PLACEMENT DOCUMENT
NOT FOR CIRCULATION AND
STRICTLY CONFIDENTIAL
SERIAL NUMBER [●]

PERSISTENT SYSTEMS LIMITED

Registered and Corporate Office: Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India
Telephone: +91 20 6703 3000; **E-mail:** investors@persistent.com; **Website**: www.persistent.com
Corporate Identity Number: L72300PN1990PLC056696
Contact Person: Amit Atre, Company Secretary and Compliance Officer

*Our Company was incorporated as "Persistent Systems Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 30, 1990, issued by the Registrar of Companies, Maharashtra at Pune ("**RoC**"). Subsequently, pursuant to a resolution passed at the extraordinary general meeting of our Shareholders held on September 17, 2007, our Company was converted from a private limited company into a public limited company and the name was changed to "Persistent Systems Limited", and consequent to such conversion, a fresh certificate of incorporation dated September 28, 2007 was issued by the RoC.*

Issue of 7,683,981 equity shares of face value of ₹5.00 each (the "**Equity Shares**") at a price of ₹5,550.00 per Equity Share (the "**Issue Price**"), including a premium of ₹5,545.00 per Equity Share, aggregating to ₹42,646.09 million (the "**Issue**"). For further details, see "*Summary of the Issue*" on page 34.

THIS ISSUE IS BEING UNDERTAKEN IN RELIANCE UPON CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") AND SECTION 42 OF THE COMPANIES ACT, 2013, AS AMENDED, READ WITH RULE 14 OF THE COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) RULES, 2014, AS AMENDED (THE "PAS RULES") AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND THE RULES FRAMED THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT").

The Equity Shares of our Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**" and together with BSE, the "**Stock Exchanges**"). The closing price of the outstanding Equity Shares on BSE and NSE on October 23, 2026, was ₹5,700.50 and ₹5,727.50 per Equity Share, respectively. The in-principle approvals under Regulation 28(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "**SEBI Listing Regulations**") for listing of the Equity Shares to be issued pursuant to the Issue have been received by our Company from each of BSE and NSE on October 21, 2026. Our Company shall make applications to the Stock Exchanges for obtaining the final listing and trading approvals for the Equity Shares to be issued pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed, or reports contained herein. Admission of the Equity Shares to be issued pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of our Company or of the Equity Shares.

The copies of the Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4 (as defined hereinafter)) have been delivered to the Stock Exchanges. Our Company shall also make the requisite filings with the RoC within the stipulated period as prescribed under the Companies Act and the PAS Rules. This Placement Document has not been reviewed by the Securities and Exchange Board of India ("**SEBI**"), the Stock Exchanges, the RoC or any other regulatory or listing authority and is intended only for use by Eligible QIBs (as defined hereinafter). This Placement Document has not been and will not be filed as a prospectus with the RoC and will not be circulated or distributed to the public in India or any other jurisdiction and the Issue will not constitute a public offer in India or any other jurisdiction. The placement of Equity Shares proposed to be made pursuant to this Placement Document is meant solely for Eligible QIBs (as defined hereinafter) on a private placement basis and is not an offer to the public or to any other class of investors.

OUR COMPANY HAS PREPARED THIS PLACEMENT DOCUMENT SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE PROPOSED ISSUE. THE ISSUE AND THE DISTRIBUTION OF THIS PLACEMENT DOCUMENT IS BEING MADE TO ELIGIBLE QIBs ("AS DEFINED HEREINAFTER") IN RELIANCE UPON SECTION 42 OF THE COMPANIES ACT, READ WITH RULE 14 OF THE PAS RULES AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT AND THE RULES MADE THEREUNDER, AND CHAPTER VI OF THE SEBI ICDR REGULATIONS. THIS PLACEMENT DOCUMENT IS PERSONAL TO EACH PROSPECTIVE INVESTOR. THE ISSUE DOES NOT CONSTITUTE AN OFFER OR INVITATION OR SOLICITATION OF AN OFFER TO THE PUBLIC OR TO ANY OTHER PROSPECTIVE INVESTOR OR CLASS OR CATEGORY OF INVESTORS WITHIN OR OUTSIDE INDIA OTHER THAN TO ELIGIBLE QIBs. THIS PLACEMENT DOCUMENT SHALL BE CIRCULATED ONLY TO SUCH ELIGIBLE QIBs WHOSE NAMES ARE RECORDED BY OUR COMPANY PRIOR TO MAKING AN INVITATION TO SUBSCRIBE TO THE EQUITY SHARES.

YOU MAY NOT AND ARE NOT AUTHORISED TO: (1) DELIVER THIS PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER; OR (3) RELEASE ANY PUBLIC ADVERTISEMENTS OR UTILISE ANY MEDIA, MARKETING OR DISTRIBUTION CHANNELS OR AGENTS TO INFORM THE PUBLIC AT LARGE ABOUT THE ISSUE. ANY DISTRIBUTION OR REPRODUCTION OF THIS PLACEMENT DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE COMPANIES ACT, SEBI ICDR REGULATIONS OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN EQUITY SHARES INVOLVE A HIGH DEGREE OF RISK AND PROSPECTIVE INVESTORS SHOULD NOT INVEST IN THE ISSUE UNLESS THEY ARE PREPARED TO TAKE THE RISK OF LOSING ALL OR PART OF THEIR INVESTMENT. PROSPECTIVE INVESTORS ARE ADVISED TO CAREFULLY READ THE SECTION "*RISK FACTORS*" ON PAGE 36, BEFORE MAKING AN INVESTMENT DECISION RELATING TO THE ISSUE. EACH PROSPECTIVE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE EQUITY SHARES TO BE ISSUED PURSUANT TO THE PRELIMINARY PLACEMENT DOCUMENT AND THIS PLACEMENT DOCUMENT. PROSPECTIVE INVESTORS OF THE EQUITY SHARES OFFERED SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE EQUITY SHARES. IF YOU DO NOT UNDERSTAND THE CONTENTS OF THE PRELIMINARY PLACEMENT DOCUMENT AND/OR THIS PLACEMENT DOCUMENT, YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISOR AND / OR LEGAL ADVISOR.

Invitations, offers and sale of the Equity Shares to be issued pursuant to the Issue have been made pursuant to the Preliminary Placement Document together with the Application Form, this Placement Document and the Confirmation of Allocation Note (each as defined hereinafter). For further details, see "*Issue Procedure*" on page 840. The distribution of this Placement Document or the disclosure of its contents without our Company's prior consent to any person, other than Eligible QIBs and persons retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and to make no copies of this Placement Document or any documents referred to in this Placement Document.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States, in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("**Regulation S**") and the applicable laws of the jurisdictions where those offers and sales are made. For further information, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively.

The information on the websites of our Company or any other website directly or indirectly linked to the websites of our Company or the websites of the Lead Managers (as defined hereinafter) or its respective affiliates, does not constitute nor form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites for their investment in this Issue.

This Placement Document is dated October 26, 2026.

LEAD MANAGERS		
J.P.Morgan	IIFL CAPITAL	HSBC
J.P. Morgan India Private Limited	**IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)**	**HSBC Securities and Capital Markets (India) Private Limited**

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NOTICE TO INVESTORS

Our Company has furnished and accepts full responsibility for all the information contained in this Placement Document and confirms that, to the best of its knowledge and belief, having made all reasonable enquiries, this Placement Document contains all the information with respect to us and the Equity Shares, which is material in the context of the Issue. The statements contained in this Placement Document relating to our Company, our Subsidiaries and the Equity Shares are, in all material respects, true and accurate and not misleading and the opinions and intentions expressed in this Placement Document with regard to our Company, our Subsidiaries and the Equity Shares are honestly held, have been reached after considering all relevant circumstances, and are based on reasonable assumptions and information presently available to our Company and our Subsidiaries. There are no other facts in relation to our Company, our Subsidiaries and the Equity Shares, the omission of which would, in the context of the Issue, make any statement in this Placement Document misleading in any material respect. Further, our Company has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements. Unless otherwise stated all information in this Placement Document is provided as of the date of this Placement Document and neither our Company, our Subsidiaries nor the Lead Managers have any obligation to update such information to a later date and thus it should not be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with our Company.

J.P. Morgan India Private Limited, IIFL Capital Services Limited (*formerly known as IIFL Securities Limited)* and HSBC Securities and Capital Markets (India) Private Limited (the "**Lead Managers**") have made reasonable enquiries but have not separately verified all the information contained in the Preliminary Placement Document and this Placement Document (financial, legal or otherwise). Accordingly, neither the Lead Managers nor any of their respective shareholders, directors, officers, associates, employees, counsels, representatives, agents or affiliates make any express or implied representation, warranty or undertaking, and no responsibility or liability is accepted by the Lead Managers and/or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents, associates or affiliates as to the accuracy or completeness of the information contained in the Preliminary Placement Document and this Placement Document or any other information (financial, legal or otherwise) supplied in connection with our Company, our Subsidiaries and the Equity Shares or its distribution. Each person who received the Preliminary Placement Document and is receiving this Placement Document acknowledges that such person has not relied either on the Lead Managers or on any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on its own examination of us and the merits and risks involved in investing in the Equity Shares issued pursuant to the Issue.

The distribution of this Placement Document or the disclosure of its contents without the prior consent of our Company to any person, other than Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe to the Issue in consultation with the Lead Managers or their respective representatives, and those retained by Eligible QIBs to advise them with respect to their purchase of the Equity Shares, is unauthorised and prohibited. Each prospective investor, by accepting delivery of this Placement Document, agrees to observe the foregoing restrictions and not further distribute or make any copies of this Placement Document or any documents referred to in this Placement Document. Any reproduction or distribution of this Placement Document, in whole or in part, and any disclosure of its contents to any other person is prohibited.

No person is authorized to give any information or to make any representation not contained in this Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of us or any of the Lead Managers. The delivery of this Placement Document at any time does not imply that the information contained in it is correct as at any time subsequent to its date.

The Equity Shares to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction including SEBI, the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Placement Document. Any representation to the contrary is a criminal offence in certain jurisdictions.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares

are being offered and sold outside the United States, in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively.

See "*Selling Restrictions*" on page 865 for information about eligible offerees for the Issue and "*Purchaser Representations and Transfer Restrictions*" on page 872 for information about transfer restrictions that apply to the Equity Shares sold in the Issue.

The subscribers and purchasers of the Equity Shares offered in the Issue will be deemed to make the representations, warranties, acknowledgments and agreements set forth in "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 6, 865, and 872, respectively.

The distribution of this Placement Document and the issue of Equity Shares may be restricted by applicable laws in certain jurisdictions. As such, this Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been or will be taken by our Company and the Lead Managers which would permit an offering of the Equity Shares or the distribution of this Placement Document in any jurisdiction, other than India, where action for that purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither the Preliminary Placement Document nor this Placement Document nor any offering material in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction, except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. For details, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on page 865 and 872, respectively.

In making an investment decision, prospective investors must rely on their own examination of our Company, our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved. Prospective investors should not construe the contents of the Preliminary Placement Document and this Placement Document as legal, business, tax, accounting or investment advice and should consult their own counsels and advisors as to business, investment, legal, tax, accounting and related matters concerning the Issue. In addition, neither our Company nor any of the Lead Managers are making any representation to any investor, purchaser, offeree or subscriber of the Equity Shares in relation to this Issue regarding the legality or suitability of an investment in the Equity Shares by such investor, purchaser, offeree or subscriber under applicable legal, investment or similar laws or regulations. Prospective investors of the Equity Shares should conduct their own due diligence on the Equity Shares and our Company. If you do not understand the contents of this Placement Document, you should consult an authorized financial advisor and/or legal advisor.

Each prospective investor, purchaser, offeree or subscriber of the Equity Shares in this Issue is deemed to have acknowledged, represented and agreed that it is an Eligible QIB and is eligible to invest in India and in our Company, including as set forth in "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 6, 865 and 872, respectively, under applicable law, including Chapter VI of the SEBI ICDR Regulations, Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules and other provisions of the Companies Act and that it is not prohibited by SEBI or any other statutory, regulatory or judicial authority in India or any other jurisdiction from buying, selling or dealing in securities including the Equity Shares, or otherwise accessing the capital markets in India. Each investor, purchaser, offeree or subscriber of the Equity Shares in the Issue also acknowledges that it has been afforded an opportunity to request from our Company and review information relating to our Company and the Equity Shares.

This Placement Document does not purport to contain all the information that any Eligible QIB may require. This Placement Document contains summaries of certain terms of documents, which are qualified in their entirety by the terms and conditions of such documents. Further, this Placement Document has been prepared for information purposes in relation to this Issue only and upon the express understanding that it will be used for the purposes set forth herein.

Neither our Company nor any of the Lead Managers are liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document and thus it should not

be relied upon with respect to such subsequent events without first confirming the accuracy or completeness with the Company. Neither the delivery of the Preliminary Placement Document nor this Placement Document nor any issue of Equity Shares made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Company since the date hereof. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not eventually result in triggering an open offer under the SEBI Takeover Regulations and the Eligible QIBs shall be solely responsible for compliance with the provisions of the SEBI Takeover Regulations, SEBI Insider Trading Regulations and other applicable laws, rules, regulations, guidelines and circulars.

The information on the website of our Company, which is www.persistent.com or any website directly or indirectly linked to such website or the websites of the Lead Managers or their respective affiliates or agents, does not and shall not constitute or form part of this Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites.

Our Company agrees to comply with any undertakings given by it from time to time in connection with the Equity Shares to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Stock Exchanges all such information as the rules of the Stock Exchanges may require in connection with the listing of the Equity Shares on the Stock Exchanges.

NOTICE TO INVESTORS IN CERTAIN OTHER JURISDICTIONS

This Placement Document is not an offer to sell securities and is not soliciting an offer to subscribe to or buy securities in any jurisdiction where such offer, solicitation, sale or subscription is not permitted. For information relating to investors in certain other jurisdictions, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively.

REPRESENTATIONS BY INVESTORS

All references herein to "you" or "your" in this section are to the Bidders in this Issue. By Bidding for and / or subscribing to any Equity Shares under this Issue, you are deemed to have represented, warranted, acknowledged and agreed to contents set forth in the sections "*Notice to Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 865 and 872, respectively, and have represented, warranted and acknowledged to and agreed to our Company and the Lead Managers as follows:

(a) Your decision to subscribe to the Equity Shares to be issued pursuant to the Issue has not been made based on any information relating to our Company or our Subsidiaries which is not set forth in the Preliminary Placement Document and this Placement Document;

(b) You are a "**Qualified Institutional Buyer**" as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations, having a valid and existing registration under applicable laws and regulations of India, and undertake to (i) acquire, hold, manage or dispose of any Equity Shares that are Allotted to you in accordance with Chapter VI of the SEBI ICDR Regulations, the Companies Act, and all other applicable laws; and (ii) comply with the SEBI ICDR Regulations, the Companies Act, and all other applicable laws, including any reporting obligations, making necessary filings, if any, in connection with the Issue or otherwise accessing the capital markets;

(c) You are eligible to invest in India under applicable law, including the FEMA Rules (as defined hereinafter), and any notifications, circulars or clarifications issued thereunder, and have not been prohibited by SEBI, RBI or any other regulatory or statutory authority or otherwise, from buying, selling or dealing in securities or otherwise accessing capital markets in India;

(d) If you are not a resident of India, but are an Eligible QIB, (i) you are a foreign portfolio investor, and you confirm that you are an Eligible FPI as defined in the Preliminary Placement Document and this Placement Document and have a valid and existing registration with SEBI under the applicable laws in India, or (ii) a multilateral or bilateral development financial institution and can participate in the Issue only under Schedule II of FEMA Rules and you are eligible to invest in India under applicable law, including FEMA Rules, and any other notifications, circulars or clarifications issued thereunder. You will make all necessary filings with appropriate regulatory authorities, including RBI, as required pursuant to applicable laws.;

(e) If you are Allotted Equity Shares, you shall not, for a period of one year from the date of Allotment, sell the Equity Shares so acquired except on the floor of the Stock Exchanges and in accordance with any other resale restrictions applicable to you. For more information, see "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively;

(f) You will provide the information as required under the Companies Act, and the PAS Rules, the applicable provisions of the SEBI ICDR Regulations and any other applicable rules for record keeping by our Company, including your name, nationality, complete address, phone number, e-mail address, permanent account number and bank account details and such other details as may be prescribed or otherwise required even after the closure of the Issue and the list of Eligible QIBs including the aforementioned details shall be filed with the RoC and SEBI, as may be required under the Companies Act and other applicable laws;

(g) You are aware that in terms of the SEBI FPI Regulations (as defined hereinafter) and the FEMA Rules, the total holding by each FPI (as defined hereinafter) including its investor group (which means multiple entities registered as FPIs and directly or indirectly having common ownership of more than 50.00% or common control) in our Company shall be below 10.00% of the total paid-up Equity Share capital of our Company on a fully diluted basis and the total holdings of all FPIs put together shall not exceed the sectoral cap applicable to the sector in which our Company operates, which in our case is 100.00%. In terms of the FEMA Rules, for calculating the total holding of FPIs in a company, holding of all registered FPIs shall be included. Hence, Eligible FPIs may invest in such number of Equity Shares in this Issue such that (i) the individual investment of the FPI in our Company does not exceed 10.00% of the post-Issue paid-up Equity Share capital of our Company on a fully diluted basis, and (ii) the aggregate investment by FPIs in our Company does not exceed the sectoral cap applicable to our Company. In case the holding of an FPI together with its investor group increases to 10.00% or more of the total paid-up

Equity Share capital, on a fully diluted basis, such FPI together with its investor group shall divest the excess holding within a period of five trading days from the date of settlement of the trades resulting in the breach. If however, such excess holding has not been divested within the specified period of five trading days, the entire shareholding of such FPI together with its investor group will be re-classified as FDI (as defined hereinafter), subject to the conditions as specified by SEBI and the RBI in this regard and compliance by our Company and the investor with applicable reporting requirements and the FPI and its investor group will be prohibited from making any further portfolio investment in our Company under the SEBI FPI Regulations. Since FVCIs (as defined hereinafter) are not permitted to participate in the Issue, you confirm that you are not an FVCI;

(h) You are aware that the Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC under the Companies Act, and the SEBI ICDR Regulations or under any other law in force in India and, no Equity Shares will be offered in India or overseas to the public or any members of the public in India or any other class of investors, other than Eligible QIBs. The Preliminary Placement Document and this Placement Document (which includes disclosures prescribed under Form PAS-4) have not been reviewed, verified or affirmed by SEBI, RBI or the Stock Exchanges or any other regulatory or listing authority and is intended only for use by Eligible QIBs;

(i) You are permitted to subscribe for and acquire the Equity Shares under the laws of all relevant jurisdictions that apply to you and that you have fully observed such laws and you have the necessary capacity, have obtained all necessary consents, governmental or otherwise, and authorisations, as may be required, and have complied and shall comply with all necessary formalities, to enable you to participate in the Issue and to perform your obligations in relation thereto (including without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Placement Document), and will honour such obligations;

(j) You are aware that neither our Company, the Lead Managers, nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates are making any recommendation to you or, advising you regarding the suitability of any transactions you may enter into in connection with this Issue; Neither the Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any duty or responsibility to you for providing the protection afforded to their clients or customers or for providing advice in relation to this Issue and are not in any way acting in any fiduciary capacity;

(k) You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by us or our agents with regard to our Company or this Issue ("**Company Presentations**"); or (ii) if you have participated in or attended any Company Presentations: (a) you understand and acknowledge that the Lead Managers may not have knowledge of the statements that we or our agents may have made at such Company Presentations and are therefore unable to determine whether the information provided to you at such Company Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Managers have advised you not to rely in any way on any information that was provided to you at such Company Presentations, and (b) confirm that you have not been provided any material or price sensitive information relating to our Company and/or the Issue that was not publicly available;

(l) You are subscribing to the Equity Shares to be issued pursuant to the Issue in accordance with applicable laws and by participating in this Issue, you are not in violation of any applicable law including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, and the Companies Act, each as amended;

(m) You are aware and understand that the Equity Shares are being offered only to Eligible QIBs on a private placement basis and are not being offered to the general public or any other category of investors other than Eligible QIBs, and the Allotment of the Equity Shares shall be at the sole discretion of our Company in consultation with the Lead Managers;

(n) You understand that the Equity Shares issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association of our Company and will be credited as fully paid and will rank *pari passu* in all respects with the existing Equity Shares including the right to

receive dividend and other distributions declared;

(o) All statements other than statements of historical fact included in this Placement Document, including, without limitation, those regarding our financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to our Company's business), are forward-looking statements. You are aware that such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and environment in which we will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this Placement Document. Neither our Company nor the Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates assume any responsibility to update any of the forward-looking statements contained in this Placement Document;

(p) You have been provided a serially numbered copy of the Preliminary Placement Document and this Placement Document and have read the Preliminary Placement Document and this Placement Document in its entirety including, in particular "*Risk Factors*" on page 36;

(q) In making your investment decision you have (i) relied on your own examination of our Company and our Subsidiaries, the Equity Shares and the terms of the Issue, including the merits and risks involved; (ii) made and continue to make your own assessment of our Company and our Subsidiaries and the Equity Shares and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and this Placement Document and no other representation by us or any other party; (iii) consulted your own independent counsels and advisors (including tax advisors) or otherwise have satisfied yourself concerning, without limitation, the effects of local laws and taxation matters; (iv) received all information that you believe is necessary or appropriate in order to make an investment decision in respect of us and the Equity Shares; and (v) relied upon your investigation and resources in deciding to invest in the Issue.

(r) You are a sophisticated investor and have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of the investment in the Equity Shares. You are experienced in investing in private placement transactions of securities of companies in a similar nature of business, similar stage of development and in similar jurisdictions. You and any managed accounts for which you are subscribing for the Equity Shares (i) are each able to bear the economic risk of investment in the Equity Shares, (ii) will not look to our Company and / or the Lead Managers or any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates, for all or part of any such loss or losses that may be suffered in connection with the Issue, including losses arising out of non-performance by our Company of any of its respective obligations or any breach of any representations and warranties by our Company, whether to you or otherwise, (iii) are able to sustain a complete loss on the investment in the Equity Shares, (iv) have no need for liquidity with respect to the investment in the Equity Shares, (v) have no reason to anticipate any change in your or their circumstances or any accounts for which you are subscribing, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Equity Shares; and (vi) are seeking to subscribe to the Equity Shares in the Issue for your own investment and not with a view to resell or distribute. You are aware that investment in Equity Shares involves a high degree of risk and that the Equity Shares are, therefore a speculative investment;

(s) Neither our Company, the Lead Managers nor any of their shareholders, investors, officers, employees, counsels, agents, representatives or affiliates have provided you with any tax advice or otherwise made any representations regarding the tax consequences of purchase, subscription, ownership or disposal of the Equity Shares (including, but not limited, to this Issue and the use of the proceeds from the Equity Shares). You will obtain your own independent tax advice from a reputable service provider and will not rely on the Lead Managers or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates when evaluating the tax consequences in relation to the Equity Shares (including, but not limited to, this Issue and the use of the proceeds from the Equity Shares). You waive and agree not to assert any claim against our Company, the Lead Managers or any of their shareholders, investors, directors, officers, employees, counsels, agents, representatives or affiliates with respect to the tax aspects of the Equity Shares or as a result of any tax audits by tax

authorities, wherever situated;

(t) If you are acquiring the Equity Shares for one or more managed accounts, you represent and warrant that you are authorized in writing, by each such managed account to acquire the Equity Shares for each managed account and to make (and you hereby make) the representations, warranties, acknowledgements, undertakings and agreements herein for and on behalf of each such account, reading the reference to "you" to include such accounts;

(u) You are not a 'promoter' (as defined under Section 2(69) of the Companies Act and Regulation 2(1)(oo) of SEBI ICDR Regulations) of our Company, and are not a person related to the Promoters, either directly or indirectly, and your Bid does not directly or indirectly represent the Promoters or any of the members of the Promoter Group, or persons or entities related to the Promoters;

(v) You have no rights under a shareholders' agreement or voting agreement with our Promoters or members of the Promoter Group or persons related to the Promoters, no veto rights or right to appoint any nominee director on our Board other than such rights acquired, if any, in the capacity of a lender not holding any Equity Shares (a QIB who does not hold any Equity Shares and who has acquired the said rights in the capacity of a lender shall not be deemed to be a person related to our Promoters);

(w) Each Eligible QIB acknowledges that it has no right to withdraw or revise your Bid downwards after the Issue Closing Date (as defined hereinafter);

(x) You are eligible to Bid and hold the Equity Shares so Allotted together with any Equity Shares held by you prior to this Issue. You further confirm that your aggregate holding upon the Allotment of Equity Shares pursuant to this Issue shall not exceed the level permissible as per any applicable law;

(y) The Bid made by you would not result in triggering an open offer under the SEBI Takeover Regulations, and you shall be solely responsible for compliance with all other applicable provisions of the SEBI Takeover Regulations;

(z) The aggregate number of Equity Shares Allotted to you under the Issue, together with other Allottees to the same group or are under common control as you, pursuant to the Allotment under the Issue, shall not exceed 50.00% of the Issue Size. For the purposes of this representation:

(i) Eligible QIBs "belonging to the same group" shall mean entities where: (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15.00% of the voting rights in the other; or (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and independent directors, amongst Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and

(ii) 'Control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the SEBI Takeover Regulations;

(aa) You shall not undertake any trade in the Equity Shares credited to your beneficiary account until such time that the final listing and trading approval for such Equity Shares are issued by the Stock Exchanges;

(bb) You are aware that if you are Allotted more than 5% of the Equity Shares in this Issue, our Company shall be required to disclose the name and the number of Equity Shares Allotted to you to the Stock Exchanges and the Stock Exchanges will make this information available on their website and you consent to such disclosure;

(cc) You are aware that (i) applications for in-principle approval, in terms of Regulation 28(1) of the SEBI Listing Regulations, for listing and admission of the Equity Shares and for trading on the Stock Exchanges, were made and approvals have been received from the Stock Exchanges, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the approvals for listing of Equity Shares will be obtained in time or at all. Neither our Company nor the Lead Managers shall be responsible for any delay or non-receipt of such approvals for such final listing and trading or any loss arising from such delay or non-receipt;

(dd) You are aware that in terms of the requirements of the Companies Act, upon Allocation, our Company has disclosed the names and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document. However, disclosure of such details in relation to the proposed Allottees in this Placement Document does not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Managers;

(ee) You are aware and understand that the Lead Managers have entered into a Placement Agreement with our Company whereby the Lead Managers have, subject to the satisfaction of certain conditions set out therein, undertaken severally and not jointly to use their reasonable efforts to seek to procure subscription for the Equity Shares on the terms and conditions set out therein;

(ff) Each Eligible FPI confirms that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledges that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control) in our Company does not exceed 10.00% of the post-Issue paid-up capital of our Company on a fully diluted basis.

