consolidated financial statements are presented in Indian Rupees in millions as permitted by Schedule III to the Companies Act, 2013. Per share data are presented in Indian Rupees.

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.

Recent Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time.

In May 2025, MCA notified amendments to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact on its financial statements.

In August 2025, MCA notified the following amendments to:

Ind AS 1 – Presentation of Financial Statements, applicable w.e.f. April 1, 2025

The amendment relates to classification of liabilities as current or non-current and clarifies that covenants that affect the classification of a liability as current or non-current must exist at the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

Ind AS 7 – Statement of Cash Flows and Ind AS 107 – Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025

The amendment in Ind AS 7 requires an entity to disclose information about supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

Ind AS 12 – International Tax Reform – Pillar Two Model Rules, applicable immediately

The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively (Refer note 30).

3 Material accounting policy information

3.1 Use of estimates and judgements

The preparation of the annual 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 annual standalone financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the annual 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

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 Company 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 annual consolidated statement of profit and loss with a corresponding adjustment to equity.

The expense or credit recognised in the annual consolidated statement of profit and loss for the period / year represents the movement in cumulative expense recognised as at the beginning and end of that period / year 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.

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.

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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 its 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 company 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 annual 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**Defined contribution plan****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.

i) 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 annual consolidated financial statements which are presented together with the annual 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 annual 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 annual 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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Persistent Systems Limited

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

4.1 Property, plant and equipment

	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	-	45.20	260.94	10.79	124.31	0.03	29.03	-	470.30
Disposals	-	57.12	687.70	1.28	148.23	-	40.40	-	934.73
Other Adjustments	-	-	(0.18)	-	(0.01)	-	-	-	(0.19)
As at March 31, 2026	991.53	2,809.26	3,620.49	82.09	2,128.10	12.83	837.06	15.37	10,496.73
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	-	125.99	381.45	7.21	209.84	1.06	84.36	1.94	811.85
Disposals	-	40.09	643.77	1.28	147.53	-	40.40	-	873.07
Other Adjustments	-	-	(0.02)	-	-	-	-	-	(0.02)
As at March 31, 2026	-	1,676.64	3,025.77	59.59	1,570.01	9.37	678.65	11.72	7,031.75
Net block									
As at March 31, 2026	991.53	1,132.62	594.72	22.50	558.09	3.46	158.41	3.65	3,464.98

	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

Note: Building includes those constructed on leasehold land:

- Gross block as on March 31, 2026 ₹ 1446.20 million (Previous year: ₹ 1460.20 million)
- Depreciation charge for the year ₹ 57.46 million (Previous year: ₹58.04 million)
- Accumulated depreciation as on March 31, 2026 ₹844.80 million (Previous year: ₹793.47 million)
- Net book value as on March 31, 2026 ₹601.40 million (Previous year: ₹ 666.73 million)

Persistent Systems Limited**Notes forming part of financial statements****4.2 Capital work in progress**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Balance at beginning of year	38.12	210.12
Additions	538.72	697.74
Capitalised during the year	470.30	869.74
Balance at end of year	106.54	38.12

Capital work in progress ageing schedule*

	(In ₹ Million)				
	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	68.42	38.12	-	-	106.54
As at March 31, 2026	68.42	38.12	-	-	106.54
	Amount in capital work in progress for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	38.12	-	-	-	38.12
As at March 31, 2025	38.12	-	-	-	38.12

*There are no projects whose completion schedule is overdue or has exceeded its cost compared to its original plan as of current year and previous year

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4.3 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	945.64	-	1,986.38	2,932.02
Disposals	189.69	-	-	189.69
Lease reassessment	37.77	-	-	37.77
Lease Modification	(11.31)	-	-	(11.31)
As at March 31, 2026	3,906.69	973.36	2,263.18	7,143.23
Accumulated depreciation				
As at April 1, 2025	1,267.49	17.52	14.09	1,299.10
Charge for the period	761.00	12.21	508.89	1,282.10
Lease reassessment	9.73	-	-	9.73
Disposals	177.83	-	-	177.83
As at March 31, 2026	1,860.39	29.73	522.98	2,413.10
Net block				
As at March 31, 2026	2,046.30	943.63	1,740.20	4,730.13

	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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4.4 Goodwill

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Balance at the beginning of the year	604.90	604.90
Balance at the end of the year	604.90	604.90

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 Company internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.

The recoverable amount of a CGU is determined based on its value-in-use. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows :

	As at March 31, 2026	As at March 31, 2025 (Restated)
Long-term growth rate	4.79%	5%
Operating margins	8% to 22%	13% to 23%
Discount rate	18% to 21%	15% to 18%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. Pre-tax discount rate is applied to cash flow projections for impairment testing during the current year. As at March 31, 2026, the estimated recoverable amount of the CGU exceeded its carrying amount. An analysis of the sensitivity of the computation to a change in key parameters (operating margin, discount rates and long term average growth rate), based on reasonable assumptions, did not identify any probable scenario in which the recoverable amount of the CGU would decrease below its carrying amount. Cash flow projections are considered for next 5 years and consider past experience and represent management's best estimate about future developments. Operating margin are in line with company's current operations. The growth rate was determined based on management's estimate of the long-term compound annual EBITDA growth rate.

Based on testing, no impairment loss was identified during current year and previous year.

4.5 Other intangible assets

	Software	Internally Generated Software	Acquired contractual rights	In ₹ Million Total
Gross block				
As at April 1, 2025	1,058.77	176.70	1,316.77	2,552.24
Additions	324.82	1,584.69	141.22	2,050.73
Disposals	-	-	261.73	261.73
Other Adjustments	(2.82)	-	-	(2.82)
As at March 31, 2026	1,380.77	1,761.39	1,196.26	4,338.42
Accumulated amortisation				
As at April 1, 2025	879.38	66.63	436.56	1,382.57
Charge for the period	194.46	70.86	299.40	564.72
Disposals	-	-	261.73	261.73
Other Adjustments	(1.42)	-	-	(1.42)
As at March 31, 2026	1,072.42	137.49	474.23	1,684.14
Net block				
As at March 31, 2026	308.35	1,623.90	722.03	2,654.28

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	In ₹ Million (Restated)			
	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2024	824.14	87.98	652.64	1,564.76
Additions	234.66	88.72	664.13	987.51
Disposals	(0.03)	-	-	(0.03)
As at March 31, 2025	1,058.77	176.70	1,316.77	2,552.24
Accumulated amortisation				
As at April 1, 2024	658.98	15.17	380.84	1,054.99
Charge for the year	220.43	51.46	55.72	327.61
Disposals	(0.03)	-	-	(0.03)
As at March 31, 2025	879.38	66.63	436.56	1,382.57
Net block				
As at March 31, 2025	179.39	110.07	880.21	1,169.67

Acquired contractual rights have remaining amortisation period between 3-4 years.

4.6 Intangible Assets Under Development

	As at March 31, 2026 In ₹ Million	As at 31-Mar-25 In ₹ Million
Balance at beginning of year	731.77	116.53
Additions	1,587.91	703.96
Capitalised during the year	(2,050.73)	(88.72)
Balance at end of year	268.95	731.77

Intangible Asset under Development Ageing Schedule*

	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	(In ₹ Million)
Projects in progress	268.95	-	-	-	268.95
As at March 31, 2026	268.95	-	-	-	268.95

	Amount in Intangible Asset under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	(In ₹ Million)
Projects in progress	703.96	27.81	-	-	731.77
As at March 31, 2025	703.96	27.81	-	-	731.77

*There are no projects whose completion schedule is overdue or has exceeded its cost compared to its original plan as of current year and previous

4.7 Depreciation and amortisation expense

	In ₹ Million	
	For the Year ended March 31, 2026	March 31, 2025 (Restated)
On Property, plant and equipment	811.85	762.82
On Right of use assets	1,282.10	671.55
On Other intangible assets	564.72	327.61
	2,658.67	1,761.98

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****5. Non-current financial assets : Investments**

	As at March 31, 2026 In ₹ Million	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 33)		
Persistent Systems, Inc. 702.00 Million (Previous year : 702.00 Million) shares of USD 0.10 each, fully paid up	4,729.74	4,729.74
Persistent Systems Pte Ltd. 0.50 Million (Previous year : 0.50 Million) shares of SGD 1 each, fully paid up	15.50	15.50
Persistent Systems France SAS (refer note 55) NIL Million (Previous year : 1.50 Million) shares of EUR 1 each, fully paid up	-	97.47
Persistent Systems Malaysia Sdn. Bhd. 5.45 Million (Previous year : 5.45 Million) shares of MYR 1 each, fully paid up	102.25	102.25
Persistent Systems Germany GmbH (refer note 55) NIL Million (Previous year : 16.73 Million) shares of EUR 1 each, fully paid up	-	1,719.40
MediaAgility India Private Limited 3.21 Million (Previous year : 3.21 Million) shares of Rs. 10 each, fully paid up.	971.45	971.45
Persistent Systems UK Limited 12.39 Million (Previous year : 12.39 Million) shares of GBP 1 each, fully paid up.	782.01	782.01
Persistent India Foundation 0.05 Million (Previous year : 0.05 Million) shares of INR 10 each, fully paid up.	0.50	0.50
Arrka Infosec Private Limited 0.103 Million (Previous year : 0.103 Million) shares of INR 10 each, fully paid up.	133.31	133.31
Aepona Group Limited (refer note 58) 1,374,481.26 Million (Previous year : NIL) shares of EUR 0.012 and EUR 0.0000012 each, fully paid up.	3,865.91	-
Total investments carried at cost (A)	10,600.67	8,551.63
Investments carried at amortised cost		
Quoted investments		
In bonds (refer note 31a)	2,368.97	2,916.91
Add: Interest accrued on bonds	165.26	78.66
Total investments carried at amortised cost (B)	2,534.23	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))	3,754.41	2,877.14
- Others*		
Altizon Systems Private Limited 3,766 equity shares (Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00
	6.00	6.00
Total investments carried at fair value (C)	3,760.41	2,883.14
Total investments (A+B+C)	16,895.31	14,430.34
Aggregate amount of quoted investments (bonds)	2,534.23	2,995.57
Aggregate amount of quoted investments (mutual funds)	3,754.41	2,877.14
Aggregate book value of quoted investments	6,288.64	5,872.71
Aggregate market value of quoted investments	5,893.87	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".