(gg) You confirm that neither is your investment as an entity of a country which shares land border with India nor is the beneficial owner of your investment situated in or a citizen of such country or the beneficial ownership vested in such country (in each of which case, investment can only be through the Government approval route), and that your investment is in accordance with Consolidated FDI Policy (as defined hereinafter) and Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the Department for Promotion of Industry and Internal Trade, Government of India, and Rule 6 of the FEMA Rules;

(hh) You understand that the contents of the Preliminary Placement Document and this Placement Document are exclusively the responsibility of our Company and that neither the Lead Managers nor any person acting on their behalf, or any of the counsels or advisors to the Issue has or shall have, any liability for any information, representation or statement contained in this Placement Document or any information previously published by or on behalf of us and will not be liable for your decision to participate in this Issue based on any information, representation or statement contained in this Placement Document or otherwise. By accepting to participate in this Issue, you agree to the same and confirm that the only information you are entitled to rely on, and on which you have relied in committing yourself to acquire the Equity Shares, is contained in this Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Equity Shares issued in pursuance of this Issue and that you have neither received nor relied on any other information given or representations, warranties or statements made by or on behalf of the Lead Managers or our Company or any of their respective affiliates, including any view, statement, opinion or representation expressed in any research published or distributed by them, the Lead Managers and their respective affiliates will not be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty, statement or opinion;

(ii) The Preliminary Placement Document and this Placement Document have been filed with the Stock Exchanges for record purposes only and the Preliminary Placement Document and this Placement Document will be displayed on the websites of our Company and the Stock Exchanges;

(jj) You agree in terms of Section 42 of the Companies Act, 2013 and Rule 14 of the PAS Rules, that our Company shall make necessary filings with the RoC as may be required under the Companies Act, 2013, and you consent to such disclosure being made by us;

(kk) You understand that neither the Lead Managers nor any of their respective shareholders, directors, officers, employees, counsels, representatives, agents or affiliates have any obligation to purchase or acquire all or any part of the Equity Shares subscribed by you in this Issue or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with this Issue, including non-performance by us of any of our obligations or any breach of any representations or warranties by us, whether to you or otherwise;

(ll) You agree to indemnify and hold us and the Lead Managers and their employees, officers, directors, associates, representatives and affiliates harmless from any and all costs, claims, liabilities and expenses (including legal fees and expenses) arising out of or in connection with any breach of the foregoing

representations, warranties, undertakings, acknowledgements and agreements made by you in this Placement Document. You agree that the indemnity set forth in this paragraph shall survive the resale of the Equity Shares by, or on behalf of, the managed accounts;

(mm) Any dispute arising in connection with this Issue will be governed by and construed in accordance with the laws of the Republic of India and the courts at Pune, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Preliminary Placement Document and this Placement Document;

(nn) You are able to purchase the Equity Shares in accordance with the restrictions described in "*Selling Restrictions*" on page 865 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgments and undertakings set forth in "*Notice to Investors*" and "*Selling Restrictions"* on pages 3 and 865, respectively;

(oo) You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in "*Purchaser Representations and Transfer Restrictions*" on page 872 and you have made, or are deemed to have made, as applicable, the representations, warranties, acknowledgements, undertakings and agreements in "*Purchaser Representations and Transfer Restrictions*" on page 872;

(pp) You are outside the United States, and are subscribing for the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S of the U.S. Securities Act and in compliance with laws of all jurisdictions applicable to you;

(qq) You understand that the Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and unless so registered, may not be offered, sold or delivered within the United States, except in reliance on an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws;

(rr) You are not acquiring or subscribing for the Equity Shares as a result of any "directed selling efforts" (as defined in Regulation S) and you understand and agree that offers and sales are being made in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act. You understand and agree that the Equity Shares are transferable only in accordance with the restrictions described in *"Selling Restrictions" and "Purchaser Representations and Transfer Restrictions"* on pages 865 and 872, respectively;

(ss) You represent that you are not an affiliate of our Company or the Lead Managers or a person acting on behalf of such affiliate. However, affiliates of the Lead Managers, which are Eligible FPIs, may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. For further details, please see "*Offshore Derivative Instruments*" on page 13;

(tt) Each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times up to and including the Allotment and listing and trading of the Equity Shares in the Issue;

(uu) You will make the payment for subscription to the Equity Shares pursuant to this Issue from your own bank account. In case of joint holders, the monies shall be paid from the bank account of the person whose name appears first in the application;

(vv) Our Company, the Lead Managers, their employees, officers, directors, associates, representatives and affiliates and others will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and agreements which are given to them on their own behalf and on behalf of us and are irrevocable. You agree that the terms and provisions of the foregoing representations, warranties, acknowledgements and undertakings, shall inure to the benefit of and any document incorporating such acknowledgements, representations and agreements shall be enforceable by the Lead Manager and our Company, its respective permitted assigns, and the terms and provisions hereof shall be binding on our permitted assigns and permitted transferees. It is agreed that if any of such representations, warranties, acknowledgements and undertakings are no longer accurate, you will promptly notify our Company and the Lead Managers;

(ww) You are aware and understand that you are allowed to place a Bid for Equity Shares. Please note that submitting a Bid for Equity Shares should not be taken to be indicative of the number of Equity Shares that will be Allotted to a successful Bidder. Allotment of Equity Shares will be undertaken by our Company, in its absolute discretion, in consultation with the Lead Managers; and

(xx) You acknowledge that the Preliminary Placement Document did not, and this Placement Document does not, confer upon or provide you with any right of renunciation of the Equity Shares offered through the Issue in favour of any person.

OFFSHORE DERIVATIVE INSTRUMENTS

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations and the FPI Master Circular issued by SEBI to facilitate implementation of the SEBI FPI Regulations, Eligible FPIs including the affiliates of the Lead Managers, who are registered as Category I FPIs may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it in India, as its underlying, and all such offshore derivative instruments are referred to herein as "**Offshore Derivative Instruments**" or "**P-Notes**"), and persons who are eligible for registration as Category I FPIs can subscribe to or deal in such Offshore Derivative Instruments provided that in the case of an entity that has an investment manager who is from the Financial Action Task Force member country, such investment manager shall not be required to be registered as a Category I FPI. The above-mentioned Category I FPI may receive compensation from the purchasers of such instruments. An FPI will collect the regulatory fee of such amount, as may be specified by SEBI from time to time, from every subscriber of Offshore Derivative Instrument issued by it and deposit such regulatory fee with SEBI by way of electronic transfer in the designated bank account of SEBI. In terms of Regulation 21 of SEBI FPI Regulations, Offshore Derivative Instruments may be issued only by such persons who are registered as Category I FPIs and they may be issued only to persons eligible for registration as Category I FPIs, subject to exceptions provided in the SEBI FPI Regulations and compliance with 'know your client' requirements, as specified by SEBI and subject to payment of applicable regulatory fee and in compliance with such other conditions as may be specified by SEBI from time to time. An Eligible FPI shall also ensure that no transfer of any instrument referred to above is made to any person unless such FPIs are registered as Category I FPIs and such instrument is being transferred only to person eligible for registration as Category I FPIs subject to requisite consents being obtained in terms of Regulation 21 of SEBI FPI Regulations. Further, pursuant to SEBI circular no. SEBI/HO/AFD/AFD-POD-3/P/CIR/2024/176 dated December 17, 2024, Offshore Derivative Instruments may be issued only through a separate dedicated FPI registration with no proprietary investments (other than for Offshore Derivative Instruments with Government securities as reference/underlying), may not have derivatives as reference/underlying, and must be fully hedged on a one-to-one basis with the same underlying securities throughout their tenure. Additionally, subscribers of Offshore Derivative Instruments meeting certain objective criteria are required to make additional granular disclosures. Offshore Derivative Instruments have not been and are not being offered or sold pursuant to the Preliminary Placement Document and this Placement Document. This Placement Document does not contain any information concerning Offshore Derivative Instruments or the issuer(s) of any Offshore Derivative Instruments, including without limitation, any information regarding any risk factors relating thereto.

Subject to certain relaxations provided under Regulation 22(4) of the SEBI FPI Regulations, investment by a single FPI including its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50.00% or common control,) is not permitted to be 10.00% or above of our post-Issue Equity Share capital on a fully diluted basis. The FPI Master Circular, issued guidance for FPIs, designated depository participants and eligible foreign investors, to facilitate implementation of the SEBI FPI Regulations. In terms of such guidance, the above-mentioned restrictions shall also apply to subscribers of Offshore Derivative Instruments and two or more subscribers of Offshore Derivative Instruments having common ownership, directly or indirectly, of more than 50.00% or common control shall be considered together as a single subscriber of the Offshore Derivative Instruments. Further, in the event a prospective investor has investments as an FPI and as a subscriber of Offshore Derivative Instruments, these investment restrictions shall apply on the aggregate of the FPI investments and Offshore Derivative Instruments position held in the underlying company.

Further, in accordance with the Consolidated FDI Policy, read along with the Press Note No. 2 (2026 Series), dated March 15, 2026, issued by the DPIIT, Government of India, investments by an entity or a citizen of a country which shares land border with India, or by an investor whose beneficial owner is a citizen of, or whose beneficial ownership is vested in, such country (as determined under Rule 9(3) of the Prevention of Money-laundering (Maintenance of Records) Rules, 2005, including by way of control or ultimate effective control), can only be made through the Government approval route, as prescribed in the Consolidated FDI Policy and FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in any entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction / purview, such subsequent change in the beneficial ownership will also require approval of the Government of India. Investment restrictions under Regulation 20(7) of the SEBI FPI Regulations also apply to ODI subscribers.

Affiliates of the Lead Managers which are Eligible FPIs may purchase, to the extent permissible under law, the Equity Shares in the Issue, and may issue Offshore Derivative Instruments in respect thereof. Any Offshore Derivative Instruments that may be issued are not securities of our Company and do not constitute any obligation

of, claims on or interests in our Company. Our Company has not participated in any offer of any Offshore Derivative Instruments, or in the establishment of the terms of any Offshore Derivative Instruments, or in the preparation of any disclosure related to any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be offered are issued by, and are the sole obligations of, third parties that are unrelated to our Company. Our Company and the Lead Managers do not make any recommendation as to any investment in Offshore Derivative Instruments and do not accept any responsibility whatsoever in connection with any Offshore Derivative Instruments. Any Offshore Derivative Instruments that may be issued are not securities of the Lead Managers and does not constitute any obligations of or claims on the Lead Managers.

Prospective investors interested in purchasing any Offshore Derivative Instruments have the responsibility to obtain adequate disclosures as to the issuer(s) of such Offshore Derivative Instruments and the terms and conditions of any Offshore Derivative Instruments from the issuer(s) of such Offshore Derivative Instruments. Neither SEBI nor any other regulatory authority has reviewed or approved any Offshore Derivative Instruments or any disclosure related thereto.

Prospective investors are urged to consult their own financial, legal, accounting and tax advisors regarding any contemplated investment in Offshore Derivative Instruments, including whether Offshore Derivative Instruments are issued in compliance with applicable laws and regulations.

DISCLAIMER CLAUSE OF THE STOCK EXCHANGES

As required, copies of the Preliminary Placement Document and this Placement Document have been submitted to each of the Stock Exchanges.

The Stock Exchanges do not in any manner:

1. warrant, certify or endorse the correctness or completeness of any of the contents of the Preliminary Placement Document and this Placement Document; or

2. warrant that the Equity Shares issued pursuant to this Issue will be listed or will continue to be listed on the Stock Exchanges; or

3. take any responsibility for the financial or other soundness of our Company, our Subsidiaries, our Promoters, our management or any scheme or project of our Company.

It should not for any reason be deemed or construed to mean that the Preliminary Placement Document and this Placement Document have been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquires any Equity Shares may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to, or in connection with, such subscription / acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain conventions

In this Placement Document, unless otherwise specified or the context otherwise indicates or implies, references to 'you', 'your', 'bidder', 'offeree', 'purchaser', 'subscriber', 'recipient', 'investor(s)', 'prospective investor(s)' and 'potential investor(s)' are to the Eligible QIBs who are the prospective investors in the Equity Shares issued pursuant to the Issue. References to 'our Company', 'Company', 'the Company', and the 'Issuer' are references to Persistent Systems Limited on a standalone basis, while any reference to 'we', 'us' or 'our' is a reference to Persistent Systems Limited and its Subsidiaries on a consolidated basis.

Currency and units of presentation

Unless otherwise specified or the context otherwise requires, in this Placement Document, (i) references to '₹', 'INR', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of the Republic of India; (ii) references to 'US$', 'USD' and 'U.S. dollars' are to the legal currency of the United States of America; and (iii) references to "EUR" or "€" are to Euro, the legal currency of the European Union. All references herein to "India" are to the Republic of India and its territories and possessions and all references herein to the 'Government' or 'GoI' or the 'Central Government' or the 'State Government' are to the Government of India, central or state, as applicable. All references herein to the 'US' or 'U.S.' or the 'United States' are to the United States of America and its territories and possessions.

References to the singular also refer to the plural and one gender also refers to any other gender, wherever applicable.

All the numbers in this Placement Document have been presented in ₹ million, unless stated otherwise. Where any figures that may have been sourced from third-party industry sources are expressed in denominations other than million, such figures appear in this Placement Document expressed in such denominations as provided in their respective sources. However, our financial statements and the amounts derived from financial statements included herein are presented in ₹ million.

All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Unless otherwise specified, all financial numbers in parentheses represent negative figures.

Page numbers

Unless stated otherwise, all references to page numbers in this Placement Document are to the page numbers of this Placement Document.

Financial data and other information

Our Company publishes its financial statements in Indian Rupees. The financial year of our Company commences on April 1 of each calendar year and ends on March 31 of the following calendar year, and, unless otherwise specified or if the context requires otherwise, all references to a particular 'financial year', "Fiscal" or "Fiscal Year" or "FY", are to the twelve-month period ended on March 31 of that year and references to a particular 'year' are to the calendar year ending on December 31 of that year.

Unless the context requires otherwise or indicates otherwise, in this Placement Document, we have included the following financial statements of our Company, its Subsidiaries and the Employee Stock Option Plan Trust, prepared in accordance with the Indian Accounting Standards ("**Ind AS**") prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended:

a) the audited condensed interim consolidated financial statements of our Company, its Subsidiaries and the Employees stock Option Trust as at and for the six months period ended September 30, 2026, prepared in accordance with Ind AS 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India (the "**Audited Condensed Interim Financial Statements for September 2026**"). The Audited Condensed Interim Financial Statements for

September 2026 have been audited by our Statutory Auditors, on which they have issued the audit report dated October 15, 2026;

b) the audited condensed interim consolidated financial statements of our Company, its Subsidiaries and the Employees stock Option Trust as at and for the six months period ended September 30, 2025, prepared in accordance with Ind AS 34, "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India (the "**Audited Condensed Interim Financial Statements for September 2025**"). The Audited Condensed Interim Financial Statements for September 2025 have been audited by our Statutory Auditors, on which they have issued the audit report dated October 14, 2025;

c) the audited consolidated financial statements of our Company, its Subsidiaries and the Employee Stock Option Plan Trust as at and for the Fiscal ended March 31, 2026, prepared in accordance with the Ind AS prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended (collectively, the "**Audited Financial Statements for Fiscal 2026**"). The Audited Financial Statements for Fiscal 2026 have been audited by our Statutory Auditors, on which they have issued the audit report dated April 21, 2026;

d) the audited consolidated financial statements of our Company, its Subsidiaries and the Employee Stock Option Plan Trust as at and for the Fiscal ended March 31, 2025, prepared in accordance with the Ind AS notified under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended (collectively, the "**Audited Financial Statements for Fiscal 2025**"). The Audited Financial Statements for Fiscal 2025 have been audited by our Erstwhile Statutory Auditors, on which they have issued the audit report dated April 23, 2025, which is included under the "*Financial Information*" section on page 103. The audited consolidated financial information as at and for the Fiscal ended March 31, 2025, included in this Placement Document has been re-presented, reclassified or regrouped to conform to the presentation adopted in the comparative figures in the Audited Financial Statements for Fiscal 2026. Such re-presented financial information has not been audited by our Erstwhile Statutory Auditors, and the audit report of our Erstwhile Statutory Auditors dated April 23, 2025, relates only to the Audited Financial Statements for Fiscal 2025; and

e) the audited consolidated financial statements of our Company, its Subsidiaries and the Employee Stock Option Plan Trust as at and for the Fiscal ended March 31, 2024, prepared in accordance with the Ind AS prescribed under Section 133 of the Companies Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended (collectively, the "**Audited Financial Statements for Fiscal 2024**"). The Audited Financial Statements for Fiscal 2024 have been audited by our Erstwhile Statutory Auditors, on which they have issued the audit report dated April 21, 2024, which is included under the "*Financial Information*" section on page 103. The audited consolidated financial information as at and for the Fiscal ended March 31, 2024, included in this Placement Document has been re-presented, reclassified or regrouped to conform to the presentation adopted in the comparative figures in the Audited Financial Statements for Fiscal 2026. Such re-presented financial information has not been audited by our Erstwhile Statutory Auditors, and the audit report of our Erstwhile Statutory Auditors dated April 21, 2024, relates only to the Audited Financial Statements for Fiscal 2024.

Unless the context requires otherwise or indicates otherwise, in this Placement Document, we have included the audited annual consolidated financial statements of Nagarro SE as of and for the years from January 1, 2024 to December 31, 2024 and January 1, 2025 to December 31, 2025, prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "**IFRS Accounting Standards**"), as adopted by the European Union (hereinafter referred to as "**EU**") and the additional requirements pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] (collectively, the "**Nagarro Financial Statements**"). The Nagarro Financial Statements have been audited by the Nagarro Auditors, who have issued (i) audit reports dated May 14, 2025 and June 20, 2025 (limited to the assessment of the ESEF documents specified in the information on the supplementary audit) in respect of the audited annual consolidated financial statements for the year ended December 31, 2024; and (ii) audit report dated April 27, 2026 in respect of the audited annual consolidated financial statements for the year ended December 31, 2025. The Nagarro Financial Statements and the respective auditor's reports included under "*Financial Information*" on page 103 are translations of the respective German language documents.

For further details, see "*Statutory Auditors*" beginning on page 837.

The Audited Condensed Interim Financial Statements for September 2026, the Audited Condensed Interim Financial Statements for September 2025, the Audited Consolidated Financial Statements and the Nagarro Financial Statements should be read along with the respective audit reports. The (i) Audited Condensed Interim Financial Statements for September 2026, the Audited Condensed Interim Financial Statements for September 2025 and the Audited Financial Statements for Fiscal 2026 have been audited by B S R & Co. LLP; and (ii) Audited Financial Statements for Fiscal 2025 and the Audited Financial Statements for Fiscal 2024 have been audited by our Erstwhile Statutory Auditors, Walker Chandiok & Co LLP, whose reports are included under the "*Financial Information*" section on page 103.

The Audited Condensed Interim Financial Statements for September 2026, the Audited Condensed Interim Financial Statements for September 2025 and the Audited Consolidated Financial Statements have been subjected to an audit that has been performed in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Companies Act. Except as specifically indicated otherwise and unless the context requires otherwise, (i) all the consolidated financial information for the six months period ended September 30, 2026 and September 30, 2025 has been derived from the Audited Condensed Interim Financial Statements; (ii) the consolidated financial information as at and for the years ended March 31, 2026, March 31, 2025 and March 31, 2024 in this Placement Document has been derived from the respective Audited Financial Statements for Fiscal 2026, Audited Financial Statements for Fiscal 2025 and the Audited Financial Statements for Fiscal 2024, respectively; and (iii) the financial information for Nagarro SE as at and for the years ended December 31, 2025 and December 31, 2024 has been derived from the Nagarro Financial Statements.

Given that our Company intends to utilize the Net Proceeds towards, *inter alia*, the Proposed Acquisition, the financial information of Nagarro included in this Placement Document has been included to provide information in relation to the financial position and financial performance of Nagarro. The Nagarro Financial Statements have been prepared in accordance with the accounting standards applicable to Nagarro and the requirements applicable in the jurisdiction of its incorporation and, accordingly, may not be comparable with the financial information of our Company included elsewhere in this Placement Document. The Nagarro Financial Statements are denominated in Euro (€). For the purposes of presentation in this Placement Document, the Nagarro Financial Statements have been converted from Euro (€) into Indian Rupees (INR or ₹) by the independent chartered accountant appointed for the purpose of this Issue.

Our Company prepares its annual financial statements in accordance with Ind AS. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, including generally accepted accounting principles followed in the U.S. ("**U.S. GAAP**") or International Financial Reporting Standards ("**IFRS**"). Our Company does not attempt to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Placement Document, nor does it provide a reconciliation of its Audited Consolidated Financial Statements and the Audited Condensed Interim Financial Statements to IFRS or U.S. GAAP. Accordingly, the degree to which the Audited Consolidated Financial Statements and the Audited Condensed Interim Financial Statements included in this Placement Document will provide meaningful information is entirely dependent on the reader's familiarity with the respective Indian accounting policies and practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Placement Document should accordingly be limited. Prospective investors are advised to consult their advisors before making any investment decision. For further details, also see the section "*Risk Factors – Our financial statements are prepared under Indian Accounting Standards (Ind AS), which differ in certain respects from IFRS and U.S. GAAP, and investors may find it difficult to compare our financial information with that of companies reporting under those frameworks.*" on page 78.

The information on our Company's website shall not form a part of this Placement Document.

Non-GAAP financial measures

We have included certain non-GAAP financial measures relating to our operations and financial performance (together, "**Non-GAAP Measures**" and each, a "**Non-GAAP Measure**") such as EBIT (excluding other income), EBIT (excluding other income) Margin (%) and Profit for the period/ year margin (%), as well as certain other metrics based on or derived from those Non-GAAP Financial Measures in this Placement Document. These Non-GAAP Measures are not required by or presented in accordance with Ind AS. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or U.S. GAAP and should not be considered in isolation or construed as an alternative to profit / (loss) for the years, cash flows, liquidity or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind

AS, Indian GAAP, IFRS or U.S. GAAP. We compute and disclose such Non-GAAP Measures and similar other statistical information relating to our operations and financial performance as we consider this information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the financial performance of our Company, many of which provide such Non-GAAP Measures and other statistical and operational information when reporting their financial results. However, note that these Non-GAAP Measures and other statistical information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial measures and statistical information of similar nomenclature that may be computed and presented by other companies. The presentation of these Non-GAAP Measures is not intended to be considered in isolation or as a substitute for the financial statements included in this Placement Document. Prospective investors should read this information in conjunction with the financial statements included in "*Financial Information*" and "*Risk Factors – This Placement Document contains certain non-GAAP measures, and such measures have inherent limitations and should not be unduly relied upon. These non-GAAP measures may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies"* on pages 103 and 67, respectively.

INDUSTRY AND MARKET DATA

Information regarding market size, market share, market position, growth rates, other industry data and certain industry forecasts pertaining to our business contained in this Placement Document consists of estimates based on data reports compiled by government bodies, professional organizations and industry publications and analysts, data from other external sources and knowledge of the markets in which we compete.

Unless stated otherwise, statistical information, industry and market data used throughout this Placement Document has been obtained from the report titled "*Digital Engineering and IT Services*" dated October 19, 2026 (the **"Zinnov Report**"), which is a report exclusively commissioned and paid for by our Company and prepared and issued by Zinnov Management Consulting Private Limited in connection with the Issue. Zinnov Management Consulting Private Limited is not related in any manner to our Company and the Lead Managers.

This data is subject to change and cannot be verified with complete certainty due to limits on the availability and reliability of the raw data and other limitations and uncertainties inherent in any statistical survey. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information**.** Neither the accuracy nor completeness of information contained in the Zinnov Report is guaranteed and the opinions expressed are not recommendations to buy, sell or hold an instrument. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in "*Risk Factors – We have commissioned an industry report from Zinnov that is based on estimates, assumptions and projections that may prove to be inaccurate"* on page 65. Further, the calculation of certain statistical and/or financial information/ratios specified in the sections titled "*Summary of Business*" on page 785 and "*Risk Factors*" on page 36 and otherwise in this Placement Document may vary from the manner such information is calculated under, and for the purposes of, and as specified in, the Zinnov Report. Data from these sources may also not be comparable. The extent to which the market and industry data used in this Placement Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data.

Our Company takes responsibility for accurately reproducing such information but accepts no further responsibility in respect of such information and data. In many cases, there is no readily available external information (whether from trade or industry associations, government bodies or other organisations) to validate market-related analysis and estimates, so our Company has relied on internally developed estimates. Similarly, while our Company believes its internal estimates to be reasonable, such estimates have not been verified by an independent source and neither our Company nor the Lead Managers can assure potential investors as to their accuracy.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Placement Document that are not statements of historical fact constitute "forward-looking statements." Prospective investors can generally identify forward-looking statements by terminology such as but not limited to "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "can", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", "will likely result", "is likely", "are likely", 'believe', "expect", "expected to", "will continue", "will achieve", or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

The forward-looking statements appear in a number of places throughout this Placement Document and include statements regarding the intentions, beliefs or current expectations of our Company concerning, amongst other things, the expected results of operations, financial condition, liquidity, prospects, growth, strategies and dividend policy of our Company and the industry in which we operate. In addition, even if the result of operations, financial conditions, liquidity and dividend policy of our Company, and the development of the industry in which we operate, are consistent with the forward-looking statements contained in this Placement Document, those results or developments may not be indicative of results or developments in subsequent periods.

All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Placement Document that are not historical facts. These forward-looking statements contained in this Placement Document (whether made by us or any third party) involve known and unknown risks, uncertainties, assumptions and other factors that may cause our actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. By their nature, market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net interest income and net income could materially differ from those that have been estimated, expressed or implied by such forward looking statements or other projections. Important factors that could cause our actual results, performances and achievements to be materially different from any of the forward-looking statements include, among others:

- We derive a substantial majority of our revenue from operations from clients located in North America, particularly the United States, and adverse economic conditions or reduced IT spending in the United States could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- We derive a significant portion of our revenue from a limited number of operating segments, and a downturn in any of these segments could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- We may be unable to effectively manage our growth, which could place significant strain on our management personnel, systems and resources.

- Our past growth rates may not be indicative of our future growth, and if we are unable to manage our growth or any business diversification initiatives, adapt to evolving customer demands and market trends, and execute our strategies effectively, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

- We derive a significant portion of our revenue from a limited number of clients, and the loss of, or a significant reduction in revenue from, any of our major clients could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- Our clients may reduce the scope of, or choose not to renew, their engagements with us, or may terminate contracts before completion and without cause, notwithstanding any long-term agreements we have with them, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- Our business depends on our ability to attract, train and retain highly skilled professionals, and our failure to do so could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- Our clients may reduce their outsourcing budgets or bring services in-house, which could reduce our revenue and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

- If we are unable to maintain optimal resource utilization levels and improve employee productivity, our margins and profitability could be materially and adversely affected.

- We require approval from the Reserve Bank of India for overseas direct investment in connection with the Nagarro Acquisition, and any delay or refusal of such approval or any conditions imposed by the RBI, could delay or prevent the closing of the Nagarro Acquisition or restrict our future overseas investments.

All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Additional factors that could cause our actual results, performance or achievements to materially differ include but are not limited to, those discussed in "*Risk Factors*", "*Summary of Industry*" and "*Summary of Business*" on pages 36, 750 and 785, respectively.

The forward-looking statements contained in this Placement Document are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although we believe that the expectations reflected in such forward-looking statements are reasonable at this time, we cannot assure investors that such expectations will prove to be correct. Given these uncertainties, investors are cautioned not to rely on such forward-looking statements. In any event, these statements speak only as of the date of this Placement Document or the respective dates indicated in this Placement Document, and our Company and the Lead Managers expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward looking statements contained herein to reflect any changes in our Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. If any of these risks and uncertainties materialize, or if any of our underlying assumptions prove to be incorrect, our actual results of operations, cash flows or financial condition of our Company or our Subsidiaries could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

ENFORCEMENT OF CIVIL LIABILITIES

Our Company is a public limited company, limited by shares, incorporated under the laws of India. Majority of our Directors, Key Managerial Personnel and Senior Management named herein are residents of India and a substantial portion of the assets of our Company and of such persons are located in India. As a result, it may be difficult or may not be possible for the prospective investors outside India to effect service of process upon our Company or such persons in India, or to enforce judgments obtained in courts outside India against them.

India is not a signatory to any international treaty in relation to the recognition or enforcement of foreign judgments. However, recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the Code of Civil Procedure, 1908, as amended ("**Civil Procedure Code**"). Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive as to any matter thereby directly adjudicated upon between the same parties or parties litigating under the same title except:

(a) where the judgment has not been pronounced by a court of competent jurisdiction;

(b) where the judgment has not been given on the merits of the case;

(c) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases where such law is applicable;

(d) where the proceedings in which the judgment was obtained were opposed to natural justice;

(e) where the judgement has been obtained by fraud; and

(f) where the judgement sustains a claim founded on a breach of any law in force in India.

A foreign judgement which is conclusive under Section 13 of the Civil Procedure Code may be enforced either by a fresh suit upon the judgement or by proceedings in execution. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the foreign judgment had been rendered by a competent court in India. Under Section 14 of the Civil Procedure Code, a court in India will, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the foreign judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record but such presumption may be displaced by proving want of jurisdiction. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty and is not applicable to arbitration awards. The execution of a foreign decree under Section 44A of the Civil Procedure Code is also subject to the exceptions under Section 13 of the Civil Procedure Code.

A total of 11 territories have been declared to be reciprocating territories within the meaning of Section 44A of the Civil Procedure Code by the Government of India, comprising United Kingdom, Aden (Yemen), Fiji, Republic of Singapore, Federation of Malaysia, Trinidad and Tobago, New Zealand, the Cook Islands (including Niue) and the Trust Territories of Western Samoa, Hong Kong, Papua New Guinea, Bangladesh and United Arab Emirates. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the Civil Procedure Code. A foreign judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit based upon the foreign judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. Accordingly, a judgment of a court in the United States may be enforced only by a fresh suit upon the foreign judgment and not by proceedings in execution. Further, any judgment or award denominated in a foreign currency would be converted into Indian Rupees on the date of such judgment or award and not on the date of payment.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it views the amount of damages awarded as excessive or inconsistent with public policy of India, and it is uncertain whether an Indian court would enforce foreign judgments that would contravene or violate Indian law. A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI to repatriate outside India any amount recovered pursuant to execution of such foreign judgement, and we cannot assure that such approval will be forthcoming within a reasonable period of time, or at all, or that conditions of such approvals would be acceptable and additionally, and any such amount may be subject to tax in accordance with applicable laws. Our Company

and the Lead Managers cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

EXCHANGE RATE INFORMATION

Fluctuations in the exchange rate between the Indian Rupee and the foreign currencies will affect the foreign currency equivalent of the Indian Rupee price of the Equity Shares traded on the Stock Exchanges. These fluctuations will also affect the conversion into foreign currencies of any cash dividends paid in Indian Rupees on the Equity Shares.

The following table sets forth information, for or as of the end of the period indicated with respect to the exchange rates between the Indian Rupee and (i) the U.S. dollar (in ₹ per USD); and (ii) the Euro (in ₹ per EUR) for the years/periods indicated. The exchange rates are based on the reference rates released by the RBI, which are available on the website of the RBI. No representation is made that any Indian Rupee amounts could have been, or could be, converted into U.S. dollars at any particular rate, the rates stated below, or at all.

(i) U.S. dollar

(₹ per US$)

Period	Period end[(1)]	Average[(2)]	High[(3)]	Low[(4)]
Fiscal*[*]:				
2026	94.65	88.31	94.65	83.86
2025	85.58	84.57	87.59	83.07
2024	83.37	82.79	83.40	81.65
Month ended*[*]:				
September 30, 2026	95.98	95.46	96.03	94.45
August 31, 2026	95.45	95.47	95.75	95.12
July 31, 2026	95.37	95.82	96.54	94.73
June 30, 2026	94.60	94.97	95.78	94.28
May 31, 2026	95.38	95.60	96.84	96.44
April 30, 2026	95.24	93.55	95.24	92.56

Source: www.rbi.org.in

Notes:

[(1)] The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.

[(2)] Represents the average of the official rate for each Working Day of the relevant period.

[(3)] Maximum of the official rate for each Working Day of the relevant period.

[(4)] Minimum of the official rate for each Working Day of the relevant period.

[*]In the event that the RBI/FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The RBI / FBIL reference rates are rounded off to two decimal places.

(ii) Euro

(₹ per EUR)

Period	Period end[(1)]	Average[(2)]	High[(3)]	Low[(4)]
Fiscal*[*]:				
2026	109.01	102.46	110.23	92.39
2025	92.32	90.76	95.14	88.11
2024	90.22	89.80	92.45	87.07
Month ended*[*]:				
September 30, 2026	108.94	109.92	111.15	108.94
August 31, 2026	110.61	110.60	111.97	109.72
July 31, 2026	109.82	109.48	110.44	108.03
June 30, 2026	107.72	109.47	111.26	107.36
May 31, 2026	111.11	111.65	112.37	110.82
April 30, 2026	111.07	109.37	111.07	107.26

Source: www.rbi.org.in

Notes:

[(1)] The price for the period end refers to the price as on the last trading day of the respective fiscal year or monthly periods.

[(2)] Represents the average of the official rate for each Working Day of the relevant period.

[(3)] Maximum of the official rate for each Working Day of the relevant period.

[(4)] Minimum of the official rate for each Working Day of the relevant period.

[*]In the event that the RBI/FBIL reference rate is not available on a particular date due to a public holiday, exchange rates of the previous Working Day have been considered. The RBI / FBIL reference rates are rounded off to two decimal places.

DEFINITIONS AND ABBREVIATIONS

This Placement Document uses the definitions and abbreviations set forth below, which you should consider when reading the information contained herein. The following list of certain capitalized terms used in this Placement Document is intended for the convenience of the reader / prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Placement Document shall have the meaning as defined hereunder. Further, any references to any statute, rules, agreements, guidelines or regulations or policies shall include amendments made thereto, from time to time.

The words and expressions used in this Placement Document but not defined herein, shall have, to the extent applicable, the meaning ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder. Notwithstanding the foregoing, terms used in "*Taxation*", "*Summary of Industry*", "*Outstanding Litigation and Legal Proceedings*" and "*Financial Information*" on pages 826, 750, 833, and 103, respectively, shall have the meaning given to such terms in such sections.

General terms

Term	Description
'Company', 'Our Company', 'the Company', 'the Issuer'	Persistent Systems Limited, a public limited company incorporated under the Companies Act, 1956
'us', 'we', or 'our'	Unless the context otherwise indicates or implies, refers to our Company, together with its Subsidiaries, on a consolidated basis

Company related terms

Term	Description
Articles / Articles of Association	The articles of association of our Company, as amended from time to time
Audit Committee	The audit committee of our Board and as described in "*Board of directors and Senior Management – Committees of our Board of Directors*" on page 813
Audited Condensed Interim Financial Statements	The audited condensed interim consolidated financial statements of our Company, its Subsidiaries and Employee Stock Option Plan Trust, comprising the condensed interim consolidated balance sheet as at September 30, 2026, the condensed interim consolidated statement of profit and loss (including other comprehensive income) for the quarter and six months period ended September 30, 2026, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated statement of cash flows for the six months period ended September 30, 2026 and notes to the audited condensed interim consolidated financial statements, including material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards 34 "Interim Financial Reporting", prescribed specified under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India and the audited condensed interim consolidated financial statements of our Company, its Subsidiaries and Employee Stock Option Plan Trust, comprising the condensed interim consolidated balance sheet as at September 30, 2025, the condensed interim consolidated statement of profit and loss (including other comprehensive income) for the quarter and six months period ended September 30, 2025, the condensed interim consolidated statement of changes in equity and the condensed interim consolidated statement of cash flows for the six months period ended September 30, 2025 and notes to the audited condensed interim consolidated financial statements, including material accounting policies and other explanatory information prepared in accordance with the Indian Accounting Standards 34 "Interim Financial Reporting", prescribed specified under Section 133 of the Companies Act, 2013, read with the Rule 3 of Companies (Indian Accounting Standards) Rules, 2015 as amended and other accounting principles generally accepted in India.
Audited Consolidated Financial Statements	Collectively, Audited Financial Statements for Fiscal 2026, Audited Financial Statements for Fiscal 2025 and Audited Financial Statements for Fiscal 2024
Audited Financial Statements for Fiscal 2024	Audited consolidated financial statements as of and for the year ended March 31, 2024 comprising the consolidated balance sheet as at March 31, 2024, the consolidated statement of profit and loss (including other comprehensive income), the consolidated

Term	Description
	statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2024 and notes to the consolidated financial statements, including a material accounting policies and other explanatory information prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.
Audited Financial Statements for Fiscal 2025	Audited consolidated financial statements as of and for the year ended March 31, 2025 comprising the consolidated balance sheet as at March 31, 2025, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2025 and notes to the consolidated financial statements, including a material accounting policies and other explanatory information prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.
Audited Financial Statements for Fiscal 2026	Audited consolidated financial statements as of and for the year ended March 31, 2026 comprising the consolidated balance sheet as at March 31, 2026, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended March 31, 2026 and notes to the consolidated financial statements, including material accounting policies and other explanatory information prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) rules, 2015 notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013.
BidCo	Galaxy Germany Holding SE, the wholly owned German subsidiary through which our Company is acquiring shares in Nagarro SE, a company incorporated in Germany
Board of Directors / Board	The board of directors of our Company, or a duly constituted committee thereof
Business Combination Agreement / BCA	The business combination agreement dated June 26, 2026, entered amongst our Company, Galaxy Germany Holding SE and Nagarro SE
CCPS	Series A Participatory Cumulative Optionally Convertible Preference Shares of ₹100.00 each
CSPL	Capiot Software Private Limited, an erstwhile wholly owned subsidiary of our Company
Chairman and Managing Director / Chairman / Managing Director	The chairman and managing director of our Company, namely Dr. Anand Suresh Deshpande
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company, namely Amit Atre
Corporate Social Responsibility Committee / CSR Committee	The corporate social responsibility committee of our Board and as described in "*Board of directors and Senior Management – Committees of our Board of Directors*" on page 813
Director(s)	Director(s) of our Company, unless otherwise specified
Employee Stock Option Schemes	Collectively, the Persistent Employee Stock Option Scheme 2014 and Persistent Systems Limited - Employee Stock Option Plan 2017
Equity Share(s)	The equity shares of face value ₹5.00 each of our Company
Erstwhile Statutory Auditors	The erstwhile statutory auditors of our Company, namely, Walker Chandiok & Co LLP, bearing a firm registration number 001076N/N500013, whose term as statutory auditors of our Company ended on completion of their term at the AGM of our Company held on July 21, 2025
ESOP 2017	Persistent Systems Limited - Employee Stock Option Plan 2017
Executive Director(s)	The executive director(s) of our Company, namely, Dr. Anand Suresh Deshpande, Sandeep Kumar Kalra and Vinit Ajit Teredesai
Executive Director and Chief Executive Officer	The executive director and chief executive officer of our Company, namely Sandeep Kumar Kalra
Executive Director and Chief Financial Officer	The executive director and chief financial officer and whole-time director of our Company, namely Vinit Ajit Teredesai
FEMA Clearance	Receipt of prior approval from the RBI under (a) Rule 9(3)(ii) of the Foreign Exchange Management (Overseas Investment) Rules, 2022 ("**OI Rules**") read with Paragraph 5 of the Master Direction – Overseas Investment dated July 24, 2024 issued by the RBI ("**OI Direction**") for the financial commitment exceeding USD 1 (one) billion in financial year 2026-27; and (b) Rule 19(3) of the OI Rules read with Paragraph 20 of the OI Direction for the financial commitment resulting in an overseas structure that has invested in India with more than two layers of subsidiaries
Independent Director(s)	The independent directors of our Company, namely Arvind Hari Goel, Dr. Ambuj Goyal, Anjali Joshi, Praveen Purushottam Kadle, Dan'l Lewin, Avani Vishal Davda

Term	Description
	and Dr. Ajit Keshav Ranade
Key Managerial Personnel	Key managerial personnel of our Company in terms of Section 2(51) of the Companies Act
Lantano SPA	The share purchase agreement dated June 26, 2026, entered into amongst our Company, Galaxy Germany Holding SE and Lantano Beteiligungen GmbH
Material Subsidiary	Persistent Systems Inc.
Memorandum / Memorandum of Association	The Memorandum of Association of our Company, as amended from time to time
Nagarro	Nagarro SE, a European stock corporation (Societas Europaea) established under the laws of Germany with its corporate seat in Munich, Germany, and listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange
Nagarro Auditors	The statutory auditors of Nagarro SE, namely, KPMG AG Wirtschaftsprüfungsgesellschaft, Germany
Nagarro Financial Statements	Audited consolidated financial statements of Nagarro SE as at and for the financial years ended December 31, 2024 and December 31, 2025, comprising the consolidated statement of financial position as at December 31, 2024 and December 31, 2025, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the years from January 1, 2024 to December 31, 2024 and January 1, 2025 to December 31, 2025, and the notes to the consolidated financial statements including significant information on the accounting policies, prepared in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code]
Nagarro Shares	The registered shares of Nagarro
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board and as described in "*Board of directors and Senior Management – Committees of our Board of Directors*" on page 813
PESOS 2014	Persistent Employee Stock Option Scheme 2014
Proposed Acquisition / Nagarro Acquisition	The proposed acquisition of Nagarro SE by Galaxy Germany Holding SE, subject to applicable laws and regulations, pursuant to (i) the Lantano SPA; and (ii) the offer document dated August 6, 2026 published in relation of the Takeover Offer
Promoters	The promoters of our Company, namely, Dr. Anand Suresh Deshpande and Suresh Purushottam Deshpande
Promoter Group / members of the Promoter Group	The individuals and entities forming part of our promoter group in accordance with Regulation 2(1)(pp) of the SEBI ICDR Regulations
Registered and Corporate Office	The registered and corporate office of our Company, situated at Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India
Risk Management Committee	The risk management committee of our Board and as described in "*Board of directors and Senior Management – Committees of our Board of Directors*" on page 813
Senior Management	The senior management personnel of our Company. For further details, see "*Board of Directors and Senior Management*" on page 806
Shareholders	Persons holding Equity Shares of our Company, unless otherwise specified in the context thereof
Special Committee	The special committee of our Board, comprising Dr. Anand Suresh Deshpande, Sandeep Kumar Kalra, Vinit Ajit Teredesai and Praveen Purushottam Kadle, formed pursuant to a resolution dated October 15, 2026, passed by our Board
Stakeholders' Relationship and ESG Committee	The stakeholders' relationship and ESG committee of our Board and as described in "*Board of directors and Senior Management – Committees of our Board of Directors*" on page 813
Statutory Auditors	The current statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Subsidiaries	The subsidiaries of our Company and as described in "*Organizational Structure*" on page 799
Takeover Offer	The voluntary public takeover offer made by Galaxy Germany Holding SE to the shareholders of Nagarro for the acquisition of Nagarro Shares at an offer price of EUR 81.00 per Nagarro Share
Zinnov	Zinnov Management Consulting Private Limited
Zinnov Report	Industry report titled "*Digital Engineering and IT services*" dated October 19, 2026 prepared and issued by Zinnov, commissioned and paid for by our Company, exclusively for the purpose of this Issue

Issue related terms

Term	Description
Allocated / Allocation	The allocation of Equity Shares in connection with this Issue, in consultation with the Lead Managers, following the determination of the Issue Price to Eligible QIBs on the basis of Application Forms and Application Amounts submitted by them, in compliance with Chapter VI of the SEBI ICDR Regulations
Allot / Allotment / Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to this Issue
Allottees	Eligible QIBs to whom Equity Shares are to be Allotted pursuant to this Issue
Application Amount	The aggregate amount paid by a Bidder at the time of submitting a Bid in the Issue including any revisions thereof, determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by such Bidder and payable by such Bidder in the Issue on submission of the Application Form
Application Form	Serially numbered, specifically addressed bid cum application-form (including any revisions thereof), which was submitted by the Eligible QIBs for registering a Bid in the Issue
Bid(s)	An indication of interest by an Eligible QIB' interest, including all revisions and modifications of interest, as provided in the Application Form, to subscribe for Equity Shares to be issued pursuant to this Issue. The term "Bidding" shall be construed accordingly
Bid Amount	The amount determined by multiplying the price per Equity Share indicated in the Bid by the number of Equity Shares Bid for by Eligible QIBs and payable by the Eligible QIBs in the Issue on submission of the Application Form
Bidder(s)	An Eligible QIB who made a Bid pursuant to the terms of the Preliminary Placement Document and this Placement Document
CAN / Confirmation of Allocation Note	Note or advice or intimation confirming the Allocation of Equity Shares to such Successful Bidders after determination of the Issue Price
Category I FPIs	FPIs who are registered as "Category I foreign portfolio investor" under the SEBI FPI Regulations
Closing Date	The date on which the Allotment of the Equity Shares pursuant to this Issue was made, i.e. on or about October 26, 2026
Designated Date	The date of credit of Equity Shares to the Allottees' demat accounts pursuant to the Issue, as applicable to the relevant Allottees
Eligible FPI(s)	Foreign portfolio investor, as defined under the SEBI FPI Regulations (other than individuals, corporate bodies and family offices), and including persons who have been registered under the SEBI FPI Regulations, that are eligible to participate in this Issue
Eligible QIB(s)	QIBs, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations that are eligible to participate in the Issue and which are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations and are not restricted from participating in the Issue under the applicable laws. Further, FVCIs are not permitted to participate in the Issue and accordingly, are not Eligible QIBs. For further details, see "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 840, 865 and 872, respectively
Escrow Account	Special non-interest bearing, no-lien, current bank account without any cheques or overdraft facilities, opened in the name and style "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Bank, subject to the terms of the Escrow Agreement, into which the Bid Amount has been deposited by Eligible QIBs and from which refunds, if any, shall be remitted to unsuccessful bidder, as set out in the Application Form
Escrow Bank	Kotak Mahindra Bank Limited
Escrow Agreement	The escrow agreement dated October 21, 2026, entered into by and amongst our Company, the Escrow Bank, and the Lead Managers for collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Floor Price	The price of ₹5,761.00 per Equity Share, which has been calculated in accordance with Regulation 176 of Chapter VI of the SEBI ICDR Regulations Our Company has offered a discount of 3.66% on the Floor Price in accordance with the approval of the shareholders of our Company accorded by way of a special resolution passed on October 5, 2026 and in terms of Regulation 176(1) of the SEBI ICDR Regulations
Fraudulent Borrower	An entity or person categorised as a fraudulent borrower by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended
Gross Proceeds	The gross proceeds from the Issue that will be available to our Company pursuant to this Issue
Independent Chartered Accountant	The independent chartered accountant of our Company, namely, B.B. & Associates, Chartered Accountants
Issue	The offer, issue and Allotment of 7,683,981 Equity Shares to Eligible QIBs pursuant to Chapter VI of the SEBI ICDR Regulations and the applicable provisions of the Companies Act and the rules made thereunder
Issue Closing Date	The date after which our Company (or Lead Managers on behalf of our Company) ceased acceptance of Application Forms and the Application Amount, being October 26, 2026
Issue Opening Date	The date on which our Company (or the Lead Managers on behalf of our Company) commenced acceptance of the Application Forms and the Application Amount, being October 21, 2026
Issue Period	The period between the Issue Opening Date and Issue Closing Date, inclusive of both dates, during which Eligible QIBs submitted their Bids along with the Application Amount
Issue Price	₹5,550.00 per Equity Share
Issue Size	The issue of 7,683,981 Equity Shares, aggregating to ₹42,646.09 million
Lead Manager(s)	J.P. Morgan India Private Limited, IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) and HSBC Securities and Capital Markets (India) Private Limited
Monitoring Agency	CRISIL Ratings Limited
Monitoring Agency Agreement	Agreement dated October 21, 2026, entered by and amongst our Company and the Monitoring Agency in relation to the responsibilities and obligations of the Monitoring Agency for monitoring the utilisation of the Gross Proceeds.
Mutual Fund	A mutual fund registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 2026
Net Proceeds	The net proceeds from the Issue, after deducting fees, commissions and expenses of the Issue
Placement Agreement	The agreement dated October 21, 2026, entered by and amongst our Company and the Lead Managers
Placement Document	This placement document dated October 26, 2026 issued by our Company in accordance with Chapter VI of the SEBI ICDR Regulations and Section 42 of the Companies Act and the rules made thereunder
Preliminary Placement Document	The preliminary placement document along with the Application Form dated October 21, 2026 issued in accordance with Chapter VI of the SEBI ICDR Regulations and the provisions of Companies Act, 2013 and the rules made thereunder
QIBs / Qualified Institutional Buyers	A qualified institutional buyer as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations
QIP	Qualified institutions placement under Chapter VI of the SEBI ICDR Regulations and applicable provisions of the Companies Act, 2013 read with applicable rules
Refund Amount	The aggregate amount to be returned to the Bidders, who have not been Allocated Equity Shares for all or a part of the Application Amount submitted by such Bidder pursuant to the Issue
Refund Intimation	The intimation from our Company to relevant Bidders confirming refund of the Refund Amount to their respective bank accounts
Relevant Date	October 21, 2026, which is the date of the meeting wherein the Board of Directors or a duly authorized committee thereof decided to open the Issue
Securities Act / U.S. Securities Act / United States Securities Act	The United States Securities Act of 1933, as amended
Stock Exchanges	BSE and NSE
Successful Bidders	The Bidders who have Bid at or above the Issue Price, duly paid the Application Amount along with the Application Form and who will be Allocated Equity Shares in the Issue
U.S. / United States	The United States of America
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations
Working Day	Any day other than second and fourth Saturday of the relevant month or a Sunday or a public holiday or a day on which scheduled commercial banks are authorised or obligated by law to remain closed in Mumbai, India

Conventional and general terms / abbreviations

Term	Description
AGM	Annual General Meeting
AI Guidelines	The India AI Governance Guidelines issued by the Ministry of Electronics and Information Technology on November 5, 2025
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
ASM	Additional Surveillance Measures
Baa3	India's sovereign credit rating "with a stable outlook by Moody's Investors Service"
Bafin	The German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*)
BBB-	India's sovereign credit rating "with a stable outlook by S&P Global Ratings and Fitch Ratings"
BIS	Bank for International Settlements
BRSR	Business Responsibility and Sustainability Report, which our Company is required to prepare and disclose pursuant to the SEBI Listing Regulations
BRSR Core	Business Responsibility and Sustainability Report Core
BSE	BSE Limited
CAGR	Compound annual growth rate
Calendar Year	Year ending on December 31
CCI	The Competition Commission of India
CCPA/CPRA	The California Consumer Privacy Act as amended by the California Privacy Rights Act
CDSL	Central Depository Services (India) Limited
CIN	Corporate identification number
Civil Procedure Code or CPC	The Code of Civil Procedure, 1908
Companies Act	The Companies Act, 2013 and applicable provisions of the Companies Act, 1956
Companies Act, 1956	The Companies Act, 1956 along with the relevant rules made thereunder
Companies Act, 2013	The Companies Act, 2013, along with the relevant rules made and clarifications issued thereunder
Consolidated FDI Policy	The Consolidated Foreign Direct Investment Policy notified by the DPIIT by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020 effective from October 15, 2020
Criminal Procedure Code or CrPC	The Code of Criminal Procedure, 1973
Depositories	CDSL and NSDL
Depositories Act	The Depositories Act, 1996
Depository Participant or DP	A depository participant as defined under the Depositories Act
DORA	The EU's Digital Operational Resilience Act
DP ID Number	Depository participant identification number
DPDP Act or DPDPA	The Digital Personal Data Protection Act, 2023
DPDP Rules	The Digital Personal Data Protection Rules, 2025
DPIIT	Department for Promotion of Industry and Internal Trade
EGM	Extraordinary general meeting
ESG	Environmental, social and governance
ESOPs	Employee stock option plans
EU	European Union
EU AI Act	The European Union's Artificial Intelligence Act
FBIL	Financial Benchmarks India Limited
FDA	Food and Drug Administration
FDI	Foreign Direct Investment
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations issued thereunder
FEMA Rules	The Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal	The period of 12 months ended March 31 of that particular year, unless otherwise stated
Form PAS-4	Form PAS-4 as prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations and includes a person who has been registered under the SEBI FPI Regulations
FPI Master Circular	SEBI Master Circular for Foreign Portfolio Investors, Designated Depository Participants and Eligible Foreign Investors dated May 30, 2024, bearing reference number SEBI/HO/AFD/AFD-PoD-2/P/CIR/2024/70

Term	Description
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investor, as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, registered with SEBI
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GDPR	The General Data Protection Regulation
General Meeting	AGM or EGM
GoI or Government	Government of India
GSM	Graded Surveillance Measures
GST	Goods and Services Tax
HIPAA	The Health Insurance Portability and Accountability Act
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
IFRS Accounting Standards	IFRS Accounting Standards issued by the International Accounting Standards Board (IASB)
Income Tax Act, 2025/I.T. Act	The Income Tax Act, 2025
Income Tax Rules	The Income Tax Rules, 2025
Ind AS	Indian Accounting Standards, notified by the MCA under section 133 of the Companies Act, 2013, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
Indian GAAP	Indian Accounting Standards as notified under Section 133 of the Companies Act read with Companies (Accounting Standards) Rules, 2021, as amended
MAT	Minimum Alternate Tax
MCA	Ministry of Corporate Affairs, GoI
MoF	Ministry of Finance, GoI
NIFTY IT and NIFTY 50	NSE benchmark indices, shown for sector and broad market comparison respectively
Non-Resident Indian or NRI	An individual resident outside India who is citizen of India
Non-Resident or NR	A person resident outside India, as defined under the FEMA
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OECD	The Organisation for Economic Co-operation and Development
OI Directions	Foreign Exchange Management (Overseas Investment) Regulations, 2022
OI Laws	Collectively, the Foreign Exchange Management (Overseas Investment) Rules, 2022, Foreign Exchange Management (Overseas Investment) Regulations, 2022 and the Master Direction – Overseas Investment dated July 24, 2024, issued by the RBI
OI Rules	Foreign Exchange Management (Overseas Investment) Rules, 2022
P.A. or p.a.	Per annum
PAN	Permanent Account Number allotted under the I.T. Act
PAS Rules	The Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended
PAT	Profit after tax
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act of 1933
RoC or Registrar	Registrar of Companies, Maharashtra at Pune
SCR (SECC) Regulations	The Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations), Regulations, 2018
SCRA	The Securities Contracts (Regulation) Act, 1956
SCRR	The Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India established under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI FPI Regulations	The Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Insider Trading Regulations	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended
SEBI Listing Regulations	The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Mutual Fund Regulations	The Securities and Exchange Board of India (Mutual Funds) Regulations, 2026
SEBI SBEB Regulations	The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

Term	Description
SEBI Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
STPI	Software Technology Parks of India
U.S.	The United States of America and its territories and possessions
U.S. GAAP	Generally accepted accounting principles in the United States of America
VCF	Venture capital fund
Wilful Defaulter or Fraudulent Borrower	Wilful defaulter or fraudulent borrower as defined under Regulation 2(1)(lll) of the SEBI ICDR Regulations

Business / Technical / Industry-related terms / Abbreviations

Term	Description
ACEA	European Automobile Manufacturers' Association
AI	Artificial intelligence
APIs	Application programming interfaces
BFS	Banking and Financial Services, in the peer-comparison note "Coforge & Mphasis: BFSI includes Banking and Financial Services (BFS) and Insurance"
BFSI	Banking, Financial Services and Insurance
CNCF	Cloud Native Computing Foundation
DII	Digital Intensity Index
EHDS	European Health Data Space
ER&D	Engineering and R&D
ERP	Enterprise resource planning
GCCs	Global Capability Centres
HLS	Healthcare and Life Sciences
MOM	Manufacturing operations management
P&C	Property and casualty
PLM	Product lifecycle management
SIMD	Scientific instruments & medical devices
TMT	Technology, media, and telecommunications

Financial-related terms / Abbreviations

Term	Description
EBIT (excluding other income)	EBIT (excluding other income) is calculated as sum of Net profit for the period/ year, finance costs, total tax expense reduced by other income.
EBIT (excluding other income) Margin (%)	EBIT (excluding other income) divided by revenue from operations.
Profit for the period/ year margin (%)	Net profit for the period/year divided by revenue from operations.

Note: For reconciliation of Non-GAAP Measures, refer "Financial Information – Non-GAAP Measures" on page 112.

SUMMARY OF THE ISSUE

The following is a general summary of the terms of the Issue. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed terms appearing elsewhere in this Placement Document, including under "*Risk Factors*", "*Use of Issue Proceeds*", "*Issue Procedure*", "*Placement*", and "*Description of the Equity Shares*" on pages 36, 88, 840, 854, and 861, respectively.