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****5 (a) Details of fair value of investment in long term mutual funds (quoted)**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Axis Mutual Fund	713.62	672.09
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	508.33	532.52
HDFC Mutual Fund	212.97	201.26
DSP Mutual Fund	178.59	168.52
HSBC Mutual Fund	178.71	168.43
Kotak Mutual Fund	617.99	208.86
ICICI Prudential Mutual Fund	1,002.23	324.15
SBI Mutual Fund	-	166.04
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	110.93	269.72
Aditya Birla Sun Life Mutual Fund	174.74	165.55
UTI Mutual Fund	56.30	-
	3,754.41	2,877.14

6. Non-current financial assets : Loans

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Unsecured, credit impaired		
Inter-corporate deposit	0.58	0.58
Less: Impairment	(0.58)	(0.58)
	-	-
	-	-

7. Other non-current financial assets

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Considered good		
Carried at amortised cost		
Deposits with bank (refer note 13)*	4.39	48.29
Add: Interest accrued but not due on deposits with bank (refer note 13)	0.23	0.70
	4.62	48.99
Security deposits	470.23	328.02
Simple Agreement for Future Equity (SAFE)	391.46	332.75
Considered good (A)	866.31	709.76
Credit impaired		
Deposit with financial institutions (refer note 45)	408.88	408.88
Add: Interest accrued but not due on deposit with financial institutions	0.30	0.30
Less: Credit impaired	(409.18)	(409.18)
Credit impaired (B)	-	-
Other financial assets	-	0.11
Total (A+B)	866.31	709.87

* Out of the balance, fixed deposits of ₹ 3.76 Million (Previous year : ₹ 3.00 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****8. Deferred tax assets (net)**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Deferred tax assets		
Provision for leave encashment	392.68	252.79
Allowance for expected credit loss	83.74	54.29
Lease liability	991.61	584.52
Provisions for doubtful investment	113.28	113.28
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	10.85	12.42
Cash flow hedges	563.69	0.78
Others	-	28.26
	2,155.85	1,046.34
Deferred tax liabilities		
Capital gains (net)	126.07	122.73
Right of use asset	936.01	533.44
	1,062.08	656.17
Deferred tax assets (net)	1,093.77	390.17

Movement in deferred tax assets (net) during the year ended March 31, 2026

	As at April 1, 2025	Charge/ (Credit) in statement of Profit or loss	Credit/ (Charge) in other comprehensive income	In ₹ Million As at March 31, 2026
Deferred tax assets				
Provision for leave encashment	252.79	(139.89)	-	392.68
Allowance for expected credit loss	54.29	(29.45)	-	83.74
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	12.42	1.57	-	10.85
Cash flow hedges	0.78	-	562.91	563.69
Lease liability	584.52	(407.09)	-	991.61
Provisions for doubtful investment	113.28	-	-	113.28
Others	28.26	28.26	-	-
	1,046.34	(546.60)	562.91	2,155.85
Deferred tax liabilities				
Capital gains (net)	122.73	(3.34)	-	126.07
Right of use asset	533.44	(402.57)	-	936.01
	656.17	(405.91)	-	1,062.08
	390.17	(140.69)	562.91	1,093.77

Movement in deferred tax assets (net) during the year ended March 31, 2025

	As at April 1, 2024	Charge/ (Credit) in statement of Profit or loss	Credit/ (Charge) in other comprehensive income	In ₹ Million As at March 31, 2025
Deferred tax assets				
Provision for leave encashment	223.08	(29.71)	-	252.79
Provision for long service awards	127.54	127.54	-	-
Allowance for expected credit loss	18.95	(35.34)	-	54.29
Provision for Gratuity	14.72	14.72	-	-
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	(12.42)	-	12.42
Cash flow hedges	-	-	0.78	0.78
Lease liability	378.52	(206.00)	-	584.52
Provisions for doubtful investment	117.28	4.00	-	113.28
Other	-	(28.26)	-	28.26
	880.09	(165.47)	0.78	1,046.34
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	16.73	16.73	-	-
Right of use asset	317.39	(216.04)	-	533.44
Capital gains (net)	44.15	(78.58)	-	122.73
Cash flow hedges	8.02	-	(8.02)	-
	386.29	(277.89)	(8.02)	656.17
	493.80	112.43	8.80	390.17

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****9. Other non-current assets**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Capital advances (unsecured, considered good)	28.07	33.53
Prepayments	348.20	508.87
	376.27	542.40

10. Current financial assets : Investments

	As at March 31, 2026 In ₹ Million	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))	5,954.41	3,335.01
Investments carried at amortised cost (B)		
- Quoted investments		
In bonds (refer note 31a)	2,452.60	-
Add: Interest accrued on bonds	-	-
Total investments carried at amortised cost	2,452.60	-
- Unquoted investments		
Investment in commercial papers	739.27	-
Total investments carried at amortised cost	739.27	-
Total investments	9,146.28	3,335.01
Aggregate market value of quoted investments	8,403.30	3,335.01
Aggregate market value of unquoted investments	739.27	-

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

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Aditya Birla Sun Life Mutual Fund	375.78	438.79
UTI Mutual Fund	812.44	383.48
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	1,056.97	472.47
Axis Mutual Fund	739.80	275.99
Kotak Mutual Fund	476.54	609.18
HDFC Mutual Fund	253.93	118.00
Tata Mutual Fund	823.35	195.10
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	230.93	195.40
HSBC Mutual Fund	60.03	-
ICICI Prudential Mutual Fund	30.02	70.03
DSP Mutual Fund	272.82	-
Mirae Asset Mutual Fund	148.22	195.64
SBI Mutual Fund	80.03	70.04
Sundaram Mutual Fund	60.48	115.28
Invesco Mutual Fund	344.87	195.61
Bajaj Finserv Mutual Fund	158.18	-
Baroda BNP Mutual Fund	30.02	-
	5,954.41	3,335.01

11. Trade receivables*

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
- Non current - Billed		
Unsecured, considered good	735.65	503.15
	735.65	503.15
- Current - Billed		
Unsecured, considered good	20,178.63	16,577.15
Unsecured, credit impaired	149.11	52.63
	20,327.74	16,629.78
Less : Allowance for expected credit loss	(332.74)	(215.72)
	19,995.00	16,414.06
- Current - Unbilled	12,015.92	8,836.14
	32,746.57	25,753.35

*Includes dues from related parties (refer note 33)

Trade receivables Ageing Schedule

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	15,408.85	4,795.72	434.43	149.92	55.01	70.36	20,914.29
Undisputed Trade receivable – credit impaired	-	-	36.97	112.14	-	-	149.11
	15,408.85	4,795.72	471.40	262.06	55.01	70.36	21,063.40
Less : Allowance for expected credit loss	(2.61)	(2.07)	(175.64)	(93.45)	(39.15)	(19.83)	(332.75)
	15,406.24	4,793.65	295.76	168.61	15.86	50.53	20,730.65
- Current - Unbilled	12,015.92	-	-	-	-	-	12,015.92
As At March 31, 2026	27,422.16	4,793.65	295.76	168.61	15.86	50.53	32,746.57
Expected loss rate (Refer note 31a)	0.02%	0.04%	37.26%	35.66%	71.17%	28.18%	1.58%

Trade receivables Ageing Schedule

	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – considered good	3,997.21	12,251.42	526.66	184.6	74.71	45.70	17,080.30
Undisputed Trade receivable – credit impaired	-	-	51.40	1.23	-	-	52.63
	3,997.21	12,251.42	578.06	185.83	74.71	45.70	17,132.93
Less : Allowance for expected credit loss	(1.69)	(1.34)	(113.87)	(60.58)	(25.38)	(12.86)	(215.72)
	3,995.52	12,250.08	464.19	125.25	49.33	32.84	16,917.21
- Current - Unbilled	8,836.14	-	-	-	-	-	8,836.14
As At March 31, 2025	12,831.66	12,250.08	464.19	125.25	49.33	32.84	25,753.35
Expected loss rate (Refer note 31a)	0.04%	0.01%	19.70%	32.60%	33.97%	28.14%	1.26%

12. Cash and cash equivalents

	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Cash and cash equivalents		
Cash on hand	0.10	0.19
Balances with banks		
On current accounts#	2,781.37	1,534.92
On saving accounts	11.48	26.87
On exchange earner's foreign currency accounts	3,762.16	1,488.57
On deposit accounts with original maturity less than three months	682.00	586.00
	7,237.11	3,636.55

Of the cash and cash equivalent balance as at March 31, 2026, the Company can utilise ₹ 0.02 Million (Previous year: ₹ 0.02 Million) only towards certain predefined activities.

13. Bank balances other than cash and cash equivalents

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Deposits with banks*	1,048.63	3,054.13
Add: Interest accrued but not due on deposits with banks	20.94	101.39
Deposits with banks (carried at amortised cost)	<u>1,069.57</u>	<u>3,155.52</u>
Less: Deposit with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 7)	(4.39)	(48.29)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	(0.23)	(0.70)
	<u>1,064.95</u>	<u>3,106.53</u>
Balances with banks on unpaid dividend accounts**	4.54	20.23
	<u>1,069.49</u>	<u>3,126.76</u>

* Out of the balance, fixed deposits of ₹ 866.71 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 March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Carried at amortised cost		
Advances to related parties (Unsecured, considered good) (refer note 33)		
Persistent Systems France SAS	0.40	0.81
Persistent Telecom Solutions Inc.	-	0.26
Persistent Systems Malaysia Sdn. Bhd.	0.64	0.13
Persistent Systems UK Limited (Formerly known as Aepona Limited)	200.78	137.07
Persistent Systems Mexico, S.A. de C.V	3.45	2.18
Persistent Systems Germany GmbH	0.60	0.86
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.20	0.20
Persistent Systems Australia Pty Limited	1.41	0.45
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	3.13	1.28
MediaAgility Inc.	119.43	-
	<u>330.04</u>	<u>143.24</u>
Security deposits	63.95	85.35
Other receivables *	8,976.56	6,240.19
	<u>9,370.55</u>	<u>6,468.78</u>

* Includes amounts received in subsidiaries on behalf of the company of ₹ 4,296.94 million (previous year - ₹ 6,240.19 million) (refer note 33).

15. Other current assets

	As at March 31, 2026 In ₹ Million	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	1,494.14	1,173.59
Prepayments	1,126.63	913.65
Deferred finance cost	2.11	5.72
Contract Assets	1,675.25	907.88
Other advances (Unsecured, considered good)		
VAT receivable (net)	134.33	55.25
GST receivable (net) (refer note 35)	10,832.14	4,880.45
	<u>10,966.47</u>	<u>4,935.70</u>
	<u>15,264.60</u>	<u>7,936.54</u>

16(a). Share Capital

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Authorized shares (No. in Million)		
400 (Previous year:400) equity shares of ₹5 each	2,000.00	2,000.00
	2,000.00	2,000.00
Issued, subscribed and fully paid-up shares (No. in Million)		
157.75 (Previous year: 155.85) equity shares of ₹5 each	788.75	779.25
Issued, subscribed and fully paid-up share capital	788.75	779.25

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and longterm and other strategic investment plans. The funding requirements are met through equity, borrowings and operating cash flows generated. The Company is not subject to any externally imposed capital requirements.

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 March 31, 2026		As at March 31, 2025	
	No of Shares	In ₹	No of Shares	In ₹ (Restated)
Number of shares at the beginning of the reporting period	155.85	779.25	154.05	770.25
Add: Changes during the reporting period	1.90	9.50	1.80	9.00
Number of shares at the end of the reporting period	157.75	788.75	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.

The Board of Directors of Persistent Systems Limited, at its meeting held on January 20, 2026, declared an interim dividend of ₹ 22 per equity share of face value of ₹ 5 each for the Financial Year 2025-26.

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.

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2025: ₹ 20 per share (31 March 2024: ₹ 16 per share)	2,346.00	1,540.50
Interim dividend for the year ended on 31 March 2026: ₹ 22 per share (31 March 2025: ₹ 20 per share)	3,470.50	3,117.00
	5,816.50	4,657.50
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2026: ₹ 18 per share (31 March 2025: ₹ 15 per share)	2,839.50	2,346.00
	2,839.50	2,346.00

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2026.

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 March 31, 2026, the Company has not done any buyback of shares.

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****d) Details of shareholders holding more than 5% shares in the Company**

Name of the shareholder*	As at March 31, 2026		As at March 31, 2025 (Restated)	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande	45.78*	29.02	45.75	29.35

* 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.

e) Details of shares held by promoters**As at March 31, 2026**

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande*	45,747,680	36,000	45,783,680	29.02%	0.08%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.60%	-
Dr. Mukund Suresh Deshpande*	800,050	(56,000)	744,050	0.47%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.14%	-
Mrs. Sulabha Suresh Deshpande	1,000	-	1,000	0.00%	-
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	1,000	-	1,000	0.00%	-
Mr. Padmakar Govind Khare	1,760	-	1,760	0.00%	-
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-
Ms. Ria Anand Deshpande*	-	20,000	20,000	0.01%	-

*Note:

1. Dr. Anand Deshpande, Promoter and CMD of the Company transferred 20,000 shares of INR 5 each to his daughter, Ms. Ria Anand Deshpande, on June 9, 2025. Accordingly, she has become a Member of Promoter Group with effect from June 9, 2025

2. Mr. Mukund Deshpande, Member of Promoter Group transferred aggregate 56,000 shares in the month of December 2025 (December 10 and 17, 2025) to Dr. Anand Deshpande, Promoter and CMD of the Company.