Issuer	Persistent Systems Limited
Issue Size	Issue of 7,683,981 Equity Shares, aggregating to ₹42,646.09 million* A minimum of 10% of the Issue Size i.e., at least 768,399 Equity Shares, were made available for Allocation to Mutual Funds only, and the balance 6,915,582 Equity Shares were made available for Allocation to all Eligible QIBs, including Mutual Funds. In case of under-subscription or no subscription in the portion available for Allocation to Mutual Funds, such portion or part thereof may be Allotted to other Eligible QIBs. **Subject to allotment of Equity Shares pursuant to the Issue*
Face value	₹5.00 per Equity Share
Floor Price	₹5,761.00 per Equity Share, calculated on the basis of Regulation 176 under Chapter VI of the SEBI ICDR Regulations. In terms of the SEBI ICDR Regulations, the Issue Price cannot be lower than the Floor Price. Our Company has offered a discount of 3.66% on the Floor Price in accordance with the approval of the Shareholders accorded by way of special resolution in Shareholders meeting held on October 5, 2026 and in terms of Regulation 176(1) of the SEBI ICDR Regulations.
Issue Price	₹5,550.00 per Equity Share (including a premium of ₹5,545.00 per Equity Share)
Eligible investors	Eligible QIBs to whom the Preliminary Placement Document and the Application Form were circulated and who were eligible to Bid and participate in the Issue. The list of Eligible QIBs to whom the Preliminary Placement Document and this Placement Document and the Application Form have been delivered was determined by our Company in consultation with the Lead Managers, at its discretion. For further details see "*Issue Procedure - Qualified Institutional Buyers*", "*Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions*" on pages 845, 865, and 872, respectively.
Date of Board resolution authorising the Issue	September 2, 2026
Date of Shareholders resolution authorising the Issue	October 5, 2026
Dividend	See "*Description of the Equity Shares*" and "*Dividends*" on pages 861 and 102, respectively.
Taxation	See "*Taxation*" on page 826
Equity Shares issued, subscribed, paid-up and outstanding immediately prior to the Issue	₹790,750,000 comprising of 158,150,000 Equity Shares of face value of ₹5.00 each, being fully paid-up.
Equity Shares issued, subscribed, paid-up and outstanding immediately after the Issue	₹829,169,905 comprising of 165,833,981 Equity Shares of face value of ₹5.00 each, being fully paid-up.
Issue procedure	The Issue is being made only to Eligible QIBs in reliance on Section 42 of the Companies Act, 2013, read with Rule 14 of the PAS Rules, and all other applicable provisions of the Companies Act, 2013 and Chapter VI of the SEBI ICDR Regulations. For further details, see "*Issue Procedure*" on page 840
Listing and trading	Our Company has obtained in-principle approvals each dated October 21, 2026, from the Stock Exchanges, in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue. Our Company will make applications to each of the Stock Exchanges for the final listing and trading approvals for the Equity Shares pursuant to this Issue after the Allotment and credit of the Equity Shares to the beneficiary account with the Depository Participants.

	The trading of the Equity Shares would be in dematerialised form and only in the cash segment of each of the Stock Exchanges.
Lock-up	For details in relation to lock-up and the restrictions on our Company and Promoters and members of the Promoter Group in relation to the Equity Shares see "*Placement*" on page 854.
Proposed allottees	See "*Proposed Allottees in the Issue*" on page 874 for names of the proposed Allottees and the percentage of post-Issue capital that may be held by them in our Company.
Transferability restriction	The Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of the Stock Exchanges. Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For details in relation to other transfer restrictions, see "*Selling Restrictions"* and *"Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively.
Use of proceeds	The Gross Proceeds from the Issue will be aggregating to ₹42,646.09 million. Subject to compliance with applicable law, the Net Proceeds, after deduction of fees, commissions and estimated expenses of the Issue, will be ₹41,999.10 million. For details see "*Use of Issue Proceeds*" on page 88 for additional information regarding the use of Net Proceeds.
Risk factors	For details see "*Risk Factors*" on page 36 for a discussion of risks that you should consider before participating in the Issue
Closing Date	The Allotment is expected to be made on or about October 26, 2026
Ranking and dividend	The Equity Shares being issued pursuant to the Issue shall be subject to the provisions of the Memorandum of Association and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares of our Company, including in respect of voting rights and dividends. Our Shareholders (as on the record date) will be entitled to participate in dividends and other corporate benefits, if any, declared by our Company after the Closing Date, in compliance with the Companies Act, 2013, the SEBI Listing Regulations and other applicable laws and regulations. Our shareholders may attend and vote in Shareholders' meetings in accordance with the provisions of the Companies Act, 2013. For further details see "*Dividends*" and "*Description of the Equity Shares*" on pages 102 and 861, respectively.
Security codes for the Equity Shares	ISIN: INE262H01021 BSE Code and Symbol: 533179 and PERSISTENT NSE Symbol: PERSISTENT

RISK FACTORS

This Issue and an investment in the Equity Shares involve a high degree of risk. Prospective investors should carefully consider all the information in this Placement Document, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only risks that are relevant to us, the Equity Shares or this Issue. Additional risks not presently known to us, or that we currently deem immaterial, may also impair our business, financial condition, results of operations, cash flows and prospects. If any of the following risks, or other risks not presently known to us, actually occur, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected, and the value of the Equity Shares could decline, and investors may lose all or part of their investment. Unless specified in the risk factors below, we are not in a position to quantify the financial implications of any of the risks mentioned below. In making an investment decision, prospective investors should not rely on the numerical ordering of the risk factors below as an indication of their priority or relative significance.

Unless otherwise stated or the content otherwise requires, references in this section to "our Company" or "the Company" are to Persistent Systems Limited on a standalone basis, while references to "we", "us", or "our" (including in the context of any financial or operational information) are to Persistent Systems Limited on a consolidated basis. Also, see "Definitions and Abbreviations" on page 26 for certain terms used in this section.

We have made a voluntary public takeover offer to acquire 100% of the outstanding shares of Nagarro SE, a Germany-headquartered digital engineering and technology services company listed on the Frankfurt Stock Exchange (ISIN: DE000A3H2200), at an offer price of EUR 81.00 per share, representing an enterprise value of approximately EUR 1.27 billion. The minimum acceptance threshold for the offer was met during the initial acceptance period, which ended on September 17, 2026. Following the end of the additional acceptance period on October 6, 2026, approximately 94.04% of Nagarro's outstanding shares (excluding treasury shares) had been tendered into the offer or otherwise secured by us, including the Nagarro Shares to be acquired under the Lantano SPA. Completion of the Nagarro Acquisition remains subject to receipt of the remaining regulatory approvals. Throughout this Placement Document, references to the "Nagarro Acquisition" or the "Proposed Acquisition" are to this voluntary public takeover offer and the transactions contemplated thereby, unless the context requires otherwise. Certain risks associated with the Nagarro Acquisition are described in the section "— Additional Risks Relating to the Acquisition of Nagarro and Nagarro's Business" on page 68.

Unless otherwise stated or the context requires otherwise, references to a "Fiscal" in this section are to the twelve-month period ended March 31 of the relevant year, and references to "CY" are to calendar year, being the twelve-month period ended December 31 of the relevant year. For example, "Fiscal 2026" refers to the twelve-month period ended March 31, 2026. References to a quarter followed by a fiscal year or calendar year designation refer to the relevant three-month period of that fiscal year. For example, "Q1 Fiscal 2027" and "Q2 Fiscal 2027" refer to the three-month periods ended June 30, 2026 and September 30, 2026, respectively, and references to "Q1 CY2027" are to the three-month period ended March 31, 2027.

*The financial information of our Company used in this section is derived from the Audited Consolidated Financial Statements and the Audited Condensed Interim Financial Statements prepared in accordance with Indian Accounting Standards ("**Ind AS**"). The Company's financial year ends on March 31 of each year. For further information, see "Financial Information" on page 103. Financial information relating to Nagarro SE has been derived from the Nagarro Financial Statements prepared in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code]. Nagarro's financial year ends on December 31 of each year. For further information, see "Financial Information" on page 103.*

*Certain information in this Placement Document relating to the information technology services industry has been derived from a report commissioned by us and prepared by Zinnov Management Consulting Private Limited ("**Zinnov**"). Unless otherwise indicated, all references to the "Zinnov Report" in this section and elsewhere in this Placement Document are to such report. The Zinnov Report is not a recommendation to invest in, sell or hold any securities of our Company. Zinnov has not independently verified the data or information from third-party sources used in preparing the Zinnov Report and does not guarantee the accuracy, adequacy or completeness of the data. Investors should not place undue reliance on the Zinnov Report in making an investment decision relating to the Equity Shares. For further information on the risks associated with reliance on the Zinnov Report, see "— We have commissioned an industry report from Zinnov that is based on estimates, assumptions and projections that may prove to be inaccurate" on page 65.*

This section contains forward-looking statements, especially information with respect to our plans and strategies, and such statements involve risks, assumptions, estimates and uncertainties. You should read "Forward-looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and the factors described below for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document.

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Placement Document, including the information contained in "Summary of Business", "Summary of Industry" and "Financial Information", on pages 785, 750 and 103 respectively. Unless otherwise indicated, the financial data in this section is as of, and for the six months ended, September 30, 2026.

INTERNAL RISKS

Risks Relating to Our Business and Operations

1. We derive a substantial majority of our revenue from operations from clients located in North America, particularly the United States, and adverse economic conditions or reduced IT spending in the United States could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our revenue from operations is concentrated in North America, which accounted for approximately 80.64%, 80.68% and 78.49% of our consolidated revenue from operations in Fiscals 2026, 2025 and 2024, respectively, and 80.31% and 79.80% for the six months ended September 30, 2026 and September 30, 2025, respectively. The United States is our largest market, accounting for 80.64% of our revenue from operations in Fiscal 2026. As a result, our business is exposed to macroeconomic conditions, regulatory changes, trade policies and geopolitical developments in the United States and, to a lesser extent, Canada.

The following table sets forth details of our revenue from operations by client location for the periods indicated:

(₹ million)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
North America	72,019.02	55,176.66	118,935.49	96,317.16	77,087.28
India	8,502.20	6,579.45	12,915.48	11,201.08	9,747.39
Rest of the World	9,150.09	7,386.96	15,633.52	11,868.93	11,381.20
Revenue from operations	**89,671.31**	**69,143.07**	**147,484.49**	**119,387.17**	**98,215.87**

A recession or prolonged economic slowdown in the United States could lead to reduced corporate IT spending, delayed or cancelled digital transformation projects, budget cuts by existing clients and reduced demand for new engagements. The U.S. Federal Reserve's monetary policy decisions, including changes in interest rates, could affect investment levels in the technology sector and the willingness of clients to commit to multi-year outsourcing and digital engineering engagements. A material decline in IT spending in North America could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. Such a decline could arise from recessionary conditions, geopolitical uncertainty, changes in fiscal or trade policy, including tariffs or sanctions, or other macroeconomic factors.

Our global operations subject us to risks inherent to doing business in such geographies. Some of the risks include: changes in the legal and regulatory environment, such as changes to the data protection and privacy protection requirements, or in relation to taxation laws or laws relating to repatriation of our revenues or profits from foreign jurisdictions to India; requirements of new licenses/ approvals from local regulatory authorities; higher costs associated with doing business in multiple markets; risks related to the political, social or economic environment, including imposition of international sanctions on one or more of the countries in which we operate; risks related to competition from companies that may have more experience with AI operations in international markets, with access to a larger talent pool, advanced research and development engagements, better client relationships and brand value compared to us; difficulties in managing global operations including legal compliance costs associated

with multiple international locations; risks related to the enforcement of contracts governed by foreign laws; and exposure to local banking, currency control and other financial-related risks. These factors could impede the success of our international operations or expansion plans and limit our ability to compete effectively or operate efficiently in other countries. For example, the recent imposition of tariffs by the US government has prompted, and may prompt further counter-tariffs from other countries which could increase costs for entities in the US and in other countries, disrupt supply chains, and adversely affect our revenue and profit margins.

Furthermore, while we have sought to diversify our geographic footprint, including through the proposed Nagarro Acquisition, and may continue to do so in the future, there can be no assurance that these diversification efforts will be successful. For more information, see *"– Nagarro derives a significant portion of its revenue from European markets, and economic, political or regulatory developments in Europe could adversely affect the combined group's financial performance*" and *"– Our past growth rates may not be indicative of our future growth, and if we are unable to manage our growth or any business diversification initiatives, adapt to evolving customer demands and market trends, and execute our strategies effectively, our business, financial condition, results of operations, cash flows and prospects may be adversely affected*" on pages 49 and 39, respectively.

2. We derive a significant portion of our revenue from a limited number of operating segments, and a downturn in any of these segments could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We operate through three reportable operating segments: Software, Hi-Tech and Emerging Industries; Banking, Financial Services and Insurance ("**BFSI**"); and Healthcare & Life Sciences ("**HLS**"). Our Software, Hi-Tech and Emerging Industries segment is our largest revenue contributor. Our concentration in these operating segments means that sector-specific downturns, regulatory changes or shifts in technology spending patterns within any one of them could disproportionately affect our revenue and profitability. For example, reduced venture capital funding in the technology sector could lead software and hi-tech companies to curtail discretionary IT spending, defer digital transformation programs or seek to renegotiate existing service contracts at lower rates. Regulatory changes in the financial services industry, such as new capital adequacy requirements, could cause BFSI clients to reduce or redirect their technology budgets. Similarly, changes in healthcare reimbursement models, pharmaceutical pricing regulations or clinical trial protocols could adversely affect IT spending by HLS clients.

The following table sets forth details of our revenue from operations across our operating segments for the Fiscals/periods indicated:

(₹ million)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Software, Hi-Tech and Emerging Industries	37,434.76	27,931.81	58,829.85	49,126.04	45,949.97
Banking, Financial Services and Insurance	30,345.63	23,757.04	50,932.99	37,709.68	31,385.58
Healthcare & Life Sciences	21,890.92	17,454.22	37,721.65	32,551.45	20,880.32
Revenue from operations	**89,671.31**	**69,143.07**	**147,484.49**	**119,387.17**	**98,215.87**

Our growth depends on continued demand for our solutions from clients across industries. A downturn or slowdown in any of our targeted industries or the introduction of regulations that restrict companies from third-party spending on AI solutions could result in a decrease in the demand for our products and services.

Although we have sought to diversify our client base across these and other emerging segments, there can be no assurance that our diversification efforts will be successful or timely. The proposed Nagarro Acquisition may increase our exposure to certain segments, including automotive and manufacturing, but could also concentrate our revenue further in overlapping segments. For more information, see "– *Additional Risks Relating to the Acquisition of Nagarro and Nagarro's Business.*" on page 68. If one or more of our key operating segments

experiences a sustained period of reduced IT spending, our revenue growth could slow, and our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

3. We may be unable to effectively manage our growth, which could place significant strain on our management personnel, systems and resources.

We may face challenges in managing a business that has undergone significant growth and may achieve further growth in the future. Our revenue from operations increased from ₹98,215.87 million in Fiscal 2024, to ₹119,387.17 million in Fiscal 2025, to ₹147,484.49 million in Fiscal 2026, representing year-over-year growth of 21.56% and 23.53%, respectively. We aim to expand our capabilities and service offerings, including through the Nagarro Acquisition, and intend to continue our expansion to pursue existing and potential market opportunities. Our growth has placed and will continue to place significant demands on our management personnel and our administrative, operational and financial infrastructure. Continued expansion increases the challenges we face in:

- recruiting, training, developing and retaining sufficient AI talent and management personnel;
- creating and capitalizing upon economies of scale;
- managing an increasing number of clients and personnel in a greater number of industries and geographies;
- coordinating work among geographically dispersed offices and project teams while maintaining high resource utilization rates;
- integrating new management personnel and expanded operations while preserving our culture and core values;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, human resources, communications and other internal systems, procedures and controls; and
- adhering to and further improving our high quality and process execution standards and maintaining high levels of client satisfaction.

As a result of any of these challenges associated with expansion, or any failure to achieve anticipated growth in our operations, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

4. Our past growth rates may not be indicative of our future growth, and if we are unable to manage our growth or any business diversification initiatives, adapt to evolving customer demands and market trends, and execute our strategies effectively, our business, financial condition, results of operations, cash flows and prospects may be adversely affected.

While our business has grown rapidly in recent years, our past growth rates may not be indicative of our future growth. The following table sets forth our revenue from operations, increase in revenue from operations, net profit for the period/ year and Profit for the period/ year margin (%) for the Fiscals/periods indicated.

(₹ million)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Revenue from operations (in ₹ million)	89,671.31	69,143.07	147,484.49	119,387.17	98,215.87
Increase in revenue from operations compared to the corresponding previous period/ Fiscal (%)	29.69%	22.72%	23.53%	21.56%	17.62%

(₹ million)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Net profit for the period/ year (in ₹ million)	8,345.57	8,964.06	18,651.20	14,001.61	10,934.91
Profit for the period/ year margin (%)	9.31%	12.96%	12.65%	11.73%	11.13%

For further information on our growth strategies, see "*Summary of Business – Our Strategies*" on page 797. We cannot assure you that our growth strategy will be successful or that we will be able to continue to expand further, or at the same rate. Our ability to sustain growth depends on various factors, including our ability to sustain existing relationships with our customers and partners, pursue selective acquisitions and strategic partnerships or transactions, compete effectively with our competitors, adhere to high quality execution standards and expand our network of operations, the effectiveness of our marketing initiatives, and our recruitment and retention of skilled personnel. Many of these factors are beyond our control. Our inability to effectively manage any of these risks may adversely affect our growth and, as a result, our business, financial condition, results of operations, cash flows and prospects.

5. We derive a significant portion of our revenue from a limited number of clients, and the loss of, or a significant reduction in revenue from, any of our major clients could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have historically derived, and expect to continue to derive, a significant portion of our consolidated revenue from a relatively small number of clients. This concentration of revenue means that the loss of any one of our major clients, or a significant reduction in the volume of work or pricing under our engagements with any such client, could have a disproportionately large adverse effect on our consolidated revenue and profitability. Our client relationships are typically governed by master services agreements that allow clients to terminate or reduce the scope of engagements with relatively short notice periods, and there can be no assurance that our major clients will continue to engage us at current or historical levels or renew their engagements.

The following table sets forth the revenue contribution from our top clients for the Fiscals/periods indicated:

(₹ million)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Revenue from top 5 clients (in %)	35.74	32.15	32.18	31.34	27.73
Revenue from top 10 clients (in %)	44.67	42.46	41.63	40.89	39.16
Revenue from top 20 clients (in %)	54.85	53.40	52.91	51.76	50.00

Our major clients may be subject to financial pressures, mergers, acquisitions, regulatory changes, restructurings or strategic shifts that could lead them to change technology service providers, reduce outsourcing volumes, consolidate vendor panels or bring certain functions in-house. If a client undergoes a change of control, the acquiring entity may have existing relationships with competing service providers and may choose not to continue our engagement. Furthermore, if we seek to diversify our client base, we may not be able to replace lost revenue from a departing major client with revenue from new or smaller clients on a timely basis, or at all.

We also face the risk that disputes or dissatisfaction with the quality, timeliness or cost of our services could lead a major client to reduce or terminate its relationship with us, and any such event could reduce our revenue and harm our reputation in the market. If we lose one or more major clients or if the revenue we derive from any of our top clients declines significantly, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

6. ***Our clients may reduce the scope of, or choose not to renew, their engagements with us, or may terminate contracts before completion and without cause, notwithstanding any long-term agreements we have with them, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.***

Purchase orders and statements of work issued under the master agreements with clients or on a standalone basis may also be terminated with no notice, at short notice or without cause. Further, given the short duration of certain of the contracts that we enter into with our clients, these contracts expire from time to time, and clients may choose not to renew their relationships with us. An inability to renew these contracts on favorable terms and in a timely manner or at all may adversely affect our business and financial condition.

In addition, many of our agreements with clients permit the client to terminate the agreement or work order with or without cause, and in certain cases without any cancellation charge. We must seek to obtain new engagements when our current engagements are successfully completed or are terminated, as well as maintain relationships with existing clients and secure new clients to expand our business. Large and complex projects may involve multiple engagements or stages, and a client may choose not to retain us for additional stages or may cancel or delay additional planned engagements. The ability of our clients to terminate agreements at short notice and without cause makes our future revenues uncertain. While we endeavour to renew the relevant agreements, purchase orders or statements of work, as applicable, we may not be able to retain our clients, or replace any client that elects to terminate or not renew its contract with us, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

7. ***Our business depends on our ability to attract, train and retain highly skilled professionals, and our failure to do so could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.***

As of September 30, 2026, we employed 29,598 professionals across 21 countries. Our business is talent-intensive, and our ability to deliver digital engineering, AI-led transformation and enterprise modernization services depends on our capacity to attract, develop and retain skilled employees, particularly in areas such as artificial intelligence, machine learning, cloud-native development, data engineering, cybersecurity and full-stack digital architecture. The market for technology professionals with these skill sets is competitive, and we compete for talent with other IT services firms, global technology companies, financial institutions building in-house capabilities and start-ups offering equity-based compensation.

Our ability to deploy talent to client locations, particularly in the United States, depends in part on the availability of work visas, including H-1B and L-1 visas. Changes to U.S. immigration laws or policies, including through executive orders, including increased scrutiny of visa applications, reductions in annual visa caps, increases in minimum wage thresholds for visa eligibility or restrictions on certain visa categories, could increase our operating costs, limit our flexibility in staffing engagements and require us to hire more expensive local talent or shift work to offshore delivery centres, which may not align with client preferences. Similar immigration restrictions in the United Kingdom, the European Union, Canada and Australia could also affect our operations. Any disruption to our ability to serve international clients arising from changes in immigration policy could adversely affect our revenue and profitability.

In India, where a majority of our employees are based, the Government of India has brought into force parts of the new labour codes, including the Code on Wages, 2019, the Code on Social Security, 2020, the Industrial Relations Code, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 (collectively, the "**Labour Codes**"), with effect from November 21, 2025. The rules under the Labour Codes have not yet been fully notified in certain states in which we operate. Among other things, the Labour Codes introduce a broader definition of "wages," which increases the base on which gratuity, leave encashment and certain other statutory benefits are calculated. The Labour Codes are expected to increase our recurring provident fund, gratuity and other statutory benefit obligations, impose additional or modified obligations and constraints in relation to our employment practices and increase compliance costs. The combined effect of competition for talent, immigration policies, rising employee expectations regarding compensation and work flexibility, and changes in Indian labor regulations could increase our employee costs, reduce our ability to attract and retain key personnel, and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

8. Our clients may reduce their outsourcing budgets or bring services in-house, which could reduce our revenue and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our business model depends on the continued willingness of enterprises to outsource technology services, including software product engineering, digital transformation, application modernization and cloud migration. In periods of economic uncertainty, clients may reduce their IT outsourcing budgets, defer or cancel planned programs, seek to renegotiate pricing under existing contracts or consolidate their vendor panels. Additionally, as automation technologies, generative AI tools and low-code/no-code platforms become more widely adopted, some clients may conclude that they can perform certain functions in-house at lower cost, reducing the volume of work outsourced to third-party providers such as us.

The trend towards insourcing has been observed in certain segments, particularly among large technology companies that have built internal engineering organizations and among BFSI institutions that have established captive technology centres in India and other lower-cost locations. If this trend accelerates, or if macroeconomic conditions lead to broad-based reductions in IT outsourcing spend, our revenue growth could slow, our pricing could come under pressure and our capacity utilization rates could decline. Any sustained reduction in outsourcing budgets by clients could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

9. If we are unable to maintain optimal resource utilization levels and improve employee productivity, our margins and profitability could be materially and adversely affected.

Our profitability depends in significant part on our ability to effectively utilize our workforce. Resource utilization refers to the percentage of our employees who are productively deployed on billable client engagements at any given time. When utilization rates decline, we incur bench costs for employees who remain on our payroll but are not generating revenue, which directly reduces our margins. Maintaining optimal utilization requires accurate demand forecasting, efficient staffing processes, flexible delivery models and effective talent redeployment mechanisms. If we hire in anticipation of expected demand growth that does not materialize, or if we experience unexpected project cancellations, ramp-downs or delays in project start dates, our utilization rates could decline, leading to increased bench costs and reduced profitability.

Furthermore, our ability to improve employee productivity through automation, tooling and process optimization is a key driver of margin expansion. We have invested in proprietary platforms and AI-led delivery accelerators to enhance productivity; however, there can be no assurance that these investments will yield the anticipated benefits on a timely basis. While we have achieved improving resource efficiency over Fiscal 2024 to Fiscal 2026, if we are unable to sustain high utilization rates or meaningfully improve per-capita productivity, our operating margins may stagnate or decline, and our ability to remain price-competitive while maintaining acceptable profitability could be compromised, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

10. We require approval from the Reserve Bank of India for overseas direct investment in connection with the Nagarro Acquisition, and any delay or refusal of such approval or any conditions imposed by the RBI, could delay or prevent the closing of the Nagarro Acquisition or restrict our future overseas investments.

The Nagarro Acquisition involves the acquisition by our Company, an Indian company, through its wholly owned German subsidiary, Galaxy Germany Holding SE (the "**BidCo**"), of shares in Nagarro SE, a company incorporated in Germany. To fund the Nagarro Acquisition, including the purchase of 2,734,665 Nagarro Shares from Lantano Beteiligungen GmbH pursuant to the Lantano SPA, Barclays Bank PLC, including its successors, transferees, novates and assigns ("**Lender(s)**"), has committed to arrange, underwrite and provide a committed bridge financing facility of up to EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) (the "**Bridge Facility**") to the BidCo. In this regard, our Company has agreed *inter-alia*, to provide: (a) a corporate guarantee for 110% of the Bridge Facility; and (b) a pledge over 100% of the present shares of the BidCo in favor of Barclays Bank PLC, acting as security agent for the benefit of the Lenders, in connection with the Bridge Facility. For further details on the Bridge Facility, see "*–The Nagarro Acquisition is expected to be financed through a portion of the Net Proceeds from this Issue and other debt financing, or a EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) bridge facility, and we may be subject to significant financing, refinancing and leverage risks. If we are unable to raise funds to fund the Nagarro Acquisition, our business*

prospects could be adversely affected" on page 46. Any security interest or charge over the future shares allotted to our Company by the BidCo and/or receivables arising under or in connection with any future loan granted by our Company to the BidCo, will be created only upon receipt of the RBI's prior written approval.

The Nagarro Acquisition is supported by the Bridge Facility, which has already been committed by the Lenders and is available to fund the Nagarro Acquisition, subject to receipt of the FEMA Clearance. As an alternative, our Company is currently pursuing the funding of the Nagarro Acquisition through the Net Proceeds and other debt financing. Unlike the Bridge Facility, the other debt financing is currently being raised and has not yet been contracted. The implementation of either financing structure, being (a) the provision of corporate guarantee and security by the Company in connection with the Bridge Facility for the Nagarro Acquisition and the subsequent repayment thereof using the Net Proceeds (other than the portion earmarked for general corporate purposes) and proceeds of other debt financing, or (b) the utilisation of such Net Proceeds and other debt financing proceeds to fund the Nagarro Acquisition through BidCo, shall remain subject to receipt of the FEMA Clearance. For risks relating to funds proposed to be raised through non-convertible debentures, commercial papers, external commercial borrowings and other debt financing, which are yet to be contracted, see "*– We propose to raise funds through the issue of non-convertible debentures, commercial papers, external commercial borrowing and other debt financing, and any such further indebtedness will be subject to restrictive covenants and expose us to interest rate, refinancing and credit rating risks*" on page 48.

The overseas investment by way of (a) the corporate guarantee and security by the Company in connection with the Bridge Facility for the purpose of the Nagarro Acquisition; and (b) the infusion by the Company of the Net Proceeds and other debt financing into the BidCo by way of equity and/or debt investment for the purpose of funding the Nagarro Acquisition and/or repaying or refinancing the Bridge Facility are governed by the Foreign Exchange Management (Overseas Investment) Rules, 2022 (the "**OI Rules**"), Foreign Exchange Management (Overseas Investment) Regulations, 2022 ("**OI Directions**") and the Master Direction – Overseas Investment dated July 24, 2024, issued by the RBI (the "**OI Direction**", together with OI Rules and OI Directions, ("**OI Laws**")).

The Bafin permitted publication of the Offer Document on August 6, 2026, which sets out certain conditions, satisfaction or waiver (as applicable of which) is a pre-requisite for completion of the Takeover Offer. These offer conditions include inter-alia receipt of prior approval from the RBI under (a) Rule 9(3)(ii) of the OI Rules read with Paragraph 5 of the OI Direction for the financial commitment exceeding USD 1 (one) billion in financial year 2026-27; and (b) Rule 19(3) of the OI Rules read with Paragraph 20 of the OI Direction for the financial commitment resulting in an overseas structure that has invested in India with more than two layers of subsidiaries (collectively, the "**FEMA Clearance**").