As at March 31, 2025

Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Dr. Anand Suresh Deshpande	45,743,680	2,000	45,745,680	29.00%	0.00%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.60%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.51%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.14%	-
Mrs. Sulabha Suresh Deshpande	1,000	-	1,000	0.00%	-
Mr. Arul Anand Deshpande	20,000	-	20,000	0.01%	-
Ms. Gayatri Hemadri Buzruk	20,000	-	20,000	0.01%	-
Mr. Hemadri N Buzruk	15,640	-	15,640	0.01%	-
Mr. Suresh Purushottam Deshpande	1,000	-	1,000	0.00%	-
Mr. Padmakar Govind Khare	1,760	-	1,760	0.00%	-
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

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16(b). Other equity

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Reserves and Surplus		
General reserve	31,669.15	27,741.64
Share options outstanding reserve	1,081.99	3,432.38
Capital redemption reserve	35.75	35.75
Retained earnings	34,007.33	24,008.13
Securities premium	3,609.92	3,438.70
PSL ESOP Trust reserve	(259.38)	180.77
Treasury shares	(2,153.64)	(3,585.51)
Items of other comprehensive income		
Effective portion of cash flow hedges	(1,676.79)	(2.32)
	66,314.33	55,249.54

(i) General reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	27,741.64	25,854.48
Adjustments towards employees stock options	3,927.51	1,887.16
	31,669.15	27,741.64

(ii) Share options outstanding reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	3,432.38	2,227.71
Adjustments towards employees stock options	(3,927.51)	(1,887.16)
Employee stock compensation expenses	141.50	609.37
Employee stock compensation expenses of subsidiaries	1,435.62	2,482.46
	1,081.99	3,432.38

(iii) Capital redemption reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	35.75	35.75
	35.75	35.75

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****(iv) Retained earnings**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	24,008.13	17,272.67
Profit for the year	16,348.65	11,303.82
Impact of scheme of merger (refer note no. 50)	-	(58.96)
Items recognised in / from other comprehensive income for the year	211.93	197.91
Income tax effect on above	(53.34)	(49.81)
Impact on account of Subsidiary business transfer (refer note no. 54)	(59.99)	-
Dividend	(5,816.50)	(4,657.50)
Other changes during the year	(631.55)	-
	34,007.33	24,008.13

(v) Securities premium

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	3,438.70	1,601.80
Premium on fresh issue of equity shares	171.22	1,836.90
	3,609.92	3,438.70

(vi) Effective portion of cash flow hedges

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	(2.32)	23.85
Items recognised in / from other comprehensive income for the year	(2,237.38)	(34.97)
Income tax effect on above	562.91	8.80
	(1,676.79)	(2.32)

(vii) PSL ESOP Trust reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	180.77	-
Dividend Paid to ESOP trust	41.71	40.13
Adjustment during the year	(1,706.40)	-
Impact on account of ESOP consolidation	-	140.64
Other changes during the year	1,224.54	-
	(259.38)	180.77

(viii) Treasury shares

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Opening Balance	(3,585.51)	-
Exercise of stock options	1,954.76	-
Purchase of treasury shares	(2,229.29)	-
Shares held by ESOP trust	-	(908.26)
Adjustment during the year	1,706.40	-
Impact on account of ESOP consolidation	-	(2,677.25)
	(2,153.64)	(3,585.51)

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****17. Lease liabilities**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Non-current		
Lease liabilities	3,939.95	2,322.46
Less: Current portion of lease liabilities	(1,491.31)	(834.49)
	2,448.64	1,487.97
Current		
Lease liabilities	1,491.31	834.49
	1,491.31	834.49

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

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Opening balance	2,322.46	1,503.97
Additions	2,897.78	1,561.60
Deletions	(14.24)	(102.58)
Lease modification	(9.34)	(45.32)
Add: Interest recognised during the year	290.78	218.69
Less: Payments made during the year	(1,547.49)	(813.90)
Closing balance	3,939.95	2,322.46

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Persistent Systems Limited
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS
18. Non current liabilities : Provisions

	As at March 31, In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Provision for employee benefits		
- Gratuity	889.07	69.06
- Leave Encashment	1,169.00	-
Other provisions	35.00	-
	2,093.07	69.06

19. Trade payables

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Trade payables for goods and services*		
-total outstanding dues of micro enterprises and small enterprises	58.10	40.77
-total outstanding dues of creditors other than micro enterprises and small enterprises	19,374.10	10,152.90
	19,432.20	10,193.67

*Includes dues payable to related parties (refer note 33)

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.

The information as required to be disclosed pursuant under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified based on the information information available with the Company.

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
- Principal	58.10	40.77
- Interest	1.15	-
Total principal and interest remaining unpaid	59.25	40.77

The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along With the amount of the payment made to the supplier beyond the appointed day during each accounting year

- Principal	47.47	
- Interest	-	-
	47.47	-

Interest paid, other than under Section 16 of Micro, Small and Medium Enterprises Development Act, 2006.

The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the day appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006

Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day

The amount of interest accrued and remaining unpaid at the end of each accounting year

The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure and section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.
As at March 31, 2026

	3.31	-
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There are overdue amounts of ₹ 9.07 million payable to suppliers, who have intimated about their status as Micro and Small Enterprises as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

Trade payables Ageing Schedule

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises		39.93	17.43	0.74	-	-	58.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,734.02	8,039.64	5,186.32	414.12	-	-	19,374.10
As At March 31, 2026	5,734.02	8,079.57	5,203.75	414.86	-	-	19,432.20

	Unbilled dues	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	34.32	6.45	-	-	-	40.77
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,470.35	1,458.79	5,209.98	7.70	0.98	5.10	10,152.90
As At March 31, 2025	3,470.35	1,493.11	5,216.43	7.70	0.98	5.10	10,193.67

Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****20. Other financial liabilities**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Non-current		
At amortised cost		
Security deposits	4.75	15.70
At fair value through profit & loss		
Liability towards contingent consideration	122.44	173.13
	127.19	188.83
Current		
At amortised cost		
Capital creditors	100.77	59.66
Accrued employee liabilities	2,542.69	2,055.01
Unpaid dividend*	4.61	20.23
Other liabilities**	38.11	31.77
Payable to selling shareholders	58.77	283.71
Advance from related parties (Unsecured, considered good)		
Persistent Systems, Inc.	969.15	194.71
Persistent Systems Lanka (Private) Limited	34.51	-
MediaAgility India Private Limited	2.21	2.21
Persistent Systems Pte. Ltd.	0.37	0.32
	1,006.24	197.24
At fair value through profit & loss		
Liability towards contingent consideration	116.10	54.98
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	2,791.65	36.82
	6,658.94	2,739.42

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

** Includes amounts payable to related parties of ₹ 32.60 million (previous year - ₹ 16.84 million).

21. Other liabilities

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Non-current		
Other Liabilities	23.29	39.96
	23.29	39.96
Current		
Unearned revenue	3,594.09	2,207.79
Advance from customers	111.07	106.25
Other payables		
- Statutory liabilities	994.05	837.16
Amount received on behalf of related parties	617.08	438.21
Other Liabilities	1,102.47	66.15
	6,418.76	3,655.56

22. Current liabilities : Provisions

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
Provision for employee benefits		
- Leave encashment	471.22	1,123.13
	471.22	1,123.13

23. Revenue from operations (refer note 33)

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Software and other services	137,818.68	115,074.17
Software licenses	6,460.91	2,206.04
	144,279.59	117,280.21

Software service revenue is recognized as and when the related services are performed i.e. over the period of time. Software licenses revenue is recognized on point in time basis.

The table below presents disaggregated revenues from contracts with customers by segments, geography and type. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of our revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Revenue by industry segments		
Banking, Financial Services and Insurance (BFSI)	50,685.48	36,679.33
Healthcare & Life Sciences	38,266.79	31,331.75
Technology Companies and Emerging Verticals	55,327.32	49,269.13
Total	144,279.59	117,280.21
Geographical disclosure		
India	13,042.84	10,983.97
North America	122,474.02	97,195.64
Rest of the World	8,762.73	9,100.60
Total	144,279.59	117,280.21

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date, typically those contracts where invoicing is on time and material and unit of work-based contracts. Remaining performance obligation estimates are subject to change and are affected by several factors, including terminations, changes in the scope of contracts, periodic revalidations, adjustment for revenue that has not materialized and adjustments for currency. The normal credit term is 30 to 90 days.

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Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price:

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Revenue as per contract price	144,279.59	117,280.21
Discount	-	-
Revenue from contract with customers	144,279.59	117,280.21

Changes in contract assets (unbilled revenue) are as follows:

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Balance at the beginning of the year	9,744.02	4,190.71
Invoices raised that were included in the contract assets balance at the beginning of the year	(9,152.22)	(4,190.71)
Increase due to revenue recognised during the year, excluding amounts billed during the year	11,863.15	9,744.02
Translation exchange difference	1,236.22	-
Balance at the end of the year	13,691.17	9,744.02

Changes in unearned revenue are as follows:

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Balance at the beginning of the year	2,207.79	530.99
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(4,426.37)	(901.38)
Increase due to revenue recognised during the year, excluding amounts billed during the year	5,500.74	2,578.18
Translation exchange difference	311.93	-
Balance at the end of the year	3,594.09	2,207.79

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Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****24. Other income**

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Interest income		
- On deposits carried at amortised cost	158.68	244.23
- On others	271.56	226.92
Other non-operating income		
Foreign exchange gain	(11.04)	113.39
Profit on sale of Property, plant and equipment (net)	60.05	78.06
Profit on account of lease modification	-	28.15
Profit on sale of investments (net) (refer note no 55)	582.47	336.02
Net profit on sale / fair valuation of financial assets designated as FVTPL	581.59	471.09
Excess provision in respect of earlier periods / years written back	3.01	10.49
Miscellaneous income	24.90	70.70
	1,671.22	1,579.05

25. Personnel expenses

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
25.1 Employee benefits expense		
Salaries, wages and bonus	54,344.58	44,287.34
Contribution to provident and other funds*	2,970.34	2,639.27
Staff welfare expense	1,289.30	1,226.29
Share based payments to employees	141.50	609.37
	58,745.72	48,762.27
25.2 Subcontracting costs		
- Related parties (refer note 33)	18,150.16	20,376.15
- Others	21,094.28	16,151.58
	39,244.44	36,527.73
	97,990.16	85,290.00

* Includes contribution towards gratuity.