Our Company submitted its application for the FEMA Clearance on July 31, 2026, followed by a supplementary submission on August 11, 2026. The RBI sought further information and documents, and our Company submitted its response on October 3, 2026. In its application, our Company has sought flexibility to make the financial commitment either (a) by providing a corporate guarantee for 110% of the Bridge Facility and a pledge over its present shareholding in the BidCo in connection with the Bridge Facility, representing an aggregate financial commitment of EUR 1.54 billion (approximately USD 1.75 billion, with the USD equivalent provided for reference and convenience only and all actual payments to be made in EUR); or (b) by making a financial commitment of up to EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the USD and ₹ equivalents provided for reference and convenience only and all actual payments to be made in EUR)) into the BidCo, to be funded from the Net Proceeds of the Issue and funds to be raised from the proposed issuance of non-convertible debentures, commercial papers, external commercial borrowings and other debt financing, which are yet to be contracted. As of the date of this Placement Document, the FEMA Clearance has not been received.

The financing structures described in (a) and (b) above have been proposed to the RBI as alternatives funding routes and are not proposed to be utilized concurrently or cumulatively. The financing structure in (a) has been secured through the Bridge Facility, while the financing structure in (b), is currently being pursued as an alternative funding structure, including through this Issue, and our ability to implement the proposed funding plan for the Nagarro Acquisition will depend on the scope of the approval we receive from the RBI. The RBI has broad discretion in considering the application. It may approve only the structure in (a), approve only the structure in (b), impose conditions on either structure, or reject the application. The RBI may also take longer than anticipated to consider our application, may request additional information or clarifications, may approve only one of the financing structures sought, may approve a lower financial commitment, or may impose conditions such as a shorter timeline for restructuring or steps to be undertaken before closing (the outcome of the RBI's consideration of our application, including any of the foregoing, and its timing, the "**RBI Determination**"). Our ability to

implement the proposed funding plan for the Nagarro Acquisition will depend on the RBI Determination. Accordingly, there can be no assurance as to the RBI Determination, including which financing structure, will be approved, the conditions that may be imposed, or when it will be received. There can also be no assurance that the FEMA Clearance will be granted before September 17, 2027 (the "**Long Stop Date**"), on terms acceptable to our Company or at all.

If the RBI approves the financing structure involving the Bridge Facility, we would be required to consummate the Nagarro Acquisition using the proceeds of the Bridge Facility and subsequently repay or refinance it, including by using the Net Proceeds and other debt financing proposed to be raised by our Company. This would expose us to foreign currency obligations and a higher cost of financing. In connection with such repayment or refinancing, we may be required to obtain additional RBI approval under the OI Laws for capitalizing or funding the BidCo, our subsidiary and acquisition vehicle, through the downstream deployment of funds by way of equity and/or debt. There can be no assurance that such approval will be obtained on a timely basis, on acceptable terms or at all. Any delay in obtaining such approval, any conditions imposed on it, or any refusal to grant it could impair our ability to implement the approved financing structure and to refinance or repay the Bridge Facility. It could also increase our costs, and leave the Net Proceeds (other than the portion earmarked for general corporate purposes) unutilized for a period of time, reducing our financial flexibility, increasing our financing costs and carrying opportunity costs.

If the RBI approves the financing structure involving the use of the Net Proceeds together with other debt financing, the Nagarro Acquisition will be funded through the Net Proceeds and other debt financing proposed to be raised by our Company, including by way of commercial papers, non-convertible debentures, external commercial borrowings and other debt financing. This financing structure is subject to, among other things, prevailing market conditions, the availability of investors and lenders, the satisfaction of applicable conditions precedent, and the receipt of applicable approvals and other requirements. As noted above, we may be unable to raise the required financing on acceptable terms within the required timelines. In addition, the lenders under any such financing may require us to maintain, earmark or hold committed funds, or otherwise make sufficient financing available, to consummate the Nagarro Acquisition within the required timelines. Further, under applicable German takeover regulations, the consideration under the Takeover Offer must be made available within seven days after the offer conditions, including the FEMA Clearance, are satisfied. Any mismatch between the timing of the FEMA Clearance and the availability of funds, including the Net Proceeds, could affect our ability to fund the consideration on the most favorable terms.

If we are unable to raise the required financing, or if the RBI imposes conditions on its approval, we may be required to seek additional approvals, revise the financing structure, incur additional costs, or delay or abandon the Nagarro Acquisition. If the FEMA Clearance is not obtained before the Long Stop Date, the Takeover Offer or the Proposed Acquisition, as applicable, cannot be completed. In addition, drawdowns under the Bridge Facility are available only until September 28, 2027. Any delay could also defer the planned delisting of Nagarro and our integration plans.

Further, following completion of the Nagarro Acquisition, Nagarro's group structure will include certain Indian subsidiaries held through multiple overseas layers, which may be subject to regulatory requirements under the OI Rules and other applicable Indian foreign exchange laws. Following completion of the Nagarro Acquisition, we intend to undertake such restructuring or collapse of the Indian subsidiary structure as may be required to comply with applicable Indian regulations within certain period of time from the date of closing of the Nagarro Acquisition, including any conditions that the RBI may impose while granting its approval. As of the date of this Placement Document, the restructuring has not been finalized. Such restructuring may require further regulatory approvals, filings and valuations, including under German corporate law and antitrust laws, and may involve tax costs, and there can be no assurance that it will be completed in a timely manner, on acceptable terms or at all. Any failure or delay in completing it could expose us to regulatory action or penalties under FEMA/ Bafin, which could adversely affect our business, financial condition, results of operations and cash flows.

Our Company intends to utilise the Net Proceeds of the Issue (other than the portion utilised towards general corporate purposes) to fund a portion of the Nagarro Acquisition, subject to applicable laws and the satisfaction of the relevant conditions. Any delay in obtaining the FEMA Clearance could affect the timing of deployment of such Net Proceeds and, if the Proposed Acquisition does not proceed for any reason whatsoever or the relevant amount is not required, may necessitate consideration of alternative deployment of the unutilised Net Proceeds, subject to the final objects of the Issue and applicable legal and regulatory requirements. Any of these outcomes could adversely affect our business, financial condition, results of operations, cash flows, prospects and the trading

price of our Equity Shares. For further details, see "*Proposed Acquisition of Nagarro SE*" and "*Use of Issue Proceeds*" on pages 801 and 88, respectively.

11. We may encounter significant difficulties in integrating Nagarro's business with our own, which could prevent us from realizing the anticipated benefits of the Nagarro Acquisition and if the Nagarro Acquisition fails to realize targeted synergies or other anticipated benefits, our business, results of operations, financial condition and cash flows may be adversely affected.

The Nagarro Acquisition, if completed, would combine two large-scale technology services organizations with a combined workforce of approximately 47,351 employees as of June 30, 2026, operating across more than 40 countries, with combined revenue of approximately USD 2.88 billion for the twelve-month period from July 2025 to June 2026. Integration of a business of Nagarro's scale and complexity is inherently challenging and may require significant management attention and resources. We and Nagarro have different corporate cultures, management philosophies and organizational structures — we are an Indian-heritage company with a centralized operating model, while Nagarro is a German-heritage company that has historically operated with a decentralized, entrepreneurial organizational structure. Bridging these cultural differences and establishing a unified corporate identity and set of operating principles may be critical to the success of the integration.

We and Nagarro operate on different enterprise resource planning ("**ERP**") systems, project management tools, human resource information systems, and financial reporting platforms. Harmonizing these systems may require substantial investment and carries execution risk, including the risk of data migration errors, business process disruption, and temporary loss of productivity. Nagarro's delivery model, which emphasizes distributed agile teams across 38 countries with 18,003 professionals as of December 31, 2025, differs in certain respects from our own delivery approach. Aligning delivery methodologies, quality assurance frameworks, and client engagement models without disrupting ongoing client engagements may be a complex undertaking.

The revenue and cost synergies that we expect to achieve from the Nagarro Acquisition are based on assumptions that may prove to be incorrect. Revenue synergies, including cross-selling opportunities and expanded service offerings to the combined client base of over 1,000 Nagarro clients and our existing client base, may take longer to realize than anticipated or may not materialize at all. Cost synergies from the elimination of duplicative functions, rationalization of real estate, and consolidation of vendor relationships may be lower than expected or may be offset by unanticipated integration costs. During the integration period, we may experience attrition among key Nagarro employees, including engineers and client relationship managers, particularly in competitive talent markets such as Germany, Romania, and the United States, where Nagarro had 916, 723 and 481 professionals in engineering, respectively, as of December 31, 2025.

The Nagarro Acquisition also carries key person risk with respect to Nagarro's senior leadership and other key personnel whose relationships with clients, knowledge of Nagarro's operations, and institutional expertise are important to the continued success of the acquired business. The loss of such individuals during the integration period could adversely affect client retention, employee morale, and operational continuity. Furthermore, the diversion of our senior management's attention to integration activities could detract from the management of our existing business and the pursuit of organic growth opportunities. If we are unable to successfully integrate Nagarro's business or if the integration takes longer or costs more than anticipated, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

In addition, upon completion of the Nagarro Acquisition, minority shareholders will continue to hold equity shareholding of Nagarro. Any disagreements or disputes with these minority shareholders may disrupt the business and operations of Nagarro, and adversely affect our business. Any losses by Nagarro may adversely affect our Company's consolidated results of operations.

12. Nagarro's financial performance has exhibited decelerating revenue growth and declining net profit in recent periods, and there can be no assurance that these trends will reverse following the Nagarro Acquisition.

Nagarro's revenue increased from EUR 971.99 million in CY2024 to EUR 999.30 million in CY2025, representing slower growth in CY2025. Nagarro's profit for the period decreased from EUR 49.16 million in CY2024 to EUR 39.49 million in CY2025. Nagarro attributed the decline in profit for the period principally to a revaluation loss of EUR 15.53 million on intra-group loans resulting from the weakening of the US dollar against the Euro, a one-time expense of EUR 12.42 million relating to the implementation of the new Labour Codes in India, higher legal, consulting and audit fees including expenses of the independent investigation, and lower than

expected demand including the scaling back of certain projects by clients. These recent results may indicate pressure on the growth and profitability of Nagarro's business, and there can be no assurance that revenue growth or net profit will improve following the Nagarro Acquisition.

The financial information relating to Nagarro included in this Placement Document is limited to its audited consolidated financial information as of and for CY2024 and CY2025. Although Nagarro has publicly disclosed financial information as of and for the six months ended June 30, 2026, such interim financial information is unaudited, has not been subject to an audit or examination by Nagarro's auditors, our Statutory Auditors or any other expert, and has not been included in this Placement Document. Such interim financial information may be subject to adjustment and may not be indicative of Nagarro's results for the full CY2026 or any future period. Accordingly, investors should not place undue reliance on Nagarro's unaudited interim financial information to the same degree as audited financial information, and the degree of reliance placed by investors on any such information should be limited. Further, the information relating to Nagarro included in this Placement Document has been derived solely from information publicly available and disclosed by Nagarro, which we have not independently verified, and Nagarro's financial performance following December 31, 2025 may differ materially from its historical results presented herein.

The following table sets forth Nagarro's revenue and profit for the period for CY2024 and CY2025:

Particulars	For the calendar year ended			
	December 31, 2025		December 31, 2024	
	€ million	*₹ million*	*€ million*	*₹ million*
Revenue	999.30	98,488.91	971.99	88,024.00
Profit for the period	39.49	3,892.05	49.16	4,451.96

Notes:

(1) Revenue and profit for the period for CY2024 has been converted from EUR to ₹ at a rate of 1 EUR to ₹90.5606.

(2) Revenue and profit for the period for CY2025 has been converted from EUR to ₹ at a rate of 1 EUR to ₹98.5579.

The decline in Nagarro's profit for the period from EUR 49.16 million in CY2024 to EUR 39.49 million in CY2025 may reflect pressure on the acquired business' profitability. There can be no assurance that Nagarro will maintain or improve its profitability following the Nagarro Acquisition. If Nagarro's revenue growth or net profit declines further, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

Nagarro's client base, while diversified across more than 1,000 clients in 72 countries, exhibits a degree of concentration. In CY2025, Nagarro's top five clients accounted for 15.48% of revenue, and the top ten clients accounted for 24.32% of revenue. The loss of, or significant reduction in revenue from, one or more of these key clients following the Nagarro Acquisition could adversely affect the financial performance of the acquired business. Nagarro's share price may also be volatile. If any of these risks materialize, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

13. The Nagarro Acquisition is expected to be financed through a portion of the Net Proceeds from this Issue and other debt financing, or a EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) bridge facility, and we may be subject to significant financing, refinancing and leverage risks. If we are unable to raise funds to fund the Nagarro Acquisition, our business prospects could be adversely affected.

We have, through our wholly owned German subsidiary, Galaxy Germany Holding SE (the "**BidCo**"), arranged a commitment of EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) bridge financing facility (the "**Bridge Facility**") from Barclays Bank PLC, together with its successors, transferees, novates and assigns ("**Lender(s)**"), to fund the Nagarro Acquisition, including (i) the acquisition of Nagarro Shares under the Takeover Offer; (ii) the acquisition of Nagarro Shares from Lantano Beteiligungen GmbH pursuant to the Lantano SPA; (iii) the refinancing of existing indebtedness of Nagarro and its subsidiaries, if required; and (iv) costs and expenses related to the Nagarro Acquisition. The Company has agreed to provide a corporate guarantee of up to EUR 1.54 billion and a pledge over the current 100% shares of the BidCo having share capital of EUR 120,000, subject to the receipt of the RBI approval under the OI Laws in support of the Bridge Facility and, accordingly, is exposed to the credit risk arising from borrowings under the Bridge Facility. Any drawdown under the Bridge Facility would also result in a foreign currency obligation and is expected to carry a higher cost of capital than long-term funding. The final method of funding between the Bridge Facility and a capital infusion by our

Company into the BidCo will depend among other things, on the timing of the Issue, cost of capital considerations, applicable German takeover regulations and the terms of the prior approval from the RBI. See "*– We require approval from the Reserve Bank of India for overseas direct investment in connection with the Nagarro Acquisition, and any delay or refusal of such approval or any conditions imposed by the RBI, could delay or prevent the closing of the Nagarro Acquisition or restrict our future overseas investments*" on page 42.

Subject to applicable laws and the satisfaction of applicable conditions, including the receipt of the FEMA Clearance, our Company may fund the Nagarro Acquisition through: (i) the Bridge Facility, which has been committed and remains available, subject to its terms; or (ii) the proceeds of this Issue and other debt financing proposed to be raised by our Company, including by way of non-convertible debentures, commercial papers and external commercial borrowings. The final funding structure will depend on, among other things, the RBI Determination, the timing of receipt of the Net Proceeds and the other debt financing relative to the timelines for payment of the consideration under the Takeover Offer and the Lantano SPA, and cost of capital considerations. To the extent the Bridge Facility is drawn for the Nagarro Acquisition, including to meet the timelines for payment of the consideration under the Takeover Offer, the proceeds of the Issue and other debt financing will be used to repay the amounts drawn under the Bridge Facility. However, there can be no assurance that we will not be required to draw down the Bridge Facility, if the proceeds of the Issue and other debt financing are not available when required. There can be no assurance that we will be able to refinance the Bridge Facility or any other financing arrangements on terms favorable to us, or at all. Adverse conditions in the global debt capital markets, changes in interest rates, a deterioration in our credit profile or downgrades in our credit ratings could make refinancing more expensive or more difficult to obtain. If we are unable to refinance on satisfactory terms, we may be required to service the Bridge Facility for an extended period at higher step-up interest rates, which could increase our financing costs and reduce our free cash flow. Rising interest rates or unfavorable movements in EURIBOR could also increase the cost of floating-rate indebtedness under the Bridge Facility and any successor facilities. Any such increase in our financing costs would come at a time when our ability to service finance costs out of operating earnings has already declined. Our interest coverage ratio fell from 31.41 times in the six months ended September 30, 2025 to 15.72 times in the six months ended September 30, 2026. For Fiscals 2026, 2025 and 2024 it was 31.69 times, 26.09 times and 29.24 times, respectively. This decline was mainly because our finance costs rose by 90.37%, from ₹350.43 million to ₹667.12 million. The interest coverage ratio for the six months ended September 30, 2026 and September 30, 2025 and for Fiscals 2026, 2025 and 2024 is set out below:

(₹ in million, except ratio)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net profit for the period / year (A)	8,345.57	8,964.06	18,651.20	14,001.61	10,934.91
Add: Total tax expense (B)	2,422.28	2,758.33	5,460.92	4,221.47	3,541.15
Add: Finance costs (C)	667.12	350.43	726.82	671.29	467.27
Less: Other Income (D)	950.81	1,064.38	1,804.26	1,381.54	1,280.20
Adjusted EBIT (E = A+B +C-D)*	10,484.16	11,008.44	23,034.68	17,512.83	13,663.13
Interest coverage ratio (F=E/C)	15.72	31.41	31.69	26.09	29.24

** Adjusted Earnings before interest and tax (Adjusted EBIT), calculated as the aggregate of Net profit for the year, Total tax expense and Finance costs after reducing Other Income, divided by Finance cost.*

The financing arrangements typically contain customary restrictive covenants, including but not limited to, maintenance of specified financial covenants, mandatory prepayment of the Bridge Facility, subject to customary exceptions, that may limit our operational and financial flexibility. A breach of any such covenants or the occurrence of a change of control of our Company could result in an event of default and acceleration of the indebtedness, but there can be no assurance that we will achieve our deleveraging target within the expected timeframe. Similarly, any breach of covenants under Nagarro's existing credit facility, or the termination of such facility, including as a result of the Nagarro Acquisition, could require Nagarro's indebtedness to be repaid or refinanced earlier than expected or on less favorable terms. If we are unable to achieve deleveraging as planned or comply with the financial covenants under the Bridge Facility, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected, and our ability to pursue organic growth initiatives, make additional acquisitions, pay dividends or return capital to shareholders could be constrained.

If we are unable to raise adequate capital in a timely manner and on favorable terms, or at all, or if the Net Proceeds and other debt financing, or the Bridge Facility ceases to be available, including because its conditions to drawdown are not satisfied, we may either have to delay or be unable to acquire any shareholding in Nagarro and accordingly fail to complete the Nagarro Acquisition as planned, which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

14. We propose to raise funds through the issue of non-convertible debentures, commercial papers, external commercial borrowing and other debt financing, and any such further indebtedness will be subject to restrictive covenants and expose us to interest rate, refinancing and credit rating risks.

On September 2, 2026, our Board approved proposals enabling long-term debt financing of up to USD 1.25 billion through external commercial borrowings, non-convertible debentures and other debt instruments, as well as equity or equity-linked fundraising of up to USD 450.00 million, with the aggregate financing capacity capped at USD 1.25 billion. Pursuant to such approval, our Company proposes to issue debt financing through (a) non-convertible debentures ("**NCDs**"); (b) commercial papers ("**CPs**" and, together with the NCDs, the "**Proposed Debt Instruments**"); or (c) external commercial borrowing in any foreign currency equivalent ("**Loan**"), the proceeds of which are intended to be used towards funding the portion of the consideration payable for the Nagarro Acquisition (including under the Takeover Offer and the Lantano SPA) and related costs and expenses that is not funded from the Net Proceeds or for repaying amounts drawn under the Bridge Facility. As of the date of this Placement Document, the terms of the Proposed Debt Instruments and the Loan have not been finalised and there can be no assurance that the Proposed Debt Instruments will be issued and the Loan will be availed in the amount, at the time or on the terms currently contemplated, or at all. If we are unable to raise funds through the Proposed Debt Instruments and the Loan, we may be required to draw down or retain amounts under the Bridge Facility for longer, which would expose us to a higher cost of financing, or to seek alternative financing that may not be available on acceptable terms.

Any issuance of the Proposed Debt Instruments and the Loan will increase our indebtedness and debt servicing obligations. The NCDs and the Loan may carry fixed or floating interest rates, and any increase in prevailing interest rates could increase the cost of the NCDs and the Loan. Further, any downgrade of our credit rating, including following the placement of our credit rating on watch with negative implications by ICRA in July 2026, could increase the cost of the Proposed Debt Instruments and the Loan or affect our ability to issue them on favourable terms. The NCDs and the Loan, and any debenture trust deed, facility agreement or other documents entered into in connection with them, may contain restrictive covenants, financial covenants and events of default, including requirements to maintain specified financial ratios and restrictions on further borrowing, creation of security, payment of dividends, changes in our capital structure or management and disposal of assets. The NCDs and the Loan may also be required to be secured by a charge over certain of our assets and the NCDs may also be required to be rated and listed on the Stock Exchange(s). The Loan will be subject to the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018, and the directions issued by the RBI in relation to external commercial borrowings and the NCDs, if listed will be subject to the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended (the "**NCS Regulations**"), and the SEBI Listing Regulations, which may subject us to additional compliance obligations, including timely payment of interest and principal, maintenance of security cover and disclosure requirements. The CPs are expected to be issued pursuant to a key information document or other disclosure document, and will be required to be rated and issued in compliance with applicable regulatory requirements, including the Master Direction – Reserve Bank of India (Commercial Paper and Non-Convertible Debentures of original or initial maturity up to one year) Directions, 2024, as amended, the operational guidelines issued by the Fixed Income Money Market and Derivatives Association of India in relation thereto, and the NCS Regulations (in case the CPs are listed). This will subject us to additional compliance obligations, including timely repayment on maturity and continuing disclosure requirements.

Any failure to comply with such covenants or obligations could result in an event of default, acceleration of the Proposed Debt Instruments and the Loan and cross-defaults under our other financing arrangements, including the Bridge Facility, and could result in regulatory action or penalties. We may also be unable to repay or refinance the Proposed Debt Instruments and the Loan on maturity on acceptable terms. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects and the trading price of the Equity Shares.

15. Our Company is unable to trace certain documents pertaining to historical secretarial information.

As our Company has been in existence since May 30, 1990, our Company is unable to trace certain filings, agreements and records pertaining to historical secretarial and allotment related information. In the absence of these records, we have relied on other documents available with us to prepare the disclosures in "*Capital Structure*" on page 95 for these allotments. These include the minutes of the meetings of our Board and Shareholders, and other filings and corporate records.

In relation to the RoC filings that the Company is unable to trace, the Company has, through a practicing company secretary, SVD & Associates, conducted a physical inspection at the office of the Registrar of Companies, Registrar of Companies, Maharashtra at Pune. SVD & Associates has issued a certificate dated October 21, 2026, inter alia certifying that certain of these corporate records were not available with RoC during the physical inspection.

While no legal proceedings or regulatory action has been initiated against our Company in connection with such untraceable secretarial records and other corporate records and documents as on the date of this Placement Document, we cannot assure you that such legal proceedings or regulatory actions will not be initiated against our Company or that fines will be imposed by the regulatory authorities on our Company in this respect in the future.

16. Nagarro derives a significant portion of its revenue from European markets, and economic, political or regulatory developments in Europe could adversely affect the combined group's financial performance.

In CY2025, 42.42% of Nagarro's revenue was derived from European markets, comprising 29.82% from Central Europe and 12.60% from the Rest of Europe. For the composition of these regions, see "*Summary of Business – Nagarro Business Overview*" on page 789. Germany alone accounted for EUR 232.57 million, or 23.27%, of Nagarro's total revenue of EUR 999.30 million in CY2025. This concentration in European markets exposes the combined group to risks associated with the macroeconomic environment in Europe, including potential economic slowdowns, recessionary conditions, sovereign debt concerns, and adverse movements in European Central Bank monetary policy. A prolonged period of low economic growth in Europe, or a recession affecting Germany and other key European markets, could result in reduced information technology spending by European clients, delayed decision-making on new projects, and pricing pressure on existing engagements.

The European regulatory environment has also become increasingly complex. Nagarro's operations and those of its clients are subject to a range of European Union regulations, including the General Data Protection Regulation ("**GDPR**"), the Digital Markets Act, the Digital Services Act, and the EU Artificial Intelligence Act, each of which imposes compliance obligations and could affect the demand for and delivery of technology services. Data protection requirements are also subject to differing local implementation and interpretation by national supervisory authorities across the jurisdictions in which Nagarro operates, which may increase compliance complexity and cost. Any failure by the combined group to comply with these regulations could result in significant fines, reputational harm, or loss of business. Further, if Nagarro does not utilize public research and development funding available in its markets, it may bear higher innovation costs than competitors that do. In addition, the ongoing effects of the United Kingdom's withdrawal from the European Union continue to create uncertainty for cross-border service delivery between the United Kingdom and the European Union.

Following the completion of the Nagarro Acquisition, the combined group's revenue mix is expected to reflect greater exposure to European markets compared to our current pre-acquisition profile, in which North America contributed approximately 80.64% of revenue from operations for Fiscal 2026. While this geographic diversification is one of the strategic rationales for the Nagarro Acquisition, it also means that adverse developments in European markets are expected to have a proportionally greater impact on the combined group than they would have on our pre-acquisition business. If any of the foregoing risks materialize, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

17. We have pursued, and may continue to pursue, strategic acquisitions that involve significant risks, and we may not realize the anticipated benefits of any such acquisitions.

We have pursued strategic acquisitions to expand our capabilities, enter new markets, add specialized talent and enhance our service offerings. We may continue to evaluate and pursue acquisitions, joint ventures or strategic investments. Acquisitions involve risks, including difficulties integrating acquired businesses, technologies and personnel; potential loss of key employees or clients; diversion of management time and attention; assumption of

unknown or contingent liabilities; and the risk that anticipated strategic, financial or operational benefits may not materialize within the expected timeframe, or at all.

On June 26, 2026, our Company and the BidCo entered into the Lantano SPA with Lantano Beteiligungen GmbH, and our Company, our wholly owned subsidiary Galaxy Germany Holding SE (the "**BidCo**") and Nagarro SE and the Business Combination Agreement, and the BidCo announced a voluntary public takeover offer to acquire all outstanding shares of Nagarro SE against payment of a consideration in cash of EUR 81.00 per share. For risks relating to the Nagarro Acquisition, see "*— Additional Risks Relating to the Acquisition of Nagarro and Nagarro's Business*" on page 68. On May 28, 2026, our step-down subsidiary, Persistent Systems Estonia OÜ (formerly known as PerSys Estonia OÜ) entered into a business purchase agreement with Concise Systems OÜ, Estonia, to acquire part of its business, and the acquisition was completed on July 1, 2026 following satisfaction of customary closing conditions. There can be no assurance that we will be able to successfully integrate the acquired business of Concise Systems OÜ, retain its key employees or clients, or realize the anticipated benefits of the acquisition within the expected timeframe, or at all.

The integration of acquired businesses may be complicated by differences in corporate culture, management styles, internal controls and business practices, and may require expenditure on systems integration, operational restructuring and employee retention programs. Identifying, evaluating and negotiating potential acquisition targets also requires management resources and involves professional advisory fees and transaction costs, even where the contemplated transaction is not consummated. If we fail to integrate acquired businesses or realize anticipated benefits, it could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

18. Rapid technological change in the IT industry could render our existing service offerings obsolete or uncompetitive, and our failure to anticipate and adapt to new technologies could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

The IT services industry is characterized by rapid technological change, including the adoption of cloud computing, the evolution of artificial intelligence and machine learning, automation, robotic process automation, quantum computing and new programming languages, frameworks and architectural paradigms. Also, we are witnessing a rise in GCCs in India as India as a geography provides cost arbitrage advantage to the global giants. Our future success depends on our ability to anticipate these shifts, invest in new competencies and service offerings, retrain our workforce and adapt our delivery models to remain relevant to clients' needs. If we fail to invest in appropriate technologies, or if we are unable to commercialize investments on a timely basis, our service offerings could become obsolete or uncompetitive.

Hyperscale cloud providers may compete directly with us for cloud migration, modernization and managed-services engagements as they expand their own professional-services capabilities. Large enterprise software companies are also embedding AI-powered automation features in their platforms, potentially reducing the need for third-party services to implement, customize and manage those platforms.

We have sought to position ourselves through investments in our Persistent. AI platform, strategic partnerships with technology providers and targeted acquisitions of companies with complementary capabilities. However, there can be no assurance that our investments and strategies will enable us to keep pace with industry developments. A failure to innovate successfully, adapt our business model or maintain our technological capabilities relative to competitors could result in a loss of market share, reduced demand for our services and a decline in our revenue and profitability, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

19. Employee benefits expense and subcontracting costs constitute a significant portion of our total expenses, and any increase in these costs could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Employee benefits expense, which includes salaries, bonuses, stock-based compensation, provident fund contributions, gratuity, health insurance and other statutory and discretionary benefits, constitutes the largest component of our operating expenses. In Fiscal 2026, employee benefits expense accounted for a substantial portion of our consolidated revenue. Wage inflation in the Indian IT industry, driven by competition for talent and rising cost of living, has historically resulted in annual salary increases that may outpace our ability to pass on cost increases to clients through rate revisions. Rising health care costs, including increases in premiums for employee health insurance, may also increase our employee benefits expense. The Labour Codes came into force

on November 21, 2025. The revised definition of "wages" under the Labour Codes may increase our obligations in respect of statutory benefits and contributions that are calculated by reference to wages, including provident fund contributions, gratuity and, where applicable, employee state insurance contributions. Any such increase in the definition of wages could increase our employee costs on a per-employee basis.

The following table sets forth our revenue from operations, employee benefits expense and employee benefits expense as a percentage of our revenue from operations for the Fiscals/periods indicated:

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Financial year ended March 31, 2026	Financial year ended March 31, 2025	Financial year ended March 31, 2024
Revenue from operations (in ₹ million)	89,671.31	69,143.07	147,484.49	119,387.17	98,215.87
Employee benefits expense (in ₹ million)	45,806.18	37,722.33	79,495.42	68,737.17	59,609.70
Employee benefits expense as a percentage to revenue from operations (%)	51.08%	54.56%	53.90%	57.58%	60.69%

Note:

(1) Employee benefits expense as a percentage to revenue from operations (%) is calculated by dividing employee benefits expense by revenue from operations and expressing the resulting figure as a percentage.

In addition to our employees, we engage subcontractors and third-party consultants to supplement our delivery capacity, particularly during periods of peak demand or for engagements requiring niche skills. Subcontracting costs are subject to market fluctuations in the rates charged by independent contractors and staffing agencies, and we may not always be able to pass these cost increases on to clients, particularly under fixed-price contracts. If subcontractor rates increase or if regulatory changes require us to reclassify certain contractors as employees, our costs could increase. The combined pressure of wage inflation, increased statutory benefit obligations and rising subcontracting costs, if not offset by revenue growth, rate increases or productivity improvements, could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

20. The IT services industry is competitive, and our failure to compete effectively could result in loss of market share, and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We operate in the competitive global IT services market and face competition from a broad range of participants, including large Indian IT services companies; global systems integrators; mid-cap digital engineering and technology services firms; niche specialists in cloud, data analytics, artificial intelligence and cybersecurity; hyperscale cloud providers and product companies that are building proprietary AI and automation tools that could reduce demand for third-party IT services. Certain competitors are larger than us in terms of revenue, market capitalization and headcount and may have greater financial and technical resources, broader service portfolios, wider geographic footprints and stronger brand recognition. These competitors may be able to offer lower prices, absorb pricing pressure more readily, invest more heavily in sales and marketing, complete acquisitions of greater scale and respond more quickly to changes in client demand or technology trends. Following the Nagarro Acquisition, the combined group will also depend on certain key industries served by Nagarro, such as automotive, manufacturing and financial services, and a downturn in, or intensified competition within, any of these industries could reduce demand for our services and increase pricing pressure.

We have in the past been, and in the future may be, required to agree to client-friendly terms of engagement due to competitive dynamics or pressures. In the future, customer agreements may also require prior written consent before we provide services to certain customers or restrict our ability to compete for or accept assignments that a customer is pursuing. Such restrictions could reduce our flexibility in managing our workforce, delay our ability to pursue new engagements and limit our ability to compete in specific industries in which we have expertise. Any resulting loss of opportunities or constraints on growth could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. Clients may also demand fixed-price or outcome-based pricing models that transfer more risk to the service provider, and we may face pressure to reduce our rates in order to win or retain engagements.

If we are unable to differentiate our offerings, maintain competitive pricing, invest in innovation and respond effectively to competitive dynamics, we could lose market share, experience slower revenue growth or suffer margin erosion, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

21. We have experienced, and may in the future experience, a long selling and implementation cycle for certain projects that requires us to make significant resource commitments prior to realizing revenue for our services. Any delays in generating revenue from our projects after incurring upfront costs could materially and adversely affect our business, financial condition, cash flows and results of operations.

Our projects, particularly large-scale or complex engagements, may have extended implementation timelines that require us to incur significant costs before we achieve project payment milestones, complete the project or recognize revenue. During the implementation phase, we may need to invest substantial resources in personnel, technology, infrastructure and other project-related expenditures while contractual payment terms or revenue recognition criteria have not yet been satisfied. While we have not experienced any such delays during the last three Fiscals and the six months ended September 30, 2026, we cannot assure you that such delays will not occur in the future. If projects experience delays, scope changes, client-driven modifications or other unforeseen circumstances, the timing of our cost recovery and revenue recognition may be further extended. In addition, if a project is terminated, scaled back or otherwise does not proceed as anticipated, we may not recover all or a significant portion of the costs we have incurred. Any significant delay in receiving project payments or recognizing revenue after incurring substantial upfront costs could strain our working capital and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

22. Our increasing use of artificial intelligence and generative AI technologies, including our proprietary AI platforms, exposes us to operational, legal, regulatory and reputational risks that could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have invested in developing and deploying artificial intelligence and generative AI capabilities across our service offerings and internal operations. Our Persistent.AI platform, together with tools such as iAURA, SASVA™ and GenAI Hub, are increasingly integrated into the solutions we deliver to clients. We have obtained ISO 42001 certification for our AI Management System. While AI and GenAI may present opportunities for value creation, these technologies also introduce risks that may have material consequences for our business. In addition, market expectations of AI may be inflated, and if AI initiatives fail to deliver the anticipated benefits, clients of the combined group may reduce or delay AI-related spending, and our investments in AI capabilities may not generate expected returns.

AI and GenAI systems are susceptible to algorithmic bias, hallucination, adversarial manipulation and unpredictable behavior. If our AI-powered solutions produce biased, inaccurate or harmful outputs for clients, we could face contractual liability, reputational harm, regulatory scrutiny or litigation. The use of generative AI also raises intellectual property questions, including whether AI-generated outputs infringe third-party copyrights or patents, whether clients can claim ownership of AI-generated deliverables and whether training data used to develop AI models incorporates protected content without appropriate licenses. These questions remain unsettled in many jurisdictions, and adverse rulings could create liability exposure for companies that develop or deploy AI systems.

The regulatory environment for AI is evolving. The European Union's Artificial Intelligence Act (the EU AI Act) establishes a risk-based framework that may impose varying obligations depending on the classification of AI systems. Some AI solutions we develop or deploy for clients may be classified as high-risk, subjecting us to obligations regarding conformity assessments, transparency, human oversight, data governance and post-market monitoring. In the United States, federal, state and sector-specific requirements are developing. The regulatory approach in India is evolving through the Information Technology Act, 2000, the Information Technology (Intermediary Guidelines and Digital Media Ethics Code) Rules, 2021, the Digital Personal Data Protection Act, 2023 ("**DPDP Act**"), the Digital Personal Data Protection Rules, 2025 ("**DPDP Rules**") and the India AI Governance Guidelines issued by the Ministry of Electronics and Information Technology ("**AI Guidelines**") on 5 November 2025. The AI Guidelines are principle-based and contemplate that developers and deployers of AI systems should address risks relating to, among other matters, safety, transparency, accountability, privacy, bias and intellectual property. Further, the DPDP Rules may require our Company to change its notice, consent, security, retention, breach-response and data-principal-rights processes when the remaining sections and rules of the DPDP Act and the DPDP Rules, respectively, come into effect in 2027. Compliance with these requirements

could impose costs and operational constraints, and failure to comply could result in penalties, product restrictions or litigation.

Rapid advances in GenAI, including large language models offered by hyperscalers and other technology companies, could disrupt traditional IT service delivery models by enabling clients to automate tasks that historically required human programmers, testers, analysts and consultants. If GenAI tools materially reduce demand for human-delivered IT services, or if competitors deploy AI-led delivery models more effectively than we do, we could experience a decline in billable work, downward pressure on pricing and a reduction in the perceived value of our workforce, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

23. Cyber-attacks, security breaches or other cybersecurity incidents could compromise our systems and confidential information, resulting in legal liability, reputational harm and a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We process, store and transmit sensitive and confidential information in the course of delivering services to clients, including personally identifiable information, protected health information, financial data, proprietary source code and trade secrets. Our AI platforms, IT infrastructure, networks, applications and endpoints are subject to cyber-attacks, including ransomware, phishing, social engineering, malware, distributed denial-of-service attacks, advanced persistent threats, zero-day exploits and supply chain attacks. The frequency and scale of attacks targeting IT services companies and their clients may continue to increase, and threat actors may develop new techniques to penetrate security defences. Also, with the increase in use of AI, enterprises are more prone to cyber-attacks and data losses.

We also face cybersecurity risks arising from third-party vendors, subcontractors and technology partners that have access to our systems or process data on our behalf. A security breach at a third party could expose client data or compromise our network, even if our own systems are not directly breached. The shift to remote and hybrid work models has expanded the attack surface by introducing additional endpoints, home networks and personal devices into our operating environment. While we have implemented controls for remote access, including virtual private networks, multi-factor authentication and endpoint detection and response tools, the expanded perimeter may create additional vulnerabilities.

In addition to the loss of data that could result from cyberattacks and other security risks, any such attacks or risks could disrupt our or our clients' systems, causing service outages, and result in regulatory fines, data recovery costs, loss of customers, costs for required regulatory and contractual remediation, costs for data breach notifications, costs for protecting large numbers of our or our clients' employees or system users from potential identity theft, potential financial losses from the theft and misuse of sensitive financial information and other costs. Any such events could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We maintain ISO 27001 and ISO 27017 certifications and operate a 24/7 Security Operations Centre to support threat detection, incident response and threat intelligence aggregation. Despite these measures, no cybersecurity program can guarantee the prevention of all breaches or attacks, and our security controls may not be sufficient to prevent, detect or mitigate every cyberattack or unauthorized access to our systems. While we have not experienced any material cybersecurity incidents, ransomware events, data breaches, indemnity claims, regulatory investigations or customer claims relating to cybersecurity or data protection matters during the last three Fiscals and the six months ended September 30, 2026, we cannot assure you that such incidents will not occur in the future. Additionally, during Fiscal 2026, a cyber incident at a third-party service provider resulted in the unauthorized disclosure of limited personal information relating to certain current and former employees. The incident was contained within the vendor's environment, did not impact Persistent's IT systems and did not involve customer data. No misuse of the information has been reported to date. Any significant incident could result in contractual liability, regulatory scrutiny, enforcement action, litigation, loss of client confidence and damage to our reputation, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

24. We are subject to an increasingly complex and evolving regulatory landscape governing data privacy and protection, and our failure to comply could result in significant penalties and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

We are subject to data privacy and protection laws and regulations in the jurisdictions in which we operate and in which clients are located. These include the General Data Protection Regulation (GDPR), the Digital Personal Data Protection Act, 2023 ("**DPDPA**"), the California Consumer Privacy Act as amended by the California Privacy Rights Act (CCPA/CPRA) and the Health Insurance Portability and Accountability Act (HIPAA). These laws impose requirements relating to the collection, use, processing, storage, transfer and deletion of personal data and provide data subjects with rights including access, correction, deletion and portability.

We have obtained ISO 27701 certification for our Privacy Information Management System and have implemented a data protection compliance framework across our global operations. However, the regulatory landscape is evolving, with new laws being enacted and existing laws being amended in jurisdictions around the world. Compliance with diverse and sometimes conflicting requirements imposes costs for legal counsel, technology solutions, staff training, data mapping, privacy impact assessments and recordkeeping. Regulatory authorities may impose substantial penalties for non-compliance, including fines under the GDPR and the DPDPA.

Cross-border data transfers are a complex area of compliance. We currently rely on Standard Contractual Clauses and supplementary measures for transfers of personal data from the European Union to India and other jurisdictions not deemed adequate by the European Commission, but there can be no assurance that these mechanisms will continue to be recognized as valid. If we are unable to transfer data across borders in an efficient and lawful manner, our ability to deliver services from offshore delivery centres in India could be materially impaired.

Our client contracts frequently contain data protection obligations that exceed applicable law, including bespoke data handling standards, audit rights and liquidated damages for non-compliance. A failure to comply with any applicable data protection law or contractual obligation could result in regulatory investigations, enforcement actions, fines, contractual liability, litigation by affected data subjects or class actions, reputational damage and loss of client trust, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

25. Disruptions to our IT infrastructure, including failures of our servers, networks or third-party cloud platforms, could impair our ability to deliver services and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our ability to deliver services depends on the reliable operation of our IT infrastructure, including on-premise servers, data centres, network equipment, communications systems and third-party cloud platforms. We use third-party technology providers for hosting, development, testing and production environments for internal operations and client-facing solutions. A failure, outage or performance degradation of any of these cloud platforms, or of our own on-premise infrastructure, could disrupt service delivery, cause us to miss service-level commitments, result in data loss or corruption and impair our ability to meet contractual obligations to clients.

We have implemented business continuity and disaster recovery plans that include redundant infrastructure, data replication across geographically diverse locations, automated failover mechanisms and regular testing of recovery procedures. However, these plans may not address all potential technical scenarios, including simultaneous multi-site failures, cascading outages across interdependent systems or cloud-platform outages outside our direct control. The major cloud providers' service-level agreements typically limit remedies to service credits rather than covering the full extent of our losses or those of clients.

As we migrate more internal operations and client workloads to public cloud platforms, our dependence on third-party providers deepens, and we become subject to their pricing decisions, service modifications, terms-of-use changes and platform discontinuations. Any significant disruption to our IT infrastructure, whether caused by technical failure or third-party outage, could damage our reputation, result in financial penalties under client contracts and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

26. We depend on third-party technology providers and strategic alliances, and changes to their platforms, pricing or partnership terms could disrupt our service delivery and competitive positioning.

Our solutions and service delivery infrastructure rely on technologies, cloud platforms and software provided by third parties. Providers may modify application programming interfaces (APIs), alter pricing models, discontinue products or features, impose new usage restrictions or change the terms of partner programs, including eligibility criteria for current partnership tiers. Any such changes could require us to re-architect solutions, retrain our workforce or develop alternative capabilities, and there can be no assurance that we would be able to do so in a timely or cost-effective manner. In addition, our software solutions, whether developed in-house or incorporating third-party components, may fail to integrate with customer environments, including customer hardware, operating systems, cloud infrastructure and third-party applications. Implementation delays, interoperability failures, software defects, configuration errors, coding errors or malfunctions may result in customer dissatisfaction, contract disputes, liability claims, delayed revenue recognition, reputational damage and loss of customers.

Furthermore, deterioration in our relationships with technology providers, including a downgrade of our partnership tier or exclusion from co-selling and referral programs, could adversely affect our competitive positioning and ability to originate new business. If a key technology partner is acquired by a competitor, experiences a service outage or changes its strategic direction, it could disrupt ongoing client engagements and require costly transitions. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

27. Fluctuations in foreign currency exchange rates, particularly the U.S. dollar, the euro and the British pound sterling relative to the Indian rupee, could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our reporting currency is the Indian rupee (₹), but a substantial majority of our revenue is denominated in foreign currencies, principally the U.S. dollar (USD), the euro (EUR) and the British pound sterling (GBP). A significant portion of our operating expenses, including employee costs, is incurred in ₹. This mismatch means that our profitability is sensitive to movements in exchange rates. An appreciation of the ₹ against the USD, EUR or GBP would reduce the ₹ value of foreign-currency revenue without a proportionate reduction in ₹-denominated costs, thereby compressing our operating margins. Conversely, a depreciation of the ₹ may improve our margins in ₹ terms but may lead clients to perceive our services as more expensive relative to competitors whose costs are denominated in the same currency as their revenue.

We employ hedging strategies, including forward contracts and options, to partially mitigate our foreign-currency exposure; however, our hedging positions may not cover all of our exposure, and the effectiveness of our hedging programme depends on the accuracy of our forecasts and the terms available in the market at the time of hedging. The Reserve Bank of India ("**RBI**") regulates the use of derivative instruments by Indian companies, and changes in RBI hedging policies could reduce our ability to manage currency risk effectively. In addition, hedge accounting under Ind AS 109 requires specific documentation and effectiveness testing, and any failure to satisfy these requirements could result in gains or losses from hedging instruments being recognized in our profit and loss account, increasing volatility in reported earnings.

Our currency risk may be compounded by the proposed Nagarro Acquisition, which, if completed, is expected to increase our exposure to the euro and other European currencies. The consideration for the Nagarro Acquisition is denominated in euros, and the combined group may have a larger proportion of euro-denominated revenue and costs, creating additional cross-currency translation exposure. If exchange rate movements are adverse and our hedging programme is insufficient to offset them, our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected.

28. Our revenue is derived from a mix of time-and-materials and fixed-price contracts, and our inability to accurately price engagements or control costs could adversely affect our margins and profitability.

We derive revenue from both time-and-materials engagements, in which we bill clients based on hours worked at agreed rates, and fixed-price contracts, in which we agree to deliver defined project scopes for a predetermined fee. Our pricing is subject to competitive pressure, particularly where clients solicit bids from multiple IT services providers or benchmark our rates against competitors operating in lower-cost jurisdictions. In competitive bidding scenarios, we may be compelled to agree to lower rates or less favorable commercial terms to win or retain engagements, which could compress our margins.

In the case of fixed-price contracts, our profitability depends on our ability to estimate the costs, timeline and resources required to complete the engagement. If we underestimate project complexity, encounter unforeseen technical difficulties, experience higher-than-anticipated employee attrition or dedicate additional resources to meet milestones, we may incur cost overruns that we are unable to pass through to the client. Any failure to forecast engagement costs accurately or manage scope changes effectively could result in reduced margins, contractual losses or client disputes. Further, our customer contracts may contain service levels, performance metrics, testing, acceptance and delivery obligations, and failure to meet such requirements may result in contract termination, indemnity claims, liquidated damages, customer claims and litigation.

Most of our customer contracts contain certain uncapped indemnities, certain exceptions to contractual limitations of liability and certain higher contractual limits of liability for certain types of claims, such as indemnification, breaches of our confidentiality obligations to our customers, infringement or claimed infringement of third-party intellectual property rights by software we write for our customers, violations of law, regulatory fines or penalties asserted against our clients arising from services we perform for our customers, gross negligence, willful misconduct or fraud, or injuries to customers' personnel or property caused by us or our service providers. We also have high limitations of liability for certain types of privacy and data protection risks inherent in our services, which limitations, although contractually limited, may still be substantial. In addition, in fixed-price, outcome-based, managed-services or business-critical engagements, failure to meet agreed service levels, acceptance criteria, delivery milestones, security obligations or regulatory requirements could result in customer claims, indemnity obligations, costly step-in rights, remediation costs, litigation or termination of customer agreements. Although the Company has not experienced any material claims arising from such uncapped indemnities, exceptions from contractual limitations of liability or high contractual limitations of liability, there can be no guarantee that such claims may not arise in the future. Any such claims could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

29. Incorrect or improper implementation or use of our or third-party software, or inability of our or third-party platforms to integrate other third-party software or hardware, could result in customer dissatisfaction and negatively affect our business, financial condition, cash flows and growth prospects.

Our or third-party sublicensed or resold software is deployed in a wide variety of technology environments, and our ability to increase sales of such software subscriptions and platforms for use in such deployments is important for our success. Our platforms must also integrate with a variety of operating systems, software applications and hardware developed by others. We often assist our customers in achieving successful implementations for large and complex deployments. If we or our customers are unable to implement our or third-party sub-licensed software successfully or are unable to do so in a timely manner, or if we are unable to devote the necessary resources to ensure that our solutions interoperate with other software, systems and hardware, customer perceptions of us may be impaired, our reputation and brand may suffer and customers may choose not to increase their use of our software.

Once our platforms are implemented on our customers' selected hardware, software or cloud infrastructure, our customers may depend on our support services to help them take full advantage of the solutions that we have developed for them, quickly resolve post-deployment issues and provide effective ongoing support. If we do not offer high-quality services, our ability to sell our offerings to existing customers would be adversely affected, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

30. Changing immigration regulations and restrictions on immigration or work permits may affect our ability to compete for and provide services to customers in the United States or other countries, which could hamper our growth and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Due to the global nature of our operations, we rely on the ability to utilize an international pool of IT employees and deploy them in the countries where we operate pursuant to local work visa requirements. In order for our employees to work in the United States, Europe and other countries outside India they must obtain the necessary visas and work permits. Our ability to move our employees throughout the world, whether on a short-term or long-term basis, is affected by immigration regulations around the world.

Our reliance on work visas for a portion of our employees makes us vulnerable to changes and variations in immigration laws as it affects our ability to deploy technology professionals who are not citizens of the country

where the work is to be performed. Complying with changing immigration regulations could increase our visa application and extension costs, and costs related to more complex compliance and audit.

If governments of countries in which we operate heighten adjudication standards for visa applications, labour market tests, or requirements for change of work locations, our ability to offer our services in a timely manner may be hindered. Historically, the process for obtaining visas for Indian nationals to certain countries, including the United States and Europe, has been lengthy and cumbersome. Immigration laws in the United States and in other countries are subject to legislative change, as well as to variations in standards of application and enforcement due to political forces and economic conditions. Restrictions on the issuance of employment visas imposed by the United States could mean that we are unable to obtain new visas for our employees to work in the United States. This could hamper our growth and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Any further changes in existing laws or the enactment of new legislation imposing restrictions on the deployment of work visa holders at customer locations could adversely impact our ability to do business in the jurisdictions in which we have customers. It is difficult to predict the political and economic events that could affect immigration laws, which are subject to continuous change, or the restrictive impact they could have on obtaining or maintaining business visas for our employees. Our reliance on visas for a number of employees makes us vulnerable to such changes and variations and may affect staffing decisions on projects abroad. We may not be able to obtain a sufficient number of visas for our employees, or we may encounter delays or additional costs in obtaining or maintaining such visas, in which case we may not be able to provide services to our customers on a timely and cost-effective basis or manage our sales and delivery centres as efficiently as we otherwise could. Any of these developments could lead to higher costs or loss of a particular project or cancellation of a new work order, thereby materially and adversely affecting our business, financial condition, results of operations, cash flows and prospects. In addition, we may be subject to taxation in such jurisdictions where we would not otherwise be so subject as a result of the amount of time that our employees spend in any such jurisdiction in any given year. While we seek to monitor the number of days that our employees spend in each country to avoid subjecting ourselves to any such taxation, there can be no assurance that we will be successful in these efforts.

31. Our access to capital and the cost thereof is influenced by our credit ratings. Absence of ratings or unfavorable ratings may increase our costs of borrowings and could trigger covenant or repricing provisions under our existing financing agreements.

The cost and availability of capital depend, among other things, on our current and future results of operations and financial condition, our risk management capabilities, our brand and our credit ratings. Credit ratings reflect a rating agency's opinion of factors such as our management, track record, diversified clientele, scale of operations, margins and operating cycle. If our results of operations are not favorable, we may be unable to obtain the requisite amount of financing or access funding at competitive interest rates. The following table sets forth details of our credit ratings received in the last three Fiscals and up to the date of this Placement Document:

Rating agency	Issuer rating	Date
ICRA (an affiliate of Moody's)	AA+ (Watch with Negative Implications) assigned for proposed non-convertible debentures	October 9, 2026
	AA+ (placed on Rating Watch with Negative Implications)	July 7, 2026
	AA+ Stable	March 5, 2026
	AA+ Stable	January 21, 2025

In particular, following the announcement of the Nagarro Acquisition and the Bridge Facility to finance the acquisition, ICRA placed our credit rating on watch with negative implications reflecting uncertainty around the final stake to be acquired in Nagarro, the resultant leverage and overall credit metrics, and the expected pace of deleveraging. At the time of ICRA's rating action in July 2026, the Nagarro Acquisition was proposed to be funded entirely through debt, and ICRA indicated that our consolidated leverage post-acquisition could increase materially. The Nagarro Acquisition is now proposed to be funded through the proceeds of this Issue and other debt financing, or the Bridge Facility. ICRA will continue to monitor the progress of the transaction, including the final acquisition structure, funding arrangements, integration plans and leverage levels, and will take appropriate rating action once the final details of the transaction are announced. Accordingly, while the Nagarro Acquisition has the potential to materially strengthen our business profile, it is expected to weaken our financial risk profile in the medium term due to the size of the transaction and the resulting leverage.

While we have not experienced any downgrades in our credit ratings in the last three Fiscals, any downgrade in our credit ratings, our failure to obtain ratings on a timely basis, or the non-availability of ratings or the receipt of poor ratings, could increase our borrowing costs, trigger lender rights to reprice facilities or enforce covenants under our financing arrangements, and adversely affect our access to capital and debt markets. Any such developments could, in turn, adversely affect our business, financial condition, results of operations, cash flows and prospects.

32. Employee misconduct or error could harm us by impairing our ability to attract and retain customers and result in financial losses, regulatory sanctions, customer claims and reputational harm, and our controls may not prevent or detect all such conduct.

Certain aspects of our business require employees to exercise judgment and handle client systems, data, confidential information and delivery processes. Employee misconduct may include entering into improper or unauthorized transactions or activities, failing to properly supervise other employees, or improperly using or disclosing confidential information. Employee errors, including mistakes in executing, recording or processing services, project activities or client instructions, could result in service failures, customer claims, financial losses, regulatory sanctions or loss of client confidence.

Although we have internal controls, human resources policies, whistleblower mechanisms, training, supervision and other procedures intended to prevent and detect misconduct and error, these measures may not always be effective. Any such misconduct or error could disrupt customer operations, require remediation, expose us to litigation or regulatory action, harm our reputation and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

33. We may be unable to adequately protect our intellectual property, and we may be subject to claims of intellectual property infringement by third parties, either of which could adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects.

Our success depends, in part, on our ability to protect our proprietary technology, platforms, methodologies, frameworks and brand identity. We rely on trademarks, patents, copyrights, contractual restrictions and non-disclosure agreements to protect our intellectual property rights. We have developed proprietary platforms, including iAURA, SASVA™ and GenAI Hub, for our service offerings. We cannot assure you that pending applications will be granted, that our registrations will not be challenged, or that the steps we have taken will prevent unauthorized use, misappropriation or infringement of our intellectual property. Intellectual property laws and their enforcement vary across the jurisdictions in which we operate, and we may have difficulty enforcing our rights in certain countries.

Third parties may claim that our solutions, platforms or methodologies infringe their patents, copyrights or other proprietary rights, whether or not those claims have merit. Defending against such claims can be time-consuming and expensive, and an adverse outcome could require us to pay damages, cease using certain technologies or obtain licenses on commercially unfavorable terms.

We incorporate open source software components into certain solutions. Open source licenses impose varying obligations, including, in some cases, a requirement to make derivative works available under the same license terms. If we fail to monitor or comply with these licenses, or if a court interprets those provisions in a manner that requires us to release proprietary source code, our competitive position could be impaired and our business, financial condition, results of operations, cash flows and prospects could be materially and adversely affected. While there have been no instances in the past three Fiscals and the six months ended September 30, 2026 of material infringement claims by or against us, we cannot assure you that such instances will not occur in the future. Any of these factors could adversely affect our business, reputation, financial condition, results of operations, cash flows and prospects.

34. If we are unable to collect our receivables from, or bill our unbilled services to, our customers, our results of operations, financial condition and cash flows could be materially and adversely affected.

Our business depends on our ability to collect amounts owed by customers for work performed and to bill and collect amounts relating to unbilled services. We assess the creditworthiness of our customers and maintain allowances for receivables and unbilled services; however, actual collections may differ from our estimates, and disputes, scope changes, delayed customer acceptance or billing errors may delay or prevent collection.

Macroeconomic conditions, financial pressure on customers and changes in their liquidity may result in delayed or defaulted payments. Government and quasi-government customers may also experience delays due to budgetary, procurement or administrative processes. If we are unable to collect receivables or bill unbilled services on a timely basis, we may face increased working capital requirements, higher credit losses and reduced cash flows, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

35. Climate change, rising energy costs and the transition to a lower-carbon economy may disrupt our operations, increase our operating and capital costs, and expose us to regulatory and reputational risks.