26. Finance Costs

	For the Year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Interest on Lease	290.78	218.69
Interest Others - Expenses	337.25	255.97
	628.03	474.66

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27. Other expenses*

	For the Year ended	
	March 31, 2026	March 31, 2025
	In ₹ Million	In ₹ Million (Restated)
Travelling and conveyance	1,138.16	1,012.39
Electricity expenses (net)	126.32	117.72
Internet link expenses	105.11	106.74
Communication expenses	24.13	24.17
Recruitment expenses	269.38	168.76
Training and seminars	182.71	145.26
Royalty expenses	22.28	-
Purchase of software licenses and support expenses	7,760.25	4,545.79
Bad debts	85.58	-
Charge/ (reversal) of allowance for expected credit loss (net)	106.27	141.60
Rent (refer note no. 32)	47.62	60.23
Insurance	135.20	124.73
Rates and taxes	167.63	169.94
Legal and professional fees	911.11	564.21
Repairs and maintenance		
- Plant and machinery	177.60	156.28
- Buildings	54.84	43.79
- Others	46.45	33.71
Selling and marketing expenses	9,255.87	7,554.79
Advertisement, conference and sponsorship fees	17.13	8.80
Computer consumables	35.18	17.36
Auditors' remuneration (refer note no. 40)	15.33	13.31
Corporate social responsibility expenditure	237.71	217.78
Books, memberships & subscriptions	4.34	6.08
Directors' sitting fees	8.03	9.10
Directors' commission	52.50	35.55
Miscellaneous expenses	637.94	560.33
	21,624.67	15,838.42

* Includes expenses incurred with related parties (refer note 33)

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Persistent Systems Limited**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****28. Earnings per share**

		For the Year ended	
		March 31, 2026	March 31, 2025 (Restated)
<u>Numerator for basic and diluted EPS</u>			
Net profit after tax (In ₹ Million)	(A)	16,348.65	11,303.82
<u>Denominator for basic EPS</u>			
Weighted average number of equity shares	(B)	155,758,627	153,487,571
<u>Denominator for Diluted EPS</u>			
Number of equity shares	(C)	156,901,233	155,166,164
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	104.96	73.65
Diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	104.20	72.85

		For the Year ended	
		March 31, 2026	March 31, 2025 (Restated)
Number of outstanding equity shares		156,901,233	155,166,164
Less: weighted average number of shares issued during the period		1,142,606	1,678,593
Number of outstanding equity shares considered for basic EPS		155,758,627	153,487,571

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Persistent Systems Limited

Notes forming part of financial statements

29. Defined benefits and contribution obligation:**a) Defined benefits Plan - Gratuity**

The Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible Indian employees of the Company. The Gratuity Plan provides a lumpsum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarize the amount recognized in the statement of profit and loss and other comprehensive income, the funded status and amounts recognized in the Balance Sheet for the plan.

Statement of profit & loss and other comprehensive income

The amount recognised in the statement of profit and loss are as follows:

	(In ₹ Million)	
	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
Current service cost	449.76	485.08
Interest cost on benefit obligation	141.06	113.07
Expected return on plan assets	(120.44)	(111.43)
Total Expense	470.38	486.72

The amount recognised in the statement of other comprehensive income are as follows:

	(In ₹ Million)	
	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
Net actuarial loss :		
Due to changes in financial assumptions	(234.77)	(70.03)
Due to Experience assumptions	70.59	(107.71)
Due to changes in demographic assumptions	(11.62)	-
Return on Plan Assets	(36.13)	(20.17)
Total (Income)/ Expense	(211.93)	(197.91)

Balance Sheet

Changes in the fair value of plan assets (recognized in the Balance Sheet) are as follows:

	(In ₹ Million)	
	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
Opening fair value of plan assets	1,765.99	1,543.32
Expected return on plan assets	120.44	111.43
Return on Plan Assets	36.13	20.17
Contribution by employer	265.72	278.24
Benefits paid	(144.06)	(218.26)
Acquisitions*	-	31.09
Other adjustments	1.68	-
Closing fair value of plan assets	2,045.90	1,765.99
Actual return on plan assets	-	162.69

*An amount of INR 31.09 Million has been shown as a transfer-in in liability and asset towards acquisition of an entity during the previous year.

Changes in the present value of the defined benefit obligation (recognized in Balance Sheet) are as follows:

	(In ₹ Million)	
	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
Opening defined benefit obligation	1,835.05	1,601.81
Current service cost	449.76	485.08
Past service cost	876.07	-
Interest cost	141.06	113.07
Benefits payments from plan assets	(144.06)	(218.26)
Benefits payments directly by the employer	(48.80)	-
Acquisitions (refer note above)	-	31.09
Other adjustments	1.68	-
Actuarial losses on obligation	(175.80)	(177.74)
Closing defined benefit obligation	2,934.96	1,835.05

Net Defined Benefit Asset / (Liability)

	(In ₹ Million)	
	As at	
	March 31, 2026	March 31, 2025 (Restated)
Fair value of plan assets	2,045.90	1,765.99
(Less) : Defined benefit obligations	(2,934.96)	(1,835.05)
Net Defined Benefit Asset / (Liability)*	(889.06)	(69.06)

*This has been classified as non-current in the balance sheet

Persistent Systems Limited
Notes forming part of financial statements

The major categories of plan assets as a percentage of the fair value of total plan assets:

	As at	
	March 31, 2026	March 31, 2025 (Restated)
Investments with insurer including accrued interest	100%	100%

The principal assumptions used in determining gratuity for the Company's plans are shown below:

	As at	
	March 31, 2026	March 31, 2025 (Restated)
Discount rate	7.46%	6.82%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	PS: 0 to 1 : 20% PS: 1 to 3 : 16% PS: 3 to 4 : 9% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 3% PS:10 to 50 : 2%	PS: 0 to 1 : 17% PS: 1 to 3 : 15% PS: 3 to 4 : 10% PS: 4 to 5 : 5% PS: 5 to 7 : 6% PS: 7 to 10 : 4% PS:10 to 50 : 2%
Increment rate		5.00%
Weighted average duration of the defined benefit obligation (Years)		13.74

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and increase in compensation levels. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Every percentage point increase / decrease in discount rate will change the gratuity benefit obligation to approximately ₹ 2,617.13 million / ₹ 3,314.19 million (previous year: ₹ 1,638.21 million / ₹ 2,069.91 million) respectively.

Every percentage point increase / decrease in rate of increase in compensation levels will change the gratuity benefit obligation to approximately ₹ 3,233.77 million / ₹ 2,659.82 million (previous year: ₹ 1,999.38 million / ₹ 1,696.70 million) respectively.

Sensitivity analysis for each significant actuarial assumptions namely Discount rate and Salary assumptions have been shown in the table above at the end of the reporting period, showing how the defined benefit obligation would have been affected by the changes .

The Mortality and Attrition does not have a significant impact on the Liability , hence are not considered a significant actuarial assumption for the purpose of Sensitivity analysis.

The assumptions used in preparing the sensitivity analysis is

Discount rate at +1% and - 1%
Salary assumption at +1 % and -1%

The method used to calculate the liability in these scenarios is by keeping all the other parameters and the data same as in the base liability calculation except the parameters to be stressed.

There is no change in the method from the previous period and the points /percentage by which the assumptions are stressed are same to that in the previous year.

Amounts for the current and previous year are as follows:

	As at	
	March 31, 2026	March 31, 2025 (Restated)
Plan assets	2,045.90	1,765.99
Defined benefit obligation	(2,934.96)	(1,835.05)
Surplus	(889.06)	(69.06)
Experience adjustments on plan liabilities - loss/ (gain)	70.59	(107.71)

Persistent Systems Limited
Notes forming part of financial statements

Maturity Profile of defined benefit obligations:

	(In ₹ Million)	
	As at	
	March 31, 2026	March 31, 2025 (Restated)
Within 1 year	106.94	71.89
1-2 years	175.63	80.37
2-3 years	166.90	130.65
3-4 years	175.71	107.15
4-5 years	170.74	113.46
5-10 years	973.90	601.45
Above 10 years	7,008.63	3,771.17

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 106.94 million.

Risk Characteristics of the Defined Benefit Plan

Investment risk

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

Market Risk (Interest Rate)

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate/government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

Longevity Risk

The impact of longevity risk will depend on whether the benefits are paid before retirement age or after. Typically for the benefits paid on or before the retirement age, the longevity risk is not very material.

b) Defined contribution plan - Superannuation Fund

The Company contributed ₹ 92.76 million and ₹ 89.39 million to superannuation fund during the years ended March 31, 2026 and March 31, 2025 respectively and the same is recognised in the Statement of profit and loss under the head employee benefit expenses.

c) Defined contribution plan - Provident Fund

The Company has certain defined contribution plans. Contributions are made to provident fund for employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan (provident fund) is ₹ 1,677.22 million (Previous year ₹ 1,418.48 million).

Persistent Systems Limited

Notes forming part of financial statements

30. Income taxes

The reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss is as follows:

	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
	In ₹ Million	In ₹ Million
Profit before tax	22,159.03	15,494.20
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	5,576.98	3,899.58
Effect of exempt income	(40.10)	(41.97)
Effect of non-deductible expenses	79.54	60.78
Different tax rates of branches operating in other jurisdictions (Net)	210.76	180.83
Effect of different tax rates for different heads of income	(125.75)	(7.87)
Others	75.57	99.03
Prior Period Tax charge / (Credit)	33.38	-
Income tax expense	5,810.38	4,190.38

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Persistent Systems Limited

Notes forming part of financial statements

Financial risk management

Financial risk factors and risk management objectives

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is foreign exchange risk. The Company uses derivatives to hedge its foreign exchange related risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors which provide written principles for foreign exchange hedging. The Company's exposure to credit risk is mainly for receivables that are overdue for more than 90 days. The Credit Task Force is responsible for credit risk management. Investment of excess liquidity is governed by the Investment policy of the Company. The Company's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

Foreign currency risk

The Company operates globally with its operations spread across various geographies and consequently the Company is exposed to foreign exchange risk. Around 70% to 90% of the Company's foreign currency exposure is in USD. The Company holds plain vanilla forward contracts against expected receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2026.

	USD	EUR	GBP	Other currencies	Total
Trade receivables	16,665.17	688.44	1,232.61	522.74	19,528.93
Cash and cash equivalents and bank balances	5,007.65	53.38	69.16	266.06	5,449.25
Investments	729.74	3,865.91	782.01	117.75	9,495.41
Other financial assets (including loans and interest accrued)	9,166.95	1.09	2,146.64	4.50	9,390.16
Trade and other payables	12,930.39	162.30	367.76	379.12	13,458.59
Other financial liabilities	23.69	-	5.02	1.95	30.66

The following table analyses unhedged foreign currency risk from financial instruments as of March 31, 2025.

	USD	EUR	GBP	Other currencies	Total
Trade receivables	17,184.60	577.88	783.28	416.05	18,963.81
Cash and cash equivalents and bank balances	2,297.61	108.39	128.97	163.62	2,698.59
Investments	5,996.99	2,831.77	-	136.89	8,966.05
Other financial assets (including loans and interest accrued)	12,322.05	1.85	381.60	5.27	12,710.77
Trade and other payables	5,217.09	245.02	253.35	600.46	6,315.92
Other financial liabilities	-	-	128.26	-	128.26

Persistent Systems Limited

Notes forming part of financial statements

Foreign currency sensitivity analysis

For the year ended March 31, 2026 and March 31, 2025 every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies on foreign currency exposure would affect the Company's profit before tax margin (PBT) by approximately 0.21% and 0.21% respectively.

Sensitivity analysis is computed based on the changes in the income and expenses in foreign currency upon conversion into functional currency, due to exchange rate fluctuations between the previous reporting period and the current reporting period.

Derivative financial instruments

The Company holds derivative foreign currency forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. These derivative financial instruments are valued based on quoted prices for similar assets in active markets or inputs that are directly or indirectly observable in the marketplace. The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast sales transactions.

The following table gives details in respect of outstanding foreign currency forward contracts:

	As at March 31, 2026		As at March 31, 2025	
	Foreign currency (Million)	Average rate ₹	Foreign currency (Million)	Average rate ₹
Derivatives designated as cash flow hedges				
Forward contracts	500.00	90.73	300.00	86.33
USD				25,899.71

The foreign exchange forward contracts mature within a maximum period of twelve months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	As at March 31, 2026		As at March 31, 2025	
	Foreign currency (Million)	Average rate ₹	Foreign currency (Million)	Average rate ₹
Not later than 3 months	131.00	87.93	75.00	84.95
Later than 3 months and not later than 6 months	126.00	89.38	76.00	85.50
Later than 6 months and not later than 9 months	124.00	91.43	75.00	86.38
Later than 9 months and not later than 12 months	119.00	94.51	74.00	88.54
Total	500.00		300.00	25,899.71

Price Risk

The company exposure to price risk arises from investments in mutual funds held by the company. To manage its price risk arising from investments in mutual funds, the Company diversified its portfolio.