Our business depends on electricity, office infrastructure, connectivity and third-party cloud and data-centre services across multiple jurisdictions. Climate change poses both physical and transition risks to our operations. Rising global temperatures and extreme weather events could disrupt the operation of our facilities and those of our third-party cloud providers, potentially impairing our ability to deliver services. If our cloud providers face increased costs associated with carbon emissions, renewable energy procurement or water scarcity, they may pass these costs on to us, which could increase our cost of service delivery.

Energy costs represent a significant component of our operating expenses, and electricity prices may increase due to rising demand for power and constrained supply. In addition, the transition to a lower-carbon economy may increase both our operating costs and capital expenditure requirements. Carbon taxes, emissions trading schemes and the costs associated with procuring renewable energy could increase our energy-related expenses. We may also be required to invest in lower-carbon infrastructure, energy-efficient technologies, on-site renewable energy generation and other sustainability initiatives, which could require significant capital expenditure and may place a strain on our financial resources or affect our ability to fund other strategic initiatives.

In addition to these operational and cost pressures, we face increasing regulatory and stakeholder scrutiny of our environmental performance. Governments and regulators in jurisdictions where we operate are increasingly focused on climate-related disclosure, decarbonization targets and sustainability reporting, which may increase our compliance costs. Clients, investors and other stakeholders are also placing greater emphasis on ESG performance, including carbon footprint reduction and sustainable supply chain practices. Clients may also increasingly prefer less energy-intensive digital solutions, which could reduce demand for, or require us to redesign, energy-intensive offerings such as AI, cloud and data-centric services. If we are unable to meet these evolving expectations, or if our ESG performance is perceived to lag behind that of our competitors, we could face regulatory penalties, lose existing clients or fail to win new engagements. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

36. Our global operations are exposed to natural disasters, pandemics, geopolitical conflicts and other events beyond our control, which could disrupt our business and harm our results of operations.

We operate in 21 countries and depend on the continued availability of electricity, office infrastructure, connectivity and third-party cloud and data-center services to conduct our business. Natural disasters, pandemics, epidemics, disease outbreaks and other events beyond our control could disrupt electricity supply, office infrastructure, connectivity or the operations of third-party cloud and data-center service providers, impair service delivery and prevent employees from accessing offices or client sites. While we have implemented business continuity and disaster recovery plans and have obtained ISO 22301 certification, there can be no assurance that these plans will be adequate to mitigate the impact of a severe or prolonged disruption.

Geopolitical events and international conflicts, including the ongoing Russia-Ukraine conflict, hostilities and instability in the Middle East and U.S.-China tensions, may create uncertainty in the global economic environment. In particular, an escalation of war in the Middle East could disrupt project business in the region, including Nagarro's project business in the United Arab Emirates, and result in delayed, suspended or cancelled engagements. Such events may cause clients to delay, reduce or cancel planned spending on IT services and digital transformation initiatives and may disrupt cross-border data flows and the movement of personnel across international boundaries.

Terrorist attacks, acts of sabotage, civil unrest or the outbreak or escalation of armed conflict in or near the jurisdictions in which we operate could damage physical assets, endanger employees and create operational disruptions that impair our ability to meet client commitments. The occurrence of any of these events, individually or in combination, could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

37. There are outstanding legal proceedings involving our Company and one of our Promoters. Any adverse outcome in such proceedings may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.

We may be involved, from time to time, in legal and regulatory proceedings that are incidental to our operations, and these involve proceedings filed by and against us. These include criminal proceedings, civil proceedings, regulatory matters, arbitration cases, consumer proceedings, tax investigations, cases filed by us under the Negotiable Instruments Act and certain recovery matters. These proceedings are pending at different levels of adjudication before various courts, forums, authorities, tribunals and appellate tribunals. For details, see "*Outstanding Litigation and Legal Proceedings*" on page 833.

There can be no assurance on the outcome of the legal proceedings or that the provisions that we make will be adequate to cover all losses potentially incurred in such proceedings, or that our actual liability and/or our director's liability will be as reflected in any provision that has been made in connection with any such legal proceedings.

We maintain provisions for known and anticipated legal claims based on our assessment of the probability and estimated amount of potential losses. However, there can be no assurance that our provisions will be adequate to cover actual losses or that additional claims or proceedings will not arise. Any failure to comply with applicable laws and regulations, including those relating to data privacy, anti-corruption, labor and employment, taxation and securities regulation, could expose us to penalties, sanctions or enforcement actions that could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

38. We have certain contingent liabilities which, if they materialize, may affect our results of operations, financial condition and cash flows.

The summary of our contingent liabilities as at September 30, 2026, is as follows:

(₹ million)

Claims against the Group not acknowledged as debt	As at September 30, 2026
Indirect tax matters	1,109.16
Income tax demands disputed in appellate proceedings	1,101.65
Total	**2,210.81**

Our contingent liabilities may become actual liabilities and if a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current Fiscal or in the future.

If at any time we are compelled to realize all or a material proportion of these contingent liabilities, it would have a material and adverse effect on our business, financial condition and results of operations.

39. Our insurance coverage may not be sufficient to cover all losses and liabilities to which we are exposed, and our insurance costs may increase.

We maintain insurance policies including professional indemnity insurance, cyber liability insurance, directors and officers liability insurance, property and business interruption insurance and employee benefits coverage. However, there can be no assurance that our insurance coverage will be adequate to protect us against all potential losses, including losses arising from cyber incidents, data breaches, professional liability claims, regulatory proceedings or business interruption events. Certain types of losses, such as those arising from acts of war, terrorism, pandemics or willful misconduct, may be excluded or subject to sub-limits that are insufficient to cover the full extent of our exposure.

The following table sets forth details of coverage of our insurance policies against the total insurable assets for the years indicated:

Period	Net Book Value of Tangible Assets (in ₹ million)[#]	Insurance Coverage (in ₹ million)[*]	Percentage of insurance coverage to net value of assets (in %)
Six months ended September 30, 2026	3,138.78	2,810.73	89.55%

Period	Net Book Value of Tangible Assets (in ₹ million)[#]	Insurance Coverage (in ₹ million)[*]	Percentage of insurance coverage to net value of assets (in %)
Six months ended September 30, 2025	3,113.07	3,072.07	98.68%
Fiscal 2026	3,065.26	2,856.73	93.20%
Fiscal 2025	3,385.23	3,238.94	95.68%
Fiscal 2024	3,631.59	3,523.64	97.03%

[*]In cases where an asset is covered under multiple insurance policies, the highest coverage amount among such policies has been considered. The reported insurance coverage amount has been restricted to the book value of the respective asset, wherever the coverage exceeds such book value of the asset.

[#]Net book value of tangible assets includes property, plant and equipment (excluding Land – freehold), Capital work-in-progress and Cash on hand.

The following table sets out the details in connection with the insurance coverage of the Company and its subsidiaries (on a consolidated basis), as on September 30, 2026:

Particulars	Amount (in ₹ million)	Percentage of total assets (in %)	Percentage of insurance coverage (in %)[#]
Insured Assets	2,810.73	2.16%	89.55%
Uninsured Assets	328.05	0.25%	10.45%
Net Book Value of Tangible Assets[*]	**3,138.78**	**2.41%**	**100.00%**

[*]Net book value of tangible assets includes property, plant and equipment (excluding Land – freehold), Capital work-in-progress and Cash on hand

[#]In cases where an asset is covered under multiple insurance policies, the highest coverage amount among such policies has been considered. The reported insurance coverage amount has been restricted to the book value of the respective asset, wherever the coverage exceeds such book value of the asset.

According to the Zinnov Report, insurance premiums have increased across the IT services industry in recent years, and we may face further increases in premiums or reductions in available coverage as insurers reassess risk profiles in light of cyber threats, climate-related risks and litigation trends. If we are unable to maintain adequate insurance coverage at commercially reasonable rates, or if a significant claim exceeds policy limits or falls outside the scope of coverage, we could be required to bear substantial costs that could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

40. Any transactions with our related parties could potentially involve conflicts of interest. There can be no assurance that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.

We have entered into transactions with related parties in the past and we may enter into related party transactions in the future, from time to time. While all such transactions have been conducted on an arm's length basis, in accordance with the Companies Act, 2013 and other applicable regulations pertaining to the evaluation and approval of such transactions, we cannot assure you that we could not have achieved more favorable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future subject to the oversight of our audit committee and compliance with the Companies Act, 2013, the SEBI Listing Regulations, and other statutory requirements. Any future transactions with our related parties could potentially involve conflicts of interest. There can be no assurance that such future transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, cash flows and results of operations.

For further information on our related party transactions, see "*Related Party Transactions*" on page 749.

41. There have, in the past, been certain instances of delays and non-compliance by our Company under the Companies Act, and in relation to FEMA, and we may be subject to penalties or adverse regulatory action.

Our Company is required to comply with various provisions of the Companies Act and the rules made thereunder. In the past, certain lapses occurred in respect of statutory compliances, for which our Company has filed applications for adjudication before the Registrar of Companies under various sections of the Companies Act, 2013. A summary of such non-compliances is set out below:

1. A delay of four days occurred in holding the annual general meeting of Capiot Software Private Limited ("**CSPL**"), an erstwhile wholly owned subsidiary of our Company, for the Financial Year 2024, resulting

in a non-compliance under Section 96 of the Companies Act, 2013. Our Company filed an application for compounding of the aforesaid offence, pursuant to which the Regional Director, Western Region, vide order dated January 2, 2026, compounded the offence on payment of a compounding fee of ₹50,000. The compounding fee has been duly paid and CSPL has since amalgamated with our Company pursuant to a scheme of merger sanctioned by the National Company Law Tribunal. For further details, see "*Outstanding Litigation and Legal Proceedings – Inquiries, inspections, or investigations under the Companies Act*" on page 835.

2. Our Company filed applications each dated December 20, 2023 and May 6, 2024 (collectively "**Applications**") with the Reserve Bank of India ("**RBI**") seeking compounding of contraventions under Regulation 3.1(I)(A) of Notification No. FEMA. 395/2019-RB, issued under the Foreign Exchange Management Act, 1999 read with the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019. The Applications related to two instances of delay, ranging from one month and eight days to four months and six days, in the issuance of equity shares to persons resident outside India pursuant to receipt of consideration for such shares. The RBI, vide its order dated May 15, 2024, compounded the aforesaid contraventions upon payment of a compounding fee of ₹56,914. As on the date of this Placement Document, the compounding fee has been duly paid by our Company.

We cannot assure you that we will not be subject to any legal proceedings or actions, including from statutory authorities, in the future, in connection with such matters. Further, there can be no assurance that such lapses will not occur in the future, or that we will be able to rectify or mitigate such lapses in a timely manner or at all.

42. The auditors' reports on our consolidated financial statements for Fiscals 2023, 2024 and 2025 contain qualifications and adverse remarks reported under the Companies (Auditor's Report) Order, 2020 and, for Fiscal 2024, an exception reported under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the auditors' report for Fiscal 2023 reproduces emphasis of matter paragraphs relating to going concern from the audit reports of certain of our Subsidiaries, and our future auditors' reports may not be free of qualifications, adverse remarks or other observations.

For the Fiscals 2022, 2023, 2024, 2025 and 2026, our auditors expressed unmodified opinions on our consolidated financial statements and on our internal financial controls with reference to financial statements, and, other than for Fiscal 2023, did not include any emphasis of matter paragraph; their reports, however, contained the following observations and other matters, reproduced from the respective signed reports. The auditors' reports for Fiscals 2022 and 2023 are not included in this Placement Document. For further information, see "*Financial Information*" on page 103.

Fiscal	Reservations, qualifications, matters of emphasis or adverse remarks in the Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
Fiscal 2022	**Other Matters** The auditors did not audit the financial statements of twenty-two subsidiaries, whose financial statements reflect total assets of ₹5,579.46 million and net assets of ₹2,075.59 million as at March 31, 2022, total revenues of ₹5,782.68 million and net cash inflows of ₹312.85 million for the year then ended; their opinion, in so far as it relates to these subsidiaries, is based solely on the reports of the other auditors. **CARO 2020, clause (xxi)** The auditors reported that "there are no qualifications or adverse remarks reported in the respective Order reports of such companies". **Emphasis of Matter** None.	*Impact on financial statements:* The auditors expressed an unmodified opinion on our consolidated financial statements for Fiscal 2022 and, in "Annexure A", an unmodified opinion on our internal financial controls with reference to financial statements, and their opinion is not modified in respect of their reliance on the work done by and the reports of the other auditors. *Corrective steps by our Company:* Not applicable.
Fiscal 2023	**Emphasis of Matter** The auditors reproduced emphasis of matter paragraphs included in the audit reports of certain subsidiaries, issued by an independent firm of	*Impact on financial statements:* The auditors expressed an unmodified opinion on our consolidated financial statements for Fiscal 2023 and, in "Annexure A", an unmodified

Fiscal	Reservations, qualifications, matters of emphasis or adverse remarks in the Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	chartered accountants and dated April 22, 2023. In respect of CAPIOT Software Inc., SCI Fusion 360 LLC, CAPIOT Software Private Limited, PARX Consulting GmbH, Youperience GmbH, Youperience Limited, Persistent Systems Australia Pty Ltd and Persistent Systems S.r.l., the subsidiary auditor drew attention to a note stating that "the financial statements have been prepared by management on going concern principle based on factors such as future business plans, continued financial support from parent and measures implemented to control loss". In respect of CAPIOT Software Pte Limited, the subsidiary auditor stated that "material uncertainty exists relating to going concern" because "[m]anagement has decided to close the business because of events or conditions affecting the commercial viability" and that an "application for liquidation has been filed with local authorities". **CARO 2020, clause (xxi)** Qualification or adverse remark in respect of our Company (Clause (iii)(c)). The underlying CARO 2020 report noted delays of five months and two months in repayment of loans of ₹1.03 million and ₹3.07 million due from Persistent Systems Germany GmbH, a wholly owned subsidiary, on March 31, 2022 and June 30, 2022, respectively. **Rule 11(g)** Not applicable for Fiscal 2023, as the audit trail requirement under the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 applied from April 1, 2023. **Other Matters** The auditors did not audit the financial statements of twenty-eight subsidiaries and one controlled trust, whose financial statements reflect total assets of ₹12,401.24 million and net assets of ₹4,230.70 million as at March 31, 2023, total revenues of ₹9,808.10 million and net cash outflows of ₹(40,940.31) million for the year then ended; their opinion, in so far as it relates to these entities, is based solely on the reports of the other auditors.	opinion on our internal financial controls with reference to financial statements. The auditors stated that their opinion is not modified in respect of the emphasis of matter paragraphs or their reliance on the work done by and the reports of the other auditors. *Corrective steps by our Company:* The loan balance due from Persistent Systems Germany GmbH, along with accrued interest until August 31, 2022, was converted into an investment on the basis of approval obtained from the government of Germany. No qualification under clause (iii)(c) of CARO 2020 was reported in respect of our Company for Fiscals 2024, 2025 or 2026.
Fiscal 2024	**Reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)** The auditors reported that proper books of account "have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(f)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)". Under Rule 11(g), the auditors noted an exception described as "[i]nstances of accounting software maintained by a third party where we are unable to comment on the audit trail feature", and stated that "[t]he accounting software (Oracle Fusion ERP) used for maintenance of books of accounts of the Company is operated by a third-party software service provider" and that, "[i]n the absence of any information on	*Impact on financial statements:* The auditors expressed an unmodified opinion on our consolidated financial statements for Fiscal 2024 and, in "Annexure A", an unmodified opinion on the adequacy and operating effectiveness of our internal financial controls with reference to financial statements. The auditors also stated that, as the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) on preservation of audit trail as per the statutory requirements for record retention was not applicable for the financial year ended March 31, 2024. *Corrective steps by our Company:*

Fiscal	Reservations, qualifications, matters of emphasis or adverse remarks in the Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year". **Companies (Auditor's Report) Order, 2020 ("CARO 2020"), clause (xxi)** Qualifications or adverse remarks in respect of our Company (Clauses (ii)(b) and (vii)(b)) and CAPIOT Software Private Limited, a wholly owned subsidiary (Clause (xvii)). **Other Matters** The auditors did not audit the financial statements of twenty-nine subsidiaries and one controlled trust, whose financial statements reflect total assets of ₹12,394.89 million as at March 31, 2024, total revenues of ₹7,763.11 million and net cash inflows of ₹755.72 million for the year then ended; their opinion, in so far as it relates to these entities, is based solely on the reports of the other auditors.	No exception under Rule 11(g) was reported for Fiscal 2025 or Fiscal 2026, and for Fiscal 2026 the auditors confirmed that the audit trail had been preserved as per the statutory requirements for record retention.
Fiscal 2025	**CARO 2020, clause (xxi)** Qualifications or adverse remarks in respect of our Company (Clauses (ii)(b) and (vii)(b)), CAPIOT Software Private Limited (Clause (xvii)) and MediaAgility India Private Limited (Clause (vii)(b)), each a wholly owned subsidiary. **Rule 11(g)** No exception was reported. **Other Matters** The auditors did not audit the financial statements of twenty-five subsidiaries and one controlled trust, whose financial statements reflect total assets of ₹15,243.49 million as at March 31, 2025, total revenues of ₹10,664.63 million and net cash outflows of ₹360.75 million for the year then ended; their opinion, in so far as it relates to these entities, is based solely on the reports of the other auditors.	*Impact on financial statements:* The auditors expressed an unmodified opinion on our consolidated financial statements for Fiscal 2025 and, in "Annexure A", an unmodified opinion on our internal financial controls with reference to financial statements. *Corrective steps by our Company:* For Fiscal 2026, the auditors reported that there are no qualifications or adverse remarks in the CARO 2020 reports of the companies incorporated in India and included in the consolidated financial statements. CAPIOT Software Private Limited has since amalgamated with our Company pursuant to a scheme of merger sanctioned by the National Company Law Tribunal.
Fiscal 2026	None. The auditors reported that "there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements", and reported no exception under Rule 11(g). **Other Matters** The auditors' report states that	Impact on financial statements: The auditors expressed an unmodified opinion on our consolidated financial statements for Fiscal 2026 and an unmodified opinion on our internal financial controls with reference to financial statements, and their opinion is not modified in respect of their reliance on the work done and the reports of the other auditors. *Corrective steps by our Company:* Not applicable.

Fiscal	Reservations, qualifications, matters of emphasis or adverse remarks in the Audited Consolidated Financial Statements	Details of impact on financial statements and corrective steps taken and proposed to be taken by our Company
	(a) the Fiscal 2025 consolidated financial statements were audited by the predecessor "auditor who had expressed an unmodified opinion on 23 April 2025". (b) That they did not audit 21 subsidiaries and one ESOP trust and their opinion, in so far as it relates to these 21 subsidiaries and one ESOP trust, is based solely on the reports of the other auditors."	

Other than the emphasis of matter paragraphs relating to certain of our Subsidiaries reproduced in the auditors' report for Fiscal 2023, the auditors' reports on our consolidated financial statements for each of Fiscals 2022, 2023, 2024, 2025 and 2026 did not include any emphasis of matter paragraph.

We cannot assure you that the auditors' reports on our financial statements, or on those of our Subsidiaries, for future periods will not contain qualifications, emphasis of matter paragraphs, adverse remarks, observations or exceptions, including under CARO 2020 or Rule 11 of the Companies (Audit and Auditors) Rules, 2014, or that such matters will not be more extensive than those described above, and investors should not regard the absence of a modified opinion in any prior period as an indication for any future period. Any such matter could require us to restate or adjust our reported financial information, result in regulatory scrutiny or action, affect our compliance with covenants under our financing arrangements, adversely affect our credit ratings and access to capital, erode investor confidence in our financial reporting and have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects and the trading price of the Equity Shares.

43. We have commissioned an industry report from Zinnov that is based on estimates, assumptions and projections that may prove to be inaccurate.

Certain information in this Placement Document relating to our industry and the markets in which we operate has been derived from a report prepared by Zinnov Management Consulting Private Limited, which we commissioned and paid for. Zinnov is an independent third party to our Company. The Zinnov Report is based on assumptions, estimates and projections made using data obtained from publicly available sources, industry databases and primary research, including interviews with industry participants. While we believe these sources to be reliable, neither we nor Zinnov have independently verified the underlying data, and there can be no assurance that the information is complete, accurate or current as of the date of this Placement Document.

Market-size estimates, growth projections, competitive-positioning assessments and other forward-looking statements contained in the Zinnov Report are uncertain and subject to risks, including changes in market dynamics, technological disruption, regulatory developments and macroeconomic conditions. Actual industry performance may differ from the projections set forth in the Zinnov Report. Investors should not place undue reliance on such data and projections when making investment decisions with respect to the Equity Shares.

44. Our Promoters, certain Directors, Key Managerial Personnel and Senior Management have interests in our Company other than normal remuneration or benefits or reimbursement of expenses incurred.

Our Promoters, certain Directors and Key Managerial Personnel and certain of our Senior Management are interested to the extent in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. These interests include equity shareholdings, employee stock options granted under the PESOS 2014 and ESOP 2017, and other equity-based incentive awards. As of the date of this Placement Document, none of our Directors or Key Managerial Personnel or members of Senior Management hold directorships, partnerships or other interests in entities that engage in business activities similar or complementary to our own or that may enter into transactions with our Company, other than as disclosed in this Placement Document.

While we have adopted governance policies and procedures to manage potential conflicts of interest, including the requirements of the SEBI LODR and the Companies Act, 2013, there can be no assurance that conflicts will not arise or that they will be resolved in a manner that is in the best interests of all shareholders. The interests of our Promoter, Directors and KMPs may, in certain circumstances, diverge from or conflict with the interests of other shareholders, and decisions influenced by such conflicts could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

45. If we are unable to retain the services of our Key Managerial Personnel and members of Senior Management, our business and our competitive position and customer relationships may be adversely affected.

The success of our business significantly depends upon the continued services of Key Managerial Personnel and members of Senior Management. If any of our Key Managerial Personnel and Senior Management are unable or unwilling to continue in their present positions, it could disrupt our business operations, and we may not be able to replace them easily, on a timely basis, or at all.

In addition, we believe that competition for senior executives and key employees in our industry is intense, and we may be unable to retain our Key Managerial Personnel and members of Senior Management or attract and retain new Key Managerial Personnel and members of Senior Management, including new Key Managerial Personnel and members of Senior Management who join us from our acquired companies, in which case our business may be severely disrupted.

In Fiscals 2024, 2025, 2026, and the six months ended September 30, 2026, none of our Key Managerial Personnel resigned during these Fiscals or that period, except for Sunil Sapre, Chief Financial Officer, who retired in Fiscal 2025. If any members of our Key Managerial Personnel and members of Senior Management join a competitor or form a competing company, we may lose customers, suppliers, technical or subject-matter expertise and IT personnel and staff members to them. Such personnel could also make unauthorized disclosure or use of our technical knowledge, know-how, business practices or procedures. Any such unauthorized disclosure or use may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects. If one or more of our Key Managerial Personnel and members of Senior Management is unable or unwilling to continue in their present positions, it could disrupt our business operations and we may not be able to replace them in a timely manner or, in some cases, at all. For details of our Key Managerial Personnel and members of Senior Management, see "*Board of Directors and Senior Management*" beginning on page 806.

46. We are subject to complex multi-jurisdictional statutory and regulatory compliance obligations, and any failure or delay in compliance could result in penalties and adverse consequences.

As a company listed on BSE Limited and the National Stock Exchange of India Limited, with operations and Subsidiaries across multiple jurisdictions, we are subject to statutory and regulatory requirements. These include filings and disclosures with the Ministry of Corporate Affairs, the Securities and Exchange Board of India, BSE, NSE, the Reserve Bank of India and tax authorities at central, state and local levels in India, as well as regulatory bodies in other jurisdictions in which we operate. Any failure, delay or deficiency in making required filings, maintaining accurate corporate records or complying with applicable requirements could expose us to penalties, prosecution or regulatory sanctions.

The regulatory landscape is subject to change, and new or amended compliance obligations may impose additional administrative burdens and costs. We have invested in compliance management systems and internal resources to monitor and fulfill statutory obligations; however, given the volume and complexity of our requirements, there can be no assurance that we will at all times be in full compliance with applicable laws and regulations. Instances of non-compliance could result in financial penalties, operational disruptions or reputational harm that could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

47. We are subject to laws and regulations in the United States and other countries in which we operate concerning our operations, including export restrictions, U.S. economic sanctions and the Foreign Corrupt Practices Act, or FCPA, and similar anti-bribery laws. If we are not in compliance with applicable legal requirements, we may be subject to civil or criminal penalties and other remedial measures, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our operations are subject to laws and regulations restricting our operations, including activities involving restricted countries, organisations, entities and persons that have been identified as unlawful actors or that are subject to U.S. sanctions imposed by the Office of Foreign Assets Control, or OFAC, or other international economic sanctions that prohibit us from engaging in trade or financial transactions with certain countries, businesses, organisations and individuals. We are subject to the FCPA, which prohibits U.S. companies and their intermediaries from bribing foreign officials for the purpose of obtaining or keeping business or otherwise obtaining favourable treatment, and other laws concerning our international operations. The FCPA's foreign counterparts contain similar prohibitions, although varying in both scope and jurisdiction. We operate in many

parts of the world that have experienced governmental corruption to some degree, and, in certain circumstances, strict compliance with anti-bribery laws may conflict with local customs and practices.

Any violations of these laws, regulations and procedures by our employees, independent contractors, subcontractors and agents could expose us to administrative, civil or criminal penalties, fines or restrictions on export activities, including under other U.S. laws and regulations as well as foreign and local laws, and would adversely affect our reputation and the market for the Equity Shares. If we are not in compliance with export restrictions, U.S. or international economic sanctions or other laws and regulations that apply to our operations, we may be subject to civil or criminal penalties and other remedial measures, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

48. We require approvals and licenses in the ordinary course of business, and the failure to obtain, retain or renew them in a timely manner may materially and adversely affect our operations.

We are required to obtain and maintain a number of statutory and regulatory permits, approvals, registrations and licenses under central, state and local government rules in India, generally for carrying out our business. Further, these approvals, registrations and licenses may require compliance with various terms or conditions. In addition, our approvals may expire from time to time in the ordinary course and we may be required to make applications for such renewals. As of the date of this Placement Document, there are no (i) material approvals or renewals for which applications are currently pending before relevant authorities; and (ii) material approvals which have expired and renewal is yet to be applied for. If we fail to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, it may disrupt our operations, result in the imposition of penalties and may materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

49. Negative publicity or damage to the "Persistent" and "Nagarro" brands and reputations following the Nagarro Acquisition could adversely affect our ability to attract and retain clients and employees.

Our brands and reputations are important to our ability to win new business, maintain client relationships, attract and retain professionals and establish strategic partnerships. Negative publicity or adverse perceptions of our Company or, following completion of the Nagarro Acquisition, Nagarro, whether or not well-founded, could arise from client dissatisfaction, service delivery failures, data security incidents, regulatory enforcement actions, employment-related controversies, environmental, social and governance concerns or adverse media coverage. Social media and digital communication channels may amplify the speed and reach at which negative information or sentiment is disseminated, making it more difficult to contain or correct adverse publicity before damage is done to our brands and reputations.

The process and public discourse surrounding the proposed acquisition of Nagarro SE, including negative publicity arising from the transaction process, competing narratives or stakeholder opposition, could generate adverse attention affecting market perception of our Company and, following completion of the Nagarro Acquisition, Nagarro. Sustained damage to the "Persistent" or "Nagarro" brand or a decline in our reputation among clients, prospective employees, investors or regulators could impair our competitive position, reduce our ability to command favorable pricing and make it more difficult to recruit and retain key talent, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

50. This Placement Document contains certain non-GAAP measures, and such measures have inherent limitations and should not be unduly relied upon. These non-GAAP measures may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies.

This Placement Document includes certain non-GAAP measures, including EBIT (excluding other income), EBIT (excluding other income) Margin (%), and Profit for the period/ year margin (%), which are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. We consider these non-GAAP measures useful in evaluating our business and financial performance. However, these non-GAAP measures are not alternatives to any measure of performance or liquidity or as an indicator of our operating performance or liquidity. They should not be considered in isolation or construed as an alternative to cash flows, profit or loss for the years or periods, or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP.