Sensitivity: The sensitivity of profit or loss to change in Net assets value (NAV) as at year end for investment in mutual funds:

Particulars	(in ₹ Million)	
	As at March 31, 2026	As at March 31, 2025
NAV increase by 5%	608.07	310.61
NAV decrease by 5%	(608.07)	(310.61)

Persistent Systems Limited

Notes forming part of financial statements

Credit risk

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 32,746.57 million and ₹ 25,753.35 million as at March 31, 2026 and March 31, 2025, respectively. Trade receivables are typically unsecured and are derived from revenue earned from customers primarily located in the United States. Credit risk is managed by the Company by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Company grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss. The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the Company's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 180 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 180 days:

	As at	
	March 31, 2026	March 31, 2025
Receivables overdue for more than 180 days (₹ million)*	858.83	884.30
Total receivables (gross) (₹ million)	32,746.57	25,753.35
Overdue for more than 180 days as a % of total receivables	2.6%	3.4%

* Out of this amount, ₹ 332.74 million (March 31, 2026; ₹ 215.72 million) have been provided for.

Ageing of trade receivables

	As at	
	March 31, 2026	March 31, 2025
Within the credit period	27,424.78	12,833.35
1 to 30 days past due	1,444.49	4,443.45
31 to 60 days past due	1,596.91	4,306.44
61 to 90 days past due	1,148.84	1,153.73
91 to 120 days past due	201.68	1,338.77
120 to 180 days past due	401.79	1,005.03
181 and above past due	858.83	884.30
Less: Expected credit loss	(332.75)	(215.72)
Net trade receivables	32,746.57	25,753.35

Movement in expected credit loss allowance

	As at	
	March 31, 2026	March 31, 2025
Opening balance	215.72	63.58
Movement in expected credit loss allowance	106.27	141.60
Translation differences	10.76	10.54
Closing balance	332.75	215.72

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and financial institutions with high credit ratings. Investments primarily include investment in debits mutual funds, quoted bonds.

Persistent Systems Limited
Notes forming part of financial statements

Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The Company has no outstanding bank borrowings. The investment of surplus funds is governed by the Company's investment policy approved by the Board of Directors. The Company believes that the working capital is sufficient to meet its current fund requirements. Accordingly, no liquidity risk is perceived.

As at March 31, 2026, the Company had a working capital of ₹ 39,502.63 million including cash and cash equivalents and current fixed deposits (excluding interest accrued) of ₹ 8,285.74 million and current investments of ₹ 5,954.41 million.

As at March 31, 2025, the Company had a working capital of ₹ 31,733.58 million including cash and cash equivalents and current fixed deposits (excluding interest accrued) of ₹ 6,623.84 million and current investments of ₹ 3,335.01 million.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

	(In ₹ Million)					
	As at			As at		
	March 31, 2026	More than 1 year	Less than 1 year	March 31, 2025	More than 1 year	Less than 1 year
Trade payables	13,813.59	5,616.61	10,193.67	-	-	-
Lease liabilities	1,491.31	3,146.70	834.49	1,487.97	1,487.97	1,487.97
Other financial liabilities (excluding borrowings)	6,658.94	127.19	2,739.42	1,888.83	1,888.83	1,888.83

Capital management risk

The Company's objectives when managing capital is to safeguard continuity, maintain a strong credit rating, and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's capital management aims to ensure that it maintains a stable capital structure with the focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments. The funding requirements are met through a mixture of equity, internal fund generation and current and non-current borrowings.

Gearing Ratio

Particulars	In ₹ Million	
	As at March 31, 2026	As at March 31, 2025
Other financial liabilities	6,786.13	2,828.25
Total Debt:	6,786.13	2,828.25
Less : Cash and cash equivalents and other current bank balances	8,306.60	6,763.31
Net Debt #	(1,520.47)	(3,835.06)
Total equity	67,103.08	56,028.79
Total Capital	67,103.08	56,028.79
Gearing Ratio (in %)	-2.27%	-6.84%

Net debt for the above purpose includes borrowings, interest accrued on borrowings and amount payable for letter of credit net of cash and cash equivalents and bank balances other than cash and cash equivalents

Persistent Systems Limited
NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

31a. Financial assets and liabilities

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

Financial assets / Financial liabilities	March 31, 2026				March 31, 2025 (Restated)				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial assets:									
Investments in subsidiaries	-	-	-	10,600.67	-	-	-	8,551.63	
Investments in other equity instruments	6.00	-	-	-	6.00	-	-	-	Level 3
Investments in bonds	-	-	2,534.23	-	-	-	2,995.57	-	
Investments in Commercial papers	-	-	739.27	-	-	-	-	-	
Investments in mutual funds	12,161.42	-	-	-	6,212.15	-	-	-	Level 2
Loans	-	-	-	-	-	-	-	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	1,069.57	-	-	-	3,155.52	-	
Cash and cash equivalents (including unpaid dividend)	-	-	7,241.65	-	-	-	3,656.78	-	
Trade receivables (net)	-	-	32,746.57	-	-	-	25,753.35	-	
Other non current financial assets	-	-	861.69	-	-	-	660.88	-	
Other current financial assets	-	-	9,370.55	-	-	-	6,468.78	-	
Total financial assets	12,167.42	-	54,563.53	10,600.67	6,218.15	-	42,690.88	8,551.63	
Financial liabilities:									
Borrowings (including accrued interest)	-	-	-	-	-	-	-	-	
Trade payables	-	-	19,432.20	-	-	-	10,193.67	-	
Lease liabilities	-	-	3,939.95	-	-	-	2,322.46	-	
Forward contracts payables	-	2,791.65	-	-	-	36.82	-	-	Level 2
Payable to selling shareholders	-	-	58.77	-	-	-	283.71	-	
Liability towards contingent consideration	238.54	-	-	-	228.11	-	-	-	Level 3
Other financial liabilities (excluding borrowings)	-	-	3,755.94	-	-	-	2,379.61	-	
Total financial liabilities	238.54	2,791.65	27,186.86	-	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.

Significant Unobservable Inputs Used in Level 2 Fair Values

Financial Instrument	Valuation Methods and Assumptions
Derivative instruments (assets and liabilities)	The Company enters into derivative financial instruments with various counterparties, primarily banks with investment-grade credit ratings. Derivatives are valued using valuation techniques with market-observable inputs, mainly foreign exchange forward contracts. The valuation models incorporate inputs such as the credit quality of counterparties, foreign exchange spot and forward rates, and forward rate curves of the underlying instruments.
Treasury Bonds	Fair value of bonds is determined using the discounted cash flow (DCF) approach with yield-to-maturity (YTM) rates.

Significant Unobservable Inputs Used in Level 3 Fair Values

Type	Valuation Techniques	Significant Unobservable Inputs	Inter-relationship Between Significant Unobservable Inputs and Fair Value Measurement
Contractual obligation	Discounted cash flow method. The valuation model considers the present value of expected payments discounted using a risk-adjusted discount rate. Expected payments are determined by considering possible scenarios of forecast EBITDA, the amount payable under each scenario, and the probability assigned to each scenario.	<ul style="list-style-type: none"> • Forecasted EBITDA • Risk-adjusted discount rate 	The estimated increase/(decrease) in the fair value of the contractual obligation would not be significant for a 10% sensitivity in the significant unobservable inputs.

Fair Value of Financial Instruments

Financial Instruments at FVTPL & FVTOCI

The financial instruments being carried at FVTPL and FVTOCI is at their respective fair value.

Financial Instruments at Amortised Cost

The Management assessed that fair value of Trade receivables, Unbilled revenue, Other financial assets, Borrowings, Lease liabilities, Trade payables and Other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of Investment in Bonds is as per the table below:

Particulars	March 31, 2026		March 31, 2025	
	Carried Value	Fair Value	Carried Value	Fair Value
Bonds carried at amortised cost	4821.57	4588.35	2916.91	5580.86
Add: Interest accrued on bonds	165.26	-	78.66	-
Total investments carried at amortised cost	4,986.83	4,588.35	2,995.57	5,580.86

The following methods and assumptions were used to estimate the fair values:

i) The fair value of the quoted bonds and mutual funds are based on price quotations at reporting date.

ii) Mark to market on forward covers and embedded derivative instruments is based on forward exchange rates at the end of reporting period and discounted using G-sec rate plus applicable spread.

iii) 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.

iv) The fair value of contingent consideration related to the acquisition of subsidiaries/ business unit is estimated using a present value technique. The ₹ 228.11 Million fair value is estimated by probability-weighting the estimated future cash outflows adjusting for risk and discounting at incremental borrowing rate for unsecured liabilities at the reporting date. The probability-weighted cash outflows before discounting are ₹ 292.40 Million and reflect management's estimate of a 90% probability that the contract's target level will be achieved. The effects on the fair value of risk and uncertainty in the future cash flows are dealt with by adjusting the estimated cash flows rather than adjusting the discount rate.

Level 3 fair value measurements

The reconciliation of the carrying amounts of financial instruments classified within Level 3 is as follows:

	Investments in other equity instruments	Liability towards contingent consideration
Balance at April 1, 2024	6.00	-
Acquired during the year	-	511.82
Disposed during the year	-	-
Balance at March 31, 2025	6.00	511.82
Balance at April 1, 2025	6.00	511.82
Acquired during the year	-	10.43
Disposed during the year	-	(224.94)
Balance at 31 March 2026	6.00	297.31

Total amount included in profit and loss account for unrealised gains/ losses on Level 3 instruments.

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31b. Details of un-hedged foreign currency exposures at the end of the year:

	As at March 31, 2026			As at March 31, 2025		
	In ₹ Million	Foreign currency (In Million)	Conversion rate (₹)	In ₹ Million	Foreign currency (In Million)	Conversion rate (₹)
Bank balances	11.48	JPY 19.32	0.59	22.80	JPY 39.81	0.57
	5,007.65	USD 52.84	94.77	2,297.61	USD 26.88	85.47
	99.16	GBP 0.79	125.52	128.97	GBP 1.17	110.63
	224.73	CAD 3.3	68.10	94.01	CAD 1.58	59.56
	53.38	EUR 0.49	108.93	108.39	EUR 1.17	92.46
	11.71	AUD 0.18	65.03	37.44	AUD 0.7	53.43
	9.88	ZAR 1.79	5.52	9.38	ZAR 2.02	4.64
	0.26	AED 0.01	25.80	-	-	-
Investments	4,729.74	USD 52.84	52.84	5,999.99	USD 70.20	85.47
	15.50	SGD 0	-	31.85	SGD 0.50	63.69
	3,865.91	EUR 0.49	0.49	2,831.17	EUR 30.62	92.46
	102.25	MYR 0	-	105.04	MYR 5.45	19.27
	782.01	GBP 0.79	0.79	-	-	-
Trade and other payables	-	SGD 0	73.49	12.74	SGD 0.2	63.69
	12,550.39	USD 132.43	94.77	5217.09	USD 61.04	85.47
	367.78	GBP 2.93	125.52	253.35	GBP 2.29	110.63
	230.86	CAD 3.39	68.10	87.13	CAD 1.463	59.56
	162.30	EUR 1.49	108.93	245.02	EUR 2.65	92.46
	119.66	AUD 1.84	65.03	141.58	AUD 2.65	53.43
	- 2.37	CHF -0.02	118.57	8.73	CHF 0.09	97.00
	19.29	MXN 3.68	5.24	80.08	MXN 19.15	4.18
	2.35	MYR 0.1	23.53	135.11	MYR 7.01	19.27
	6.81	LKR 22.63	0.30	57.18	LKR 197.65	0.29
	1.42	CRC 6.9	0.21	31.33	CRC 182.9	0.17
	-	PLN 0	25.41	32.80	PLN 1.48	22.16
	-	RON 0	21.37	13.78	RON 0.74	18.62
	1.09	JPY 1.83	0.59	-	JPY 0	-
	-	ZAR 0	5.52	-	ZAR 0	-
	-	ILS 0	29.96	1.62	ILS 0.07	23.12
Advances given and deposits placed	-	USD 0	-	6156.40	USD 72.03	85.47
	200.83	GBP 1.6	125.52	253.35	GBP 2.29	110.63
	1.09	EUR 0.01	108.93	1.85	EUR 0.02	92.46
	-	MYR 0.03	-	0.19	MYR 0.01	19.27
	-	CAD 0	-	1.09	CAD 0.0183	59.56
	-	CHF 0	118.57	-	-	97.00
	1.30	AUD 0.02	65.03	0.53	0	53.43
	-	LKR 0	-	0.00	0	0.29
	-	SGD 0	-	-	-	63.69
	3.20	CRC 15.24	0.21	1.28	CRC 7.47	0.17
	-	MXN 0.66	-	2.17	MXN 0.52	4.18
Other payables	1.95	AUD 0.03	65.03	-	-	-
	5.02	GBP 0.04	125.52	-	-	-
	23.69	USD 0.25	94.77	-	-	-
Other receivables	9,169.95	USD 96.76	94.77	6,165.64	USD 72.14	85.47
	13.81	GBP 0.11	125.52	128.26	GBP 1.16	110.63
Trade receivables	16,885.17	USD 178.17	94.77	17,184.60	USD 201.06	85.47
	688.44	EUR 6.32	108.93	577.88	EUR 6.25	92.4614
	1,232.61	GBP 9.82	125.52	783.28	GBP 7.08	110.63
	392.13	AUD 6.03	65.03	242.03	AUD 4.53	53.43
	13.23	SGD 0.18	73.49	10.19	SGD 0.16	63.69
	12.75	ZAR 2.31	5.52	12.90	ZAR 2.78	4.64
	61.97	CAD 0.91	68.10	84.57	CAD 1.42	59.56
	35.57	CHF 0.3	118.57	61.11	CHF 0.63	97.00
	-	JPY 0	-	0.12	JPY 0.21	0.57
	7.06	MYR 0.3	23.53	7.13	MYR 0.37	19.27

32. Leases

The Company has lease contracts for various items of computers, buildings and other assets being used in its operations. Lease terms generally ranges between 4 to 5 years.

The Company has certain lease contracts that includes extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Company's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. Management have not considered any future cash outflow for which they are potentially exposed arising due to extension and termination options.

The table below provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million (Restated)
- Less than one year	1,491.31	834.49
- One to five years	3,146.70	1,483.59

The company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rental expense recorded for short-term leases was ₹ 47.62 million for the year ended March 31, 2026 (Previous year ₹ 60.23 million).

The company has adopted Ind AS 116, Leases; and has recognized notional interest on lease liability of ₹ 290.78million under finance costs for year ended March 31, 2026 (Previous year ₹ 218.69 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss. (Refer note 4.7)

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Persistent Systems Limited

Notes forming part of financial statements

33. 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 Malaysia Sdn. Bhd., Malaysia (Wholly owned subsidiary)
	MediaAgility India Private Limited, India (Wholly owned subsidiary)
	Persistent Systems UK Limited, UK (Formerly known as Aepona Limited) (Wholly owned subsidiary)
	Aepona Group Limited, Ireland (Wholly owned subsidiary w.e.f December 5th, 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.)
	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 Germany GmbH., Germany (PSG) (Wholly owned subsidiary of Aepona Group Limited w.e.f. March 31st, 2026)
	Persistent Systems France SAS, France (Wholly owned subsidiary of Aepona Group Limited w.e.f. March 25th, 2026)
	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)
	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)

Persistent Systems Limited

Notes forming part of financial statements

33. Related party disclosures**Related parties with whom transactions have taken place**

Key management personnel	<p>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) 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</p>
Relatives of Key management personnel	<p>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)</p>
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel has significant influence	<p>Persistent India Foundation Persistent Systems Foundation Inc. ICGA Foundation</p>
Controlled Trust	PSPL ESOP Management Trust
<i>(This space is intentionally left blank)</i>	

Persistent Systems Limited

Notes forming part of financial statements

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2026	March 31, 2025 (Restated)
Sale of software services	Subsidiaries		
	Persistent Systems, Inc.	1,500.91	2,703.08
	Persistent Systems Malaysia Sdn. Bhd.	122.37	34.17
	Persistent Systems Pte Ltd	26.78	15.72
	Persistent Systems France SAS	40.18	12.08
	Persistent Systems Germany GmbH	94.47	105.25
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	3,189.01	1,920.80
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	123.70	72.73
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	897.37	477.37
	MediaAgility India Private Limited	78.18	97.50
	MediaAgility Inc.	6.64	200.20
	Persistent Systems Mexico, S.A. de C.V	44.62	-
	MediaAgility Pte Ltd	-	0.48
	Arrka Infosec Private Limited	-	13.87
	Persistent Systems s.p.z.o.o.	1.96	-
ICGA Foundation	0.13	-	
	Total	6,126.32	5,653.25
Investment in wholly owned subsidiary	Subsidiaries		
	Persistent India Foundation	-	0.50
	Arrka Infosec Private Limited	-	133.31
	Aepona Group Limited	3,865.91	-
	Total	3,865.91	133.81
Cost of professionals	Subsidiaries		
	Persistent Systems, Inc.	14,714.02	17,800.81
	Persistent Systems France SAS	122.13	17.88
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	156.52	147.09
	Persistent Systems Malaysia Sdn. Bhd.	379.80	264.81
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	830.03	706.60
	Persistent Systems Lanka (Private) Limited	76.44	99.55
	Persistent Systems Mexico, S.A. de C.V.	757.26	556.23
	Persistent Systems Germany GmbH	98.22	90.01
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	21.16	48.69
	Persistent Systems Pte Ltd	22.90	30.26
	Persistent Systems S.R.L. Romania	87.74	141.52
	Persistent Systems Poland Sp. z.o.o.	573.64	247.17
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	144.21	107.90
	Aepona Group Limited	159.21	115.70
	Persistent Systems Israel Ltd.	1.40	1.70
	MediaAgility UK LTD	-	0.04
MediaAgility India Private Limited	5.48	-	
	Total	18,150.16	20,375.96
Profit on sale of investments (net)	Subsidiary		
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	-	336.02
	Persistent Systems France SAS	25.97	-
	Persistent Systems Germany GmbH	556.50	-
	Total	582.47	336.02
Selling and marketing expenses	Subsidiaries		
	Persistent Systems, Inc.	8,937.04	7,211.79
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	5.93	16.55
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	194.22	205.17
	Persistent Systems France SAS	23.46	-
	Persistent Systems Germany GmbH	82.19	116.87
	Total	9,242.84	7,550.38
Commission received on corporate guarantee	Subsidiary		
	Persistent Systems, Inc.	0.30	3.11
	Total	0.30	3.11

Persistent Systems Limited

Notes forming part of financial statements

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2026	March 31, 2025 (Restated)
Remuneration # (Salaries, bonus and contribution to PF)	Key Management Personnel		
	Dr. Anand Deshpande	42.43	39.78
	Mr. Sunil Sapre	-	20.18
	Mr Vinit Teredesai (including fair value of perquisites for stock options exercised ₹ 66.22 million during the year (Previous year: ₹ NIL)	95.22	23.74
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ NIL million during the year (Previous year: ₹ 19.44 million)	7.60	25.94
	Mr Sandeep Kalra*	3.15	3.15
	Independent directors:		
	Ms. Roshini Bakshi	-	2.15
	Mr. Praveen Kadle	9.10	6.70
	Dr. Deepak Phatak	-	0.03
	Ms. Avani Davda	8.95	6.55
	Mr. Arvind Goel	8.53	6.15
	Dr. Ambuj Goyal	8.55	6.30
	Mr. Dan'l Lewin	8.15	5.90
	Dr. Ajit Ranade	8.85	6.45
Ms. Anjali Joshi	8.40	4.64	
Total	208.93	157.66	
Dividend paid	Key Management Personnel		
	Dr. Anand Deshpande	1,693.16	1,372.41
	Mr. Sunil Sapre	-	1.44
	Mr Sandeep Kalra	11.07	3.60
	Mr. Amit Atre	0.09	0.19
	Mr Vinit Teredesai	0.28	-
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.04	0.03
	Mrs. Chitra Buzruk	34.73	28.16
	Mrs. Sonali Anand Deshpande	8.29	6.72
	Mrs. Sulabha Suresh Deshpande	0.04	0.03
	Mr. Arul Deshpande	0.74	0.60
	Mr. Mukund Deshpande	28.37	-
	Ms. Ria Anand Deshpande	-	-
	Ms. Alpana Ajit Ranade	0.01	0.01
	Arvind Goel	-	0.02
	Total	1,776.82	1,413.21
Other payments	Key Management Personnel		
	Sunil Sapre	-	0.26
	Relatives of Key Management Personnel		
	Asha Sapre	-	0.26
Total	-	0.52	
Employee stock compensation - Reimbursement	Subsidiary		
	Persistent Systems Inc.	1,435.62	2,482.46
	Total	1,435.62	2,482.46
CSR Expenditure	Subsidiaries		
	Persistent India Foundation	237.71	217.78
	PERSISTENT SYSTEMS FOUNDATION, INC.	10.97	-
Total	248.68	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 2026, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2025: Nil).

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	
		March 31, 2026	March 31, 2025 (Restated)
Advances given	Subsidiaries		
	Persistent Systems France SAS	0.40	0.81
	Persistent Telecom Solutions Inc.	-	0.26
	Persistent Systems Malaysia Sdn. Bhd	0.64	0.13
	Persistent Systems México, S.A. de C.V.	3.45	2.18
	Persistent Systems Germany GmbH	0.60	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)	200.78	137.05
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	1.41	0.45
	MediaAgility Inc.	119.43	-
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	3.13	1.28
Total	330.04	143.22	
Other receivables	Subsidiaries		
	Persistent Systems UK Limited (FKA Aepona Limited)	16.74	104.69
	Persistent Systems, Inc.	8,864.24	6,135.50
	Persistent Systems Malaysia Sdn. Bhd.	-	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	47.33	-
Total	8,928.31	6,240.19	
Trade receivables	Subsidiaries		
	Persistent Systems France SAS	55.32	20.18
	Persistent Systems, Inc.	407.08	1,075.22
	Persistent Systems Pte Ltd	24.94	12.42
	Persistent Systems Malaysia Sdn. Bhd.	61.91	-
	Persistent Systems Mexico, S.A. de C.V	42.46	-
	Persistent Systems Germany GmbH	100.81	259.39
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	418.91	187.62
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	37.22	60.51
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	998.32	484.25
	MediaAgility Inc.	1.67	68.36
	MediaAgility India Private Limited	-	44.91
	Arrka Infosec Private Limited	8.92	21.48
Persistent Systems s.p.z.o.o.	1.96	-	
Total	2,159.52	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	
		March 31, 2026	March 31, 2025 (Restated)
Unbilled Receivable	Subsidiaries		
	Persistent Systems, Inc.	15.56	67.80
	Persistent Systems Malaysia Sdn. Bhd.	40.33	10.05
	Persistent Systems Mexico, S.A. de C.V	4.31	-
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	426.88	514.34
	Persistent Systems Germany GmbH	0.37	-
	Persistent Systems France SAS	8.54	-
	MediaAgility Inc.	-	63.38
	MediaAgility India Private Limited	22.98	33.86
	MediaAgility UK Limited	-	-
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	137.00	90.43
	Persistent Systems Switzerland AG (FKA PARX Werk AG)	19.90	11.66
Persistent Systems Pte. Ltd.	2.09	-	
Total	677.96	791.52	
Investments	Subsidiaries		
	Persistent Systems, Inc.	4,729.74	4,729.74
	Persistent Systems Pte Ltd	15.50	15.50
	Persistent Systems France SAS	-	97.47
	Persistent Systems Malaysia Sdn. Bhd.	102.25	102.25
	Persistent Systems Germany GmbH	-	1,719.40
	MediaAgility India Private Limited	971.45	971.45
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	782.01	782.01
	Persistent India Foundation	0.50	0.50
	Arrka Infosec Private Limited	133.31	133.31
	Aepona Group Limited	3,865.91	-
Total	10,600.67	8,551.63	
Advance taken	Subsidiaries		
	Persistent Systems Pte. Ltd.	0.37	0.32
	MediaAgility India Private Limited	2.21	2.21
	Persistent Systems Lanka (Private) Limited	34.51	-
	Persistent Systems, Inc.	953.59	194.71
Total	990.68	197.24	
Advance from customers	Subsidiaries		
	MediaAgility Pte Ltd	1.42	1.28
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	0.47	0.43
	Persistent Systems Malaysia Sdn. Bhd.	-	10.06
Total	1.89	11.77	
Trade payables	Subsidiaries		
	Persistent Systems France SAS	37.85	3.32
	Persistent Systems S.R.L. Romania	7.98	13.71
	Persistent Systems, Inc.	8,978.16	3,431.30
	Persistent Systems Malaysia Sdn. Bhd.	163.53	135.13
	Persistent Systems Pte Ltd	4.14	12.71
	Persistent Systems Germany GmbH	28.28	122.22
	Persistent Systems Australia Pty Ltd. (Formerly known as CAPIOT Software Pty Ltd)	118.75	130.00
	Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada)	90.37	31.33
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	366.30	250.45
	Persistent Systems Poland Sp. z.o.o.	124.59	32.90
	Persistent Systems Lanka (Private) Limited	90.01	57.18
	Persistent Systems Mexico, S.A. de C.V.	248.25	80.09
	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	-	7.92
	Aepona Group Limited	71.78	61.75
Persistent Systems Israel Ltd.	3.43	1.72	
MediaAgility India Private Limited	5.48	-	
Total	10,338.90	4,371.73	

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	
		March 31, 2026	March 31, 2025 (Restated)
Other liabilities	Subsidiaries		
	Persistent Systems Pte Ltd	5.12	4.62
	Persistent Systems Germany GmbH	1.89	1.71
	Persistent Systems Australia Pty Limited	1.99	10.51
	Persistent Systems Malaysia Sdn. Bhd.	0.20	-
	Persistent Systems UK Limited (FKA Aepona Limited)	5.08	-
	Persistent Systems, Inc.	18.31	-
Total	32.59	16.84	
Payable to related parties	Subsidiaries		
	Persistent Systems Germany GmbH	1.92	1.63
	Persistent Systems UK Ltd. (Formerly known as Aepona Ltd)	186.49	159.12
	Persistent Systems, Inc.	391.26	277.46
	Persistent Systems Malaysia Sdn. Bhd.	0.06	-
	Persistent Systems Pte. Ltd.	0.06	-
	Persistent Systems Australia Pty Limited	47.33	-
Total	627.12	438.21	
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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Persistent Systems Limited

Notes forming part of financial statements

34. Employees stock option plans (ESOP)

Certain information in this note relating to number of shares, options and per share/option price has been disclosed in full and is not rounded off.

a) Details of Employee stock option plans

The Company has framed various share-based payment schemes for its employees. The details of various equity-settled employee stock option plan ('ESOP') schemes adopted by the Board of Directors are as follows:

ESOP scheme	No. of options granted #	Date of adoption by the Board/Members	Initial Grant date	Exercise period
Scheme I	9,121,000	11-Dec-99	11-Dec-99	*
Scheme II	1,506,400	23-Apr-04	23-Apr-04	10 Years
Scheme III	5,066,600	23-Apr-04	23-Apr-04	*
Scheme IV	13,916,500	23-Apr-06	23-Apr-06	10 Years
Scheme V	3,781,050	23-Apr-06	23-Apr-06	*
Scheme VI	2,432,500	31-Oct-06	31-Oct-06	10 Years
Scheme VII	3,569,950	30-Apr-07	30-Apr-07	10 Years
Scheme VIII	84,000	24-Jul-07	24-Jul-07	3 Years
Scheme IX	2,748,924	29-Jun-09	29-Jun-09	10 Years
Scheme X	6,124,544	10-Jun-10	29-Oct-10	2-3 Years
Scheme XI **	6,465,360	26-Jul-14	03-Nov-14	4-5 Years
Scheme XII ***	134,600	04-Feb-16	08-Apr-16	2.5 Months
Scheme XIII	17,362,690	27-Jul-17	01-Aug-19	4-5 Years
Scheme XIV	160,000	27-Jul-17	01-May-19	3 Years

*No contractual life is defined in the scheme.

**The options under Scheme XI, which is a performance based ESOP scheme will vest after 1-4 years in proportion of credit points earned by the employees every quarter based on performance. The maximum options which can be granted under this scheme are 2,800,000.

***The options under Scheme XII, ESOP scheme would vest after 1 year. The maximum options which are granted under this scheme are 100 per employee.

The vesting period and conditions of the above ESOP schemes is as follows:

All the above ESOP schemes have service condition (other than Grant Category 1 of scheme XI which is based on performance criteria), which require the employee to complete a specified period of service, as a vesting condition. The vesting pattern of various schemes has been provided below:

(i) Scheme I to V, VII, VIII, X and XIV

Service period from the date of grant	% of Options vesting			
	Scheme I to V & X	Scheme VII	Scheme VIII	Scheme XIV
12 Months	10%	20%	25%	0%
24 Months	30%	40%	50%	33.33%
36 Months	60%	60%	75%	66.66%
48 Months	100%	80%	100%	100%
60 Months	NA	100%	NA	NA

(ii) Scheme VI

Service period from the date of grant	% of Options vesting
18 Months	30%
Every quarter thereafter	5%

(iii) Scheme IX

Service period from the date of grant	% of Options vesting
30- 60 Months varying from employee to employee	100%

(iv) Scheme XI

Service period from the date of grant	% of Options vesting		
	Grant (Category 1)	Grant (Category 2)	Grant (Category 3)
12 Months	Based on credit points earned which varies from employee to employee	25%	40%
24 Months		50%	30%
36 Months		75%	30%
48 Months	NA	100%	NA
60 Months	NA	NA	NA

(v) Scheme XII:

Service period from the date of grant	% of Options vesting
1 year	100%

(vi) Scheme XIII:

Service period from the date of grant	% of Options vesting		
	Grant (Category 1)	Grant (Category 2)	Grant (Category 3)
12 - 20 Months	25%	40%	33.33%
24 - 32 Months	50%	30%	66.66%
36 - 44 Months	75%	30%	100%
48 Months	100%	NA	NA
60 Months	NA	NA	NA

Persistent Systems Limited

Notes forming part of financial statements

b) Details of activity of the ESOP schemes

Movement for the year ended March 31, 2026 and March 31, 2025:

ESOP Scheme	Particulars	Year Ended	Outstanding at the beginning of the Year	Granted during the Year	Forfeited during the Year	Exercised during the Year	Outstanding at the end of the Year	Exercisable at the end of the Year
Scheme III	Number of Options	31-Mar-25	70,470	-	70,470	-	-	-
	Weighted Average Price	31-Mar-25	17.67	-	17.67	-	-	-
	Number of Options	31-Mar-26	-	-	-	-	-	-
	Weighted Average Price	31-Mar-26	-	-	-	-	-	-
Scheme IV	Number of Options	31-Mar-25	34,200	-	16,200	18,000	-	-
	Weighted Average Price	31-Mar-25	25.33	-	18.31	11.12	-	-
	Number of Options	31-Mar-26	-	-	-	-	-	-
	Weighted Average Price	31-Mar-26	-	-	-	-	-	-
Scheme V	Number of Options	31-Mar-25	70,068	-	68,002	2,066	-	-
	Weighted Average Price	31-Mar-25	12.41	-	12.64	5.00	-	-
	Number of Options	31-Mar-26	-	-	-	-	-	-
	Weighted Average Price	31-Mar-26	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-25	-	-	-	-	-	-
	Weighted Average Price	31-Mar-25	-	-	-	-	-	-
	Number of Options	31-Mar-26	-	-	-	-	-	-
	Weighted Average Price	31-Mar-26	-	-	-	-	-	-
Scheme X	Number of Options	31-Mar-25	-	-	-	-	-	-
	Weighted Average Price	31-Mar-25	-	-	-	-	-	-
	Number of Options	31-Mar-26	-	-	-	-	-	-
	Weighted Average Price	31-Mar-26	-	-	-	-	-	-
Scheme XI	Number of Options	31-Mar-25	888,770	1,972,610	35,094	602,106	2,224,180	7,176
	Weighted Average Price	31-Mar-25	5.00	5.00	5.00	5.00	5.00	5.00
	Number of Options	31-Mar-26	2,224,180	74,150	49,386	882,552	1,366,392	67,535
	Weighted Average Price	31-Mar-26	5.00	5.00	5.00	5.00	5.00	5.00
Scheme XIII	Number of Options	31-Mar-25	7,690,048	115,800	1,394,790	1,929,162	4,481,896	194,871
	Weighted Average Price	31-Mar-25	2,286.26	4,332.79	2,484.74	1,234.24	2,730.19	1,443.30
	Number of Options	31-Mar-26	4,481,896	292,700	433,862	1,232,043	3,108,691	704,753
	Weighted Average Price	31-Mar-26	2,730.19	4,838.10	2,830.93	1,204.85	3,519.13	2,064.34
Total	Number of Options	31-Mar-25	8,753,556	2,088,410	1,584,556	2,551,334	6,706,076	202,047
	Number of Options	31-Mar-26	6,706,076	366,850	483,248	2,114,595	4,475,083	772,288

The weighted average share price for the period over which stock options were exercised was ₹ 5,446.69 (previous year ₹ 4,984.34).

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Persistent Systems Limited

Notes forming part of financial statements

c) Details of exercise price for stock options outstanding at the end of the year

Scheme	Range of exercise price	As at March 31, 2026		As at March 31, 2025	
		No. of Options outstanding	Weighted average remaining contractual life*	No. of Options outstanding	Weighted average remaining contractual life*
Scheme I	1.02 - 4.785	-	-	-	-
Scheme III	0 - 24.105	-	-	-	-
Scheme IV	11.115 - 30.56	-	-	-	-
Scheme V	11.115 - 22.07	-	-	-	-
Scheme XI	10	1,366,392.00	3.20	2,224,180	4.02
Scheme XIII	100 - 5446	3,108,691.00	2.72	4,481,896	3.28

Note (i) - No contractual life is defined in the scheme.

* The weighted average contractual life disclosed above has been computed only for the unexpired options.

d) Effect of the employee share-based payment plans on the statement of profit and loss and on its financial position

Compensation expense arising from equity-settled employee share-based payment plans for the year ended March 31, 2026 amounted to ₹ 141.50 million for PSL India and ₹ 1,435.62 million for subsidiaries. (Previous year ₹ 609.37 million for PSL India & ₹ 2,482.46 million for subsidiaries). The liability for employee stock options outstanding as at March 31, 2025 is ₹ 1,081.99 million (Previous year ₹ 3,432.38 million).

e) Weighted average exercise prices and weighted average fair values of options

The Black-Scholes valuation models have been used for computing the weighted average fair value of the stock options granted during the current and previous financial year:

Particulars	March 31, 2026		March 31, 2025	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price (Rs.)	5309.79	5691.52	3614.30	5096.48
Weighted Exercise Price (Rs.)	5	4838.10	5	4332.79
Weighted Average Fair Value (Rs.)	5235.00	1801.33	3550.15	1722.81
Expected Volatility	26.17%-27.98%	25.75%-27.98%	22.87%-27.14%	26.55%-27.38%
Life of the options granted ** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs
Dividend Yield	37.00	37.00	30.00	30.00
Average risk-free interest rate	5.96%	6.09%	7.15%	7.18%

** 1. The expected life of the RSU/ESOP is estimated based on the vesting term and contractual term of the RSU/ESOP, as well as expected exercise behavior of the employee who receives the RSU/ESOP.

2. The fair value of the awards are estimated using the Black-Scholes Model for time and non-market performance based options.

Note: The company has done a share split of 1:2, the impact of this has been given to options granted to the employees of the company ((refer note 16(a)).

The inputs to the model include the share price at date of grant, exercise price, expected volatility, expected dividends, expected term and the risk-free rate of interest. Expected volatility during the expected term of the options is based on historical volatility of the observed market prices of the Company's publicly traded equity shares and has been modelled based on historical movements in the market prices of the publicly traded equity shares during a larger period after excluding outliers to smoothen the fluctuations .

35. Contingent liabilities & Capital Commitments

Sr. No	Particulars	As at March 31, 2026 (In ₹ Million)	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
	(ii) Other pending litigations in respect of indirect taxes.	1,099.19	723.33
2	Income tax demands disputed in appellate proceedings.	1,554.69	1,041.74
b	Capital Commitments		
	Estimated amount of contracts remaining to be executed on capital account and not provided for	502.01	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 annual standalone financial statements.

36. Letter of comfort on behalf of subsidiaries

Sr. No	Particulars	As at March 31, 2026 (In ₹ Million)	As at March 31, 2025 In ₹ Million (Restated)
1	Guarantees given on behalf of subsidiaries	16.11	869.23

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37. Details of Corporate Social Responsibility expenditure

(In ₹ Million)

	For the year ended	
	March 31, 2026	March 31, 2025 (Restated)
a) Gross amount required to be spent by the Company during the year	237.71	214.75
b) Amount of Expenditure incurred		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	237.71	217.78
c) Total of previous year shortfall	-	-
d) Reason for shortfall	NA	NA
e) Nature of CSR Activity	a. Community Development b. Healthcare c. Education	a. Community Development b. Healthcare c. Education
f) Details of related party transactions		
Donation given to Persistent Foundation	237.71	217.78
g) Deals of provision made for liability incurred by entering into a contractual obligation	-	-

Pursuant to Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company was required to spend ₹237.71 million as its CSR expenditure during FY 2025–26. The Company has spent ₹237.71 million during the year, thereby fully meeting its CSR obligation for FY 2025–26, with no excess CSR expenditure incurred during the year.

Set off available: The Company had incurred excess CSR expenditure of ₹3.03 million in FY 2024–25, which remains available for set-off against future CSR obligations up to FY 2027–28.

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Persistent Systems Limited
Notes forming part of financial statements

38. Ratios

Ratio	Denomination	Numerator	Denominator	March 31, 2026	March 31, 2025	% change	Reason for variance (if more than 25%)
(a) Current Ratio	Number	Current Assets	Current Liabilities	2.12	2.70	-21.48%	
(b) Debt-Equity Ratio	%	Debt	Shareholder's Equity	NA	NA	NA	
(c) Debt Service Coverage Ratio	Number	Earnings available for debt service	Current debt liability	NA	NA	NA	
(d) Return on Equity Ratio	%	Net Profit after tax	Average Shareholder's Equity	26.55%	21.78%	21.94%	
(e) Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	4.93	5.47	-9.90%	
(f) Trade payables turnover ratio	Number	Cost of Professionals+other expenses+Other non cash adjustments	Average Trade payables	4.08	8.08	-49.46%	Note 1
(g) Net capital turnover ratio	Number	Revenue from operations	Working Capital	3.69	3.69	-0.09%	
(h) Net profit ratio	%	Net Profit after tax	Revenue	11.33%	9.64%	17.56%	
(i) Return on Capital employed	%	Profit before Interest and taxes	Capital employed	33.96%	28.50%	19.15%	
(j) Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	9.84%	7.87%	25.06%	Note 1

*Earnings available for debt service = Profit before exceptional item and tax + Finance cost + Depreciation & Amortization - Other income - Lease payments

Note 1 : The decline in the trade payable turnover ratio reflects increased trade payables and longer vendor credit periods during the year. The increase in return on investment was primarily driven by the sale of subsidiary investments and mutual fund holdings.

39. Disclosure required under Sec 186(4) of the Companies Act 2013

(a) Details of guarantees given on behalf of subsidiaries

Name of Subsidiary	As at March 31, 2026	As at March 31, 2025
	\$ Million	\$ Million
	₹ Million	₹ Million
Persistent Systems Inc.	0.17	10.17
	16.11	835.67

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Persistent Systems Limited

Notes forming part of financial statements

40. Auditors' remuneration

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Audit fee	14.00	12.25
Certifications	0.30	0.55
Reimbursement of expenses	1.03	0.41
	15.33	13.21

41. Research and development expenditure

The particulars of expenditure incurred on in-house research and development are as follows:

	For the year ended	
	March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million (Restated)
Revenue	249.55	210.62
	249.55	210.62

42. Details of dues to micro and small enterprises as defined under MSMED Act, 2006

There are overdue amounts of ₹ 9.07million payable to suppliers, who have intimated about their status as Micro and Small Enterprises as per the provisions of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006).

43. Net dividend remitted in foreign exchange

Particulars	No. of non-resident shareholders		No. of equity shares held on which dividend was due		For the year ended	
	March 31, 2026	March 31, 2025	March 31, 2026 in million	March 31, 2025 in million	March 31, 2026 (in ₹ Million)	March 31, 2025 (in ₹ Million)
Interim dividend	24	25	0.05	0.07	0.58	1.42
Final dividend	25	11	0.06	0.03	1.09	0.30

44. Other statutory information

- The Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- The Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.
- The Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.
- The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017
- The Company does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
- The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- There are no proceeding initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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45. The Company has deposits of 408.88 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. During the previous year the Company has received ₹ 21.12 Million from the IL&FS Group and the Management is hopeful of recovery of balance amount with a time lag. The Company continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.
46. The Company has recognised notional interest on lease liability of ₹ 290.78 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 ₹ 43.69 Million (Previous year: ₹ 1.38 Million).
47. The Company has not advanced / loaned / invested funds to any entities, including foreign entities (Intermediaries), with the understanding that the Intermediary shall directly or indirectly lend or invest in other entities by or on behalf of the Company (Ultimate Beneficiaries). Further, the Company has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.
48. The Company has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Company shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Company has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.
49. 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 facilitate assessment of the financial impact due to changes in regulations. The Company has considered restructured compensation of its employees with effect from April 1, 2026, and assessed the impact of the changes, consistent with the Labour Codes, draft rules, FAQs and legal opinion. Considering that the impact is non-recurring in nature and is driven by regulatory changes, the Company has presented such incremental impact of ₹ 890.25 million as 'Statutory impact of new Labour Codes' under 'Exceptional Items' in the standalone statement of profit and loss for the year ended March 31, 2026. 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.

50 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 a 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.

Persistent Systems Limited

Notes forming part of financial statements

(1) 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

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(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)

	As previously reported	Impact of Trust consolidation Refer Note (A) above	Impact of Capiot Merger Refer Note (B) above	In ₹ Million 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

51. Persistent India Foundation was incorporated under Section 8 of the Companies Act, 2013 effective from May 1, 2024, as a wholly owned subsidiary of the Company.

52. During the year 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. April 01, 2024. The effect of this change on actual and expected depreciation expense is as follows:

Particulars	In ₹ Million	
	FY2024-25	FY2025-26
Decreases in depreciation expenses	167.33	44.84

53. The Ministry of Corporate Affairs (MCA) has issued a notification (Companies (Accounts) Amendment Rules, 2021) which is effective from 1st April 2023, states that every company which uses accounting software for maintaining its books of account shall use only the accounting software where there is a feature of recording audit trail of each and every transaction, and further creating an edit log of each change made to books of account along with the date when such changes were made and ensuring that the audit trail cannot be disabled. The Company uses a SaaS based ERP as a primary accounting software for maintaining books of account, which has a feature of recording audit trail edit logs facility and that has been operative throughout the financial year for the transactions recorded in the software impacting books of account at application as well as database level.

54. 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 ₹ 148,41 million for a consideration of ₹ 209,40 million. Pursuant to this transaction, reserves of the company has been decreased by Rs. 59.99 Million on April 01, 2025.

55. During the period, the Company sold its 100% entire holding in equity shares of Persistent Systems France SAS ('PS France') and Persistent Systems Germany GmbH ('PS Germany') to Aepona Group Limited for a consideration of EUR 1,132,991 and EUR 20,878,597 respectively. In lieu of the payment of the consideration, equivalent number of eEquity shares of Aepona Group Limited, equivalent to the fair value of equity shares of PS France and PS Germany, were allotted to the Company to settle the consideration in accordance with the terms of 'Share Purchase Agreement'. Accordingly, the Company has recognised gain on sale of investments of ₹ 582.47 million under other income.

56. During the year ended March 31, 2026, 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 Financial Statements.

Balance Sheet Caption	Previously restated amounts	Mar-25	
		Change in Amounts	Revised Amounts
Current Asset- Trade Receivable	16,414.08	8,836.14	25,250.20
Other Current financial assets	16,212.80	(9,744.02)	6,468.78
Other Current assets	7,023.68	907.88	7,931.56
Other Current financial liabilities	1,221.55	1,517.87	2,739.42
Current liabilities Provisions	2,641.00	(1,517.87)	1,123.13

57. During the year, Persistent Systems Limited ("the Company" or "PSL") executed the Share Purchase Agreement ("SPA") on December 06, 2025, with Persistent Systems Inc (PSI) (wholly 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.

58. The Board of Directors at its meeting concluded on April 21, 2026, recommended a Final Dividend of ₹ 18 per Equity Share having face value of ₹ 5 each for FY 2025-26. This Final Dividend is subject to the approval of the Members at the ensuing 36th Annual General Meeting of the Company.

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

60. Previous year's figures have been regrouped where necessary to conform with the current year's classification. The impact of such regrouping is not material to financial statements.

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

Swapnil Dakshindas
Partner
Membership No.: 113896
Place: Pune
Date : April 21, 2026

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

Anand Deshpande
Anand Deshpande (Apr 21, 2026 14:43:23 GMT+5:30)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : April 21, 2026

Sandeep Kalra
Sandeep Kalra (Apr 21, 2026 14:16:45 GMT+5:30)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: Pune
Date : April 21, 2026

Praveen Kadle
Praveen Kadle (Apr 21, 2026 14:12:25 GMT+5:30)

Praveen Kadle
Independent
Director
DIN: 00016814

Place: Pune
Date : April 21, 2026

Vinit Teredesai
Vinit Teredesai (Apr 21, 2026 14:25:04 GMT+5:30)

Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917

Place: Pune
Date : April 21, 2026

Amit Atre
Amit Atre (Apr 21, 2026 14:10:03 GMT+5:30)

Amit Atre
Company Secretary
Membership No.: A20507

Place: Pune
Date : April 21, 2026