There are no standard methodologies in the industries for computing such measures, and those non-GAAP measures we included in this Placement Document may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently, limiting their usefulness as comparative measures to our data. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

Additional Risks Relating to the Acquisition of Nagarro and Nagarro's Business

In addition to the factors below, see the following related to the Nagarro acquisition: "– We may encounter significant difficulties in integrating Nagarro's business with our own, which could prevent us from realizing the anticipated benefits of the Nagarro Acquisition and if the Nagarro Acquisition fails to realize targeted synergies or other anticipated benefits, our business, results of operations, financial condition and cash flows may be adversely affected", "— The Nagarro Acquisition is expected to be financed through a portion of the Net Proceeds from this Issue and, to the extent required, a EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) bridge facility, and we may be subject to significant financing, refinancing and leverage risks. If we are unable to raise capital to fund the Nagarro Acquisition, our business prospects could be adversely affected" and "— Nagarro's financial performance has exhibited decelerating revenue growth and declining net profit in recent periods, and there can be no assurance that these trends will reverse following the Nagarro Acquisition"

51. The valuation report that our Board considered in evaluating the Nagarro Acquisition is based on assumptions, estimates and projections that may prove to be inaccurate.

In evaluating the Nagarro Acquisition, our Board considered, among other things, an abridged valuation report dated June 26, 2026. The report values Nagarro SE as of June 17, 2026 and was prepared for submission to our Board from a corporate governance perspective. It was one of the several factors our Board considered in evaluating the Nagarro Acquisition and the consideration payable for it. Our Board did not rely solely on it. The report relies on key assumptions, including the discount rate, terminal growth rate, trading multiples of comparable listed companies and an applicable control premium. The valuer worked mainly using publicly available information and our management's forecasts. It did not carry out detailed commercial diligence or a market study, and it did not have access to non-public information from Nagarro. The valuer did not audit or independently verify the information it relied on. It did not consider legal matters or contingent liabilities not recorded in the balance sheet, and it does not take account of events after the valuation date. Valuation is inherently subjective and the valuer itself notes that the actual transaction value may be higher or lower than its estimates.

Further, our Company has informed the RBI that the valuation report will be updated in accordance with the OI Rules prior to completion of the Nagarro Acquisition for the purposes of reporting the financial commitment. Any such updated valuation may differ from the valuation described above.

If any of these assumptions, estimates or projections prove to be inaccurate, or the underlying information is incomplete or inaccurate, the valuation may not reflect the actual value of Nagarro's business. In that case, the consideration we pay under the Nagarro Acquisition may exceed the value we ultimately realize. The valuation report is restricted to the purpose for which it was prepared and was not prepared for investors. It is not a recommendation to invest in, sell or hold any securities of our Company. Investors should not rely on the valuation report, or consider it, in making their investment decision in the Issue. Any such inaccuracy could result in impairment charges or lower-than-expected returns from the Nagarro Acquisition, and could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

52. The Nagarro Acquisition is subject to numerous completion conditions and regulatory approvals, and there can be no assurance that all such conditions will be satisfied or all such approvals will be obtained in a timely manner, or at all.

For the purposes of the following, capitalized terms used but not otherwise defined herein have the meanings given to them in (i) the Lantano SPA; (ii) the offer document dated August 6, 2026, published in relation to the Takeover Offer; and (iii) the Business Combination Agreement, relating to the Nagarro Acquisition.

Completion of the Nagarro Acquisition is subject to satisfaction or waiver of specified conditions, including tender of at least 50% plus one of the Relevant Nagarro Shares by expiry of the acceptance period during which Nagarro shareholders may accept the voluntary public takeover offer; receipt of approval for the transaction and the Bridge Facility by a special resolution at a general meeting of the shareholders of the Company; receipt or expiry of all

required merger-control clearances in Germany, Austria, the United States, Türkiye, Malta, Saudi Arabia and the United Kingdom, foreign-direct-investment clearances in Germany, Austria, Romania, Sweden and Spain, and approvals from the Reserve Bank of India ("**RBI**") under applicable OI Laws; and the absence of any material compliance violation by Nagarro or a Nagarro Group company, prohibited distribution, share issuance or capital measure, insolvency or dissolution event, Material Adverse Market Change, or governmental law, act, injunction or order in the EU, India, the United States or the United Kingdom that prohibits or renders the takeover offer illegal, and other customary conditions. As of the date of this Placement Document, the minimum acceptance threshold has been satisfied, merger-control clearances have been received in Germany, Austria, the United States, Türkiye, Malta and Saudi Arabia, foreign-direct investment clearances have been received in Germany, Romania and Sweden, and the Company's shareholders have approved the transaction and the Bridge Facility. The remaining conditions include receipt of merger-control clearance in the United Kingdom, foreign-direct-investment clearances in Austria and Spain, and RBI approval under applicable OI Laws. For further information, see "*Proposed Acquisition of Nagarro SE*" on page 801 of this Placement Document.

There can be no assurance that all such conditions will be satisfied or that all required approvals will be obtained within the expected timeline or at all.

Regulatory authorities may impose conditions, limitations, or requirements as a prerequisite to granting their approvals, including, for example, requirements to divest certain operations, to modify contractual arrangements, or to accept behavioral remedies. Such conditions could diminish the anticipated benefits of the Nagarro Acquisition or impose additional costs. The regulatory review processes in Germany, India and other jurisdictions operate on different timelines and are subject to different legal standards, and the timing of approvals is inherently uncertain. Any single regulatory authority's delay or refusal to grant approval could delay or prevent the closing of the Nagarro Acquisition, which we currently expect to occur by Q1 CY2027.

If the Nagarro Acquisition is not completed for any reason, we may have incurred substantial transaction expenses (including advisory, legal, financing and regulatory fees) without realizing any of the anticipated benefits of the transaction. In addition, failure to complete the Nagarro Acquisition could result in negative market perception and reputational harm, could adversely affect our relationships with clients, employees and business partners, and could result in a decline in the market price of the Equity Shares. The occurrence of any of these events could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

53. We propose to use the Net Proceeds to partially fund the Nagarro Acquisition and for general corporate purposes, and if the Nagarro Acquisition is not completed, the Net Proceeds may be redeployed at the discretion of our Board of Directors, towards alternate acquisitions, and/or general corporate purposes.

We propose to use the Net Proceeds towards (i) partially funding the Nagarro Acquisition, including the consideration payable under the Takeover Offer and the Lantano SPA and associated costs and expenses, and (ii) general corporate purposes, which will not exceed 25% of the Gross Proceeds. We expect to deploy the Net Proceeds in Fiscal 2027. The Nagarro Acquisition is proposed to be funded through (a) the Bridge Facility or (b) the proceeds of the Issue and/or other debt financing. In the event the Bridge Facility is utilised for the Nagarro Acquisition, the Net Proceeds may also be used to repay any amounts drawn under the Bridge Facility (other than the portion utilised towards general corporate purposes). In particular, if the FEMA Clearance permits only the guarantee and pledge route, or if the Bridge Facility is drawn to meet the timelines for payment of consideration under the Takeover Offer before the Net Proceeds are available, the Net Proceeds (other than the portion utilised towards general corporate purposes) may be applied towards repayment of the Bridge Facility rather than towards direct payment of the consideration. Any shortfall in the funds required to consummate the Nagarro Acquisition may be met through the external commercial borrowings or issuance of non-convertible debentures, commercial papers and other debt financing, if the Bridge Facility is not utilised for the payment of the consideration. If the Nagarro Acquisition is not completed, including due to failure to satisfy any applicable closing conditions, or to obtain required regulatory approvals or for any other reason, we may retain the Net Proceeds and, subject to applicable laws, our Board of Directors may determine to redeploy such Net Proceeds towards alternate acquisitions and/or general corporate purposes.

Investors in this Issue may not have any say in the redeployment of the Net Proceeds if the Nagarro Acquisition is not completed, and may not agree with the manner in which our Board of Directors chooses to deploy such funds. Any alternative deployment of the Net Proceeds towards alternate acquisitions and/or general corporate purposes may not generate returns comparable to those expected from the Nagarro Acquisition and may not be consistent with investors' expectations at the time of their investment. In such circumstances, the market price of

the Equity Shares could be adversely affected, and our business, financial condition, results of operations, cash flows and prospects may not benefit to the extent anticipated at the time of this Issue.

54. The Nagarro Acquisition may result in significant goodwill and intangible assets on our consolidated balance sheet, which could be subject to impairment charges that materially affect our reported financial results.

Goodwill is not amortized but is subject to annual impairment testing and more frequent testing if events or changes in circumstances indicate that the carrying value may not be recoverable. If Nagarro's business underperforms relative to the projections and assumptions used to determine the purchase price — for example, if revenue growth continues to decelerate, operating margins contract, or client attrition exceeds expectations — we may be required to recognize goodwill impairment charges that could be material. Similarly, adverse changes in macroeconomic conditions, discount rates, or industry multiples could trigger impairment testing and result in write-downs.

Any impairment of goodwill or intangible assets would result in a non-cash charge to our consolidated statement of profit and loss, which could be material in amount and could significantly reduce our reported net profit and book value. Nagarro's total equity stood at EUR 155.02 million as of December 31, 2025, having declined from EUR 222.66 million as of December 31, 2024, mainly due to purchase of treasury shares of EUR 67.84 million, dividends of EUR 12.64 million, and negative other comprehensive income of EUR 27.42 million. The premium we are paying over Nagarro's book value means that a significant portion of the acquisition cost may be recorded as goodwill and intangible assets. While we believe the acquisition price is justified by Nagarro's growth prospects, market position, and strategic value, there can be no assurance that the goodwill and intangible assets will not be impaired in the future. Any such impairment could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

55. The Nagarro Acquisition involves complex cross-border regulatory requirements across multiple jurisdictions, and failure to comply with any applicable requirement could delay or prevent the transaction or expose us to penalties.

The Nagarro Acquisition is structured as a voluntary public takeover offer under the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – WpÜG), which imposes detailed procedural requirements, timing constraints, and substantive obligations that differ materially from the regulatory framework governing securities offerings and takeovers in India under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable SEBI regulations. The interaction between German takeover law and Indian securities and foreign exchange regulations creates a complex multi-jurisdictional compliance framework. In addition, the transaction requires antitrust clearances in Germany, Austria, the United States, Türkiye, Malta, Saudi Arabia and the United Kingdom, foreign-direct-investment clearances in Germany, Austria, Romania, Sweden and Spain, and Indian approvals from the RBI under applicable overseas-investment rules. Each jurisdiction applies its own substantive standards, procedural requirements, and review timelines, and there can be no assurance that all required clearances will be obtained within the expected timeframe.

Following completion of the Nagarro Acquisition, the combined group may employ professionals across more than 40 countries each with its own employment laws, labor regulations, social security requirements and employee benefit obligations. Managing this multi-jurisdictional employment law landscape may be complex, particularly during the integration period when changes to employment terms, reporting structures and benefit arrangements may be necessary. In addition, the tax structuring of the Nagarro Acquisition and the ongoing tax compliance of the combined group involve significant complexity, including transfer pricing, permanent establishment, withholding tax and thin capitalization considerations across multiple tax jurisdictions. Any failure to comply with applicable regulatory requirements could result in penalties, legal proceedings or reputational harm, any of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

56. Our evaluation of Nagarro has been based on publicly available information, and we may be exposed to undisclosed or contingent liabilities after the Nagarro Acquisition is completed.

Our evaluation of Nagarro's business, financial condition, operations and legal and regulatory compliance in connection with (i) the Takeover Offer, (ii) the Lantano SPA for the acquisition of 2,734,665 Nagarro Shares, representing an approximately 21.16% stake, and (iii) the Business Combination Agreement with Nagarro, has been based on publicly available information, including Nagarro's published financial statements, annual reports

and regulatory disclosures, which we have not independently verified. That information may be incomplete or inaccurate, may not be current, and may not disclose all of Nagarro's existing or potential liabilities, risks or deficiencies. The Lantano SPA and the Business Combination Agreement may not give us adequate contractual protection, such as indemnities or warranties, against any such liabilities. As of December 31, 2025, Nagarro's disclosed contingent liabilities related to income tax demands of kEUR 1,318 and indirect tax demands of kEUR 20 in respect of which appeals or proceedings are pending. Nagarro may have other liabilities or contingencies that are not reflected in the publicly available information. These may relate to ongoing or threatened litigation, regulatory investigations, tax exposures, or contractual disputes with clients or vendors, and may also arise from events that occur after the date of that information. If any such liabilities emerge after the Nagarro Acquisition is completed, they could adversely affect our business, financial condition, results of operations, cash flows and prospects.

57. Nagarro was subject to an independent investigation relating to past external allegations, and the nature, scope and outcome of the underlying matters remain uncertain.

In CY2025, Nagarro investigated certain public allegations made by short sellers relating to Nagarro's business practices. The investigation was concluded in March 2026. The investigation identified certain structural, governance and documentation areas for enhancement, but did not find evidence of fraud, misconduct or intentional wrongdoing by Nagarro or its management as was alleged by the short sellers. Nagarro has stated that it is implementing the findings and recommendations of the investigation as part of its broader governance enhancement program. The nature, scope and outcome of the underlying matters that gave rise to the investigation remain subject to uncertainty, and we cannot assure you that similar allegations will not be made in the future or that any additional matters relating to the investigation will not emerge following the closing of the Nagarro Acquisition.

In addition, Bafin conducted an enforcement review of Nagarro's CY2022 consolidated financial statements and published a notice of error determination, finding that the consolidated financial statements as of December 31, 2022 and the related combined management report for CY2022 contained errors. The errors identified by Bafin related to the recording, recognition and geographical breakdown of revenue, the initial accounting for business acquisitions, as well as the description of the business model and the risk reporting in the combined management report. According to a public statement by Nagarro, any such error determinations that become final and binding (bestandskräftig) will have no impact on subsequent consolidated financial statements or combined management reports. We cannot assure you that similar regulatory reviews or error findings will not occur in the future or that any restatement or adjustment to Nagarro's historical financial statements will not be required following the closing of the Nagarro Acquisition.

In CY2025, Nagarro incurred expenses, including approximately EUR 2.0 million, in connection with an independent investigation following past external allegations. The specific nature of the underlying allegations, the scope of the investigation and its findings and conclusions have not been fully disclosed publicly, and the reports prepared by the external legal and forensic advisers that conducted the investigation have not been made available to us on the basis that they contain legally privileged, confidential and commercially sensitive information. Our diligence on these matters has been limited to information publicly available and disclosed by Nagarro and the summary information provided to us by Nagarro, and there can be no assurance that our understanding is complete, that the investigation has addressed all relevant matters or that it will not result in additional findings. Any discovery of adverse information following the completion of the Nagarro Acquisition could render the information in this Placement Document inaccurate or inadequate in material respects.

Nagarro has informed us that the independent investigation, including the forensic accounting review, has been fully concluded, that it has not received any further allegations, complaints or whistleblower reports relating to the issues raised in the short seller reports, and that no fines, penalties, sanctions, enforcement measures, undertakings, remedial requirements or follow-up monitoring have been imposed or threatened by Bafin or any other authority in relation to these matters. However, if any adverse findings in respect of these matters subsequently emerge, or if the underlying allegations lead to regulatory inquiries, enforcement actions, litigation or other legal proceedings, Nagarro and, following completion of the Nagarro Acquisition, the combined group could face regulatory or litigation exposure, additional costs, fines or damages and reputational harm. Any such proceedings could also divert management attention and affect client, employee or stakeholder confidence.

Further, Nagarro may have historical delays in statutory filings or statutory dues that could result in successor liability. Any of the above could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

58. The legal proceedings disclosed in this Placement Document do not include proceedings involving Nagarro or its subsidiaries. There may be pending or threatened proceedings involving Nagarro that we are not aware of or have not fully assessed, and any adverse outcome could affect us following completion of the Nagarro Acquisition.

Our Company, through the BidCo, has made the Takeover Offer of Nagarro Shares. The BidCo and our Company have also entered into the Lantano SPA to acquire additional Nagarro Shares. For further details, see "*Proposed Acquisition of Nagarro SE*" on page 801. Nagarro is a European stock corporation (Societas Europaea) established under German law and listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange. It operates through a network of subsidiaries across multiple jurisdictions and serves clients across a range of industries. Upon completion of the Nagarro Acquisition, Nagarro and its subsidiaries will become our subsidiaries.

Under the Business Combination Agreement, Nagarro has agreed to conduct its business in accordance with past practice and to refrain from taking certain measures outside the ordinary course of business until the closing of the Takeover Offer.

In the ordinary course of business, Nagarro or its subsidiaries may be involved in proceedings involving customers, employees, tax authorities, regulators or other third parties in the jurisdictions in which Nagarro operates. Such proceedings may be governed by respective laws where these entities are located. For instance, based on Nagarro's publicly available disclosures, as of December 31, 2025, certain Indian subsidiaries of Nagarro had preferred appeals against income tax demands of kEUR 1,318 and indirect tax demands of kEUR 20. Further, Nagarro disclosed in its annual report for CY2024 that its subsidiary, Nagarro Inc., has been involved in legal proceedings with a client since 2020. In such proceedings, the client has filed a counterclaim seeking recovery of amounts paid, alleging that the deliverables were not fit for purpose, and has claimed damages of US$1.26 million, and US$1 million in additional damages along with legal costs.

The disclosure of outstanding legal proceedings in this Placement Document covers our Company and our Subsidiaries as of the date of this Placement Document, in accordance with the materiality policy adopted by our Company under the SEBI Listing Regulations. As on the date of this Placement Document, Nagarro has not become a subsidiary of our Company. Accordingly, we have not identified, assessed or disclosed outstanding legal proceedings involving Nagarro or its subsidiaries. Disclosures in relation to the Nagarro Acquisition, including information regarding Nagarro's business and financial performance, are based solely on information publicly available and disclosed by Nagarro under applicable laws and regulations which we have not independently verified. There may be material risks associated with Nagarro about which our Company is not aware. Any discovery of adverse information concerning Nagarro may result in the information about it contained in this Placement Document being inaccurate or inadequate. Certain matters relating to Nagarro that are publicly disclosed are described in "*– Our evaluation of Nagarro has been based on publicly available information, and we may be exposed to undisclosed or contingent liabilities after the Nagarro Acquisition is completed*" and *"– Nagarro was subject to an independent investigation relating to past external allegations, and the nature, scope and outcome of the underlying matters remain uncertain*" each on page 71.

Investors should not interpret the absence of disclosure of proceedings involving Nagarro and its subsidiaries from this Placement Document as a representation that no such proceedings exist or that any existing proceedings are immaterial. Any adverse outcome in any such proceedings could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

59. Nagarro reports its financial results under IFRS on a calendar year basis, while we report under Ind AS on a fiscal year basis, and the harmonization of accounting policies and reporting periods may create challenges for financial consolidation and investor communication.

Nagarro prepares its consolidated financial statements in accordance with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code], with its financial year ending on December 31 of each calendar year. We prepare our consolidated financial statements in accordance with Indian Accounting Standards (Ind AS), with our fiscal year ending on March 31 of each year. While Ind AS is substantially converged with IFRS, there are differences in certain areas, including the treatment of goodwill, revenue recognition, lease accounting, financial instrument classification and the treatment of certain employee benefit obligations. Harmonizing the accounting policies of the combined group to ensure consistent and accurate financial reporting may require significant effort and expertise.

The misalignment of reporting periods, with Nagarro reporting on a January-to-December calendar year and our Company reporting on an April-to-March fiscal year, could create additional complexity for consolidation of financial results. Following completion of the Nagarro Acquisition, we may need to align Nagarro's financial reporting with our fiscal year or develop a methodology for consolidating financial results across different reporting periods. Until such alignment is achieved, there may be periods in which the financial information presented to investors includes data from different time periods, which could make it difficult for investors to assess the combined group's financial performance on a like-for-like basis.

In addition, Nagarro's segment reporting, key performance indicators and non-GAAP financial measures, such as Adjusted EBITDA, differ from those used by our Company. The transition to a unified set of financial metrics and reporting formats may take several quarters, during which investors may find it challenging to evaluate the combined group's performance relative to historical periods. There is also a risk that harmonization of accounting policies could result in restatements or adjustments to previously reported financial information, which could cause confusion among investors and adversely affect the market price of the Equity Shares. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

EXTERNAL RISK FACTORS

60. We are subject to laws, rules and regulations in multiple jurisdictions, and changes to such laws, rules and regulations could adversely affect our business, financial condition, results of operations, cash flows and prospects.

We conduct business in numerous jurisdictions, including India, the United States, the United Kingdom, the European Union and various other countries across Asia, the Middle East and Latin America. As a result, we are subject to a complex and evolving body of laws, rules and regulations relating to, among other things, data protection and privacy, employment and labor relations, taxation, trade and customs, anti-corruption, intellectual property, environmental protection, consumer protection, anti-money laundering and information security. These laws and regulations are continuously evolving, and the requirements of one jurisdiction may conflict with or impose obligations inconsistent with those of another. Monitoring legislative and regulatory developments across all jurisdictions in which we operate requires significant management attention and resources, and we may fail to adequately anticipate or respond to changes in a timely manner.

In India, we are subject to, among others, the Companies Act, 2013 and the rules framed thereunder, SEBI regulations including the SEBI Listing Regulations, the FEMA and the regulations thereunder, the Income Tax Act, 2025, the Information Technology Act, 2000, the Digital Personal Data Protection Act, 2023 and the applicable labour codes. In the United States, we are subject to federal, state and local laws and regulations, including tax laws, data privacy regulations such as the California Consumer Privacy Act, export controls and sanctions regulations. In the European Union, we are subject to the General Data Protection Regulation ("**GDPR**"), the AI Act, the Digital Services Act and other sector-specific legislation. Any changes to these or other applicable laws and regulations, or any failure by us to comply therewith, could result in penalties, litigation, increased compliance costs, restrictions on our ability to operate in certain jurisdictions or loss of client confidence, any of which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

61. Our ability to borrow in foreign currencies is restricted by Indian law, which could limit our ability to obtain financing on competitive terms.

Indian companies are subject to foreign exchange regulations governing borrowing in foreign currencies, including FEMA and the regulations and directions issued by the RBI. These requirements may impose eligibility, end-use, maturity, cost, hedging, reporting and approval conditions on external commercial borrowings and other foreign currency financing. Such restrictions may limit our ability to borrow in foreign currencies, and any required approval may not be granted on a timely basis, on acceptable terms or at all.

If we are unable to access foreign currency financing or are required to obtain it on less favorable terms, our financing costs may increase and our ability to fund operations, acquisitions or other strategic initiatives may be constrained. Any such limitation on raising foreign capital could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

62. Political instability or changes in government policy in India could adversely affect our business, financial condition, results of operations, cash flows and prospects.

India is our primary operational base, with over 25,000 employees located across multiple delivery centers in Pune, Hyderabad, Bengaluru, Nagpur, Goa and other cities. The Government of India has historically supported the information technology services sector through favorable policies, including the establishment of Software Technology Parks of India ("**STPI**") and Special Economic Zone ("**SEZ**") regimes, competitive corporate tax rates and a generally liberalized foreign direct investment framework. However, the Government of India may change its policies at any time, including with respect to foreign direct investment norms, taxation of the information technology sector, export incentives, SEZ benefits and labor regulation. Any reduction or withdrawal of incentives currently available to us, or the imposition of additional regulatory burdens, could increase our cost of operations and reduce our competitiveness.

India has experienced political instability in the past, including changes of government at both the central and state levels, and may experience such instability in the future. Coalition governments, regional political tensions, civil unrest, strikes, communal tensions, acts of terrorism and armed conflicts along India's borders could create uncertainty in the business environment and disrupt our operations. In addition, state and local governments may adopt policies or take actions that are inconsistent with central government policies or that are adverse to the interests of the information technology services sector. Any such political instability, policy changes or civil disruptions in India could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

63. Inflation in India could increase our costs of operations and reduce our profitability.

India has experienced periods of significant inflation, including increases in consumer price indices, wholesale price indices, food prices, fuel costs and housing costs. Inflation in India is influenced by a variety of factors, including domestic monetary policy, global commodity prices, supply chain disruptions, fiscal policy and capital flows. The RBI periodically adjusts key policy rates, including the repo rate, reverse repo rate and cash reserve ratio, to manage inflation, but there can be no assurance that such measures will be effective or that inflation will remain within the RBI's target band. Persistent inflationary pressures could increase our employee compensation costs, facility expenses, travel costs, procurement expenses and other general and administrative expenses.

Wage inflation in the Indian information technology sector has been particularly pronounced in recent years due to intense competition for qualified talent, increased demand for specialists in artificial intelligence, cloud computing, cybersecurity and data engineering, and generally tightening labor market conditions. Employee benefits expense is our largest cost component, representing 53.90% of our revenue from operations in Fiscal 2026. If we are unable to offset wage inflation through productivity improvements, pricing adjustments, delivery model optimization or a favorable revenue mix, our margins could be adversely affected. In addition, inflation may impact the cost competitiveness of our India-based delivery model relative to alternative delivery locations, which could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

64. Changes to India's tax regime could adversely affect our business, financial condition, results of operations, cash flows and prospects.

Our operations in India are subject to a variety of direct and indirect taxes, including the Goods and Services Tax ("**GST**"), customs duties and various state and local levies. The Indian tax regime is complex and subject to frequent changes. The Government of India has in the past made significant modifications to the tax framework, including the introduction of GST, changes to transfer pricing regulations, amendments to the Minimum Alternate Tax provisions, modifications to dividend distribution tax rules, and the introduction of concessional corporate tax rates. Any further changes to India's direct or indirect tax laws, including the introduction of new taxes on digital services, modifications to the equalization levy framework, increases in corporate tax rates, withdrawal or reduction of available deductions or exemptions, or the imposition of retrospective tax amendments, could increase our tax burden.

The Indian tax authorities have in the past challenged the transfer pricing arrangements of information technology companies, and we cannot assure you that our transfer pricing policies will not be challenged or that such challenges will be resolved in our favor. In addition, tax incentives historically available to the Indian information technology sector, including benefits under the STPI and SEZ schemes, have been progressively reduced or eliminated, and any further reduction or elimination of such incentives could increase our effective tax rate.

Moreover, India has adopted the Organisation for Economic Co-operation and Development ("**OECD**") Pillar Two global minimum tax framework, which may affect our tax planning strategies and increase our overall tax burden. Any of the foregoing changes could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

65. A downgrade of India's sovereign credit rating could adversely affect our ability to raise capital and the trading price of the Equity Shares.

India's sovereign credit rating is currently rated investment grade by the major international credit rating agencies: "BBB-" with a stable outlook by S&P Global Ratings and Fitch Ratings, and "Baa3" with a stable outlook by Moody's Investors Service. Any downgrade of India's sovereign credit rating by one or more of these agencies, or a change in the rating outlook to negative, could adversely affect the perception of the Indian economy and Indian companies by international investors, increase the cost of external borrowings for Indian issuers, reduce foreign portfolio investor ("**FPI**") allocations to Indian equities and debt securities, and trigger capital outflows from Indian financial markets. Such developments could adversely affect our ability to raise capital, whether through equity offerings, debt issuances or bank borrowings, on terms favorable to us or at all.
In addition, a downgrade or the perception of a potential downgrade could increase volatility in the Indian equity markets, reduce liquidity in the secondary market for Indian securities and depress the trading price of the Equity Shares. A downgrade could also adversely affect the Indian rupee exchange rate, increase interest rates generally in India, reduce foreign direct investment inflows and adversely affect the Indian economy as a whole. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects and the market price of the Equity Shares.

66. Rights of shareholders under Indian law may be more limited than those available under the laws of other jurisdictions.

Our Company is incorporated in India and is governed by the Companies Act, 2013 and the SEBI Regulations. The rights and responsibilities of our shareholders are governed by these laws and our Articles of Association. The shareholder protection framework under Indian law differs in certain material respects from the frameworks in other jurisdictions, including the United States and the United Kingdom. For example, class action mechanisms under Indian law are less developed and less frequently utilized than those available under U.S. federal and state securities laws. Section 245 of the Companies Act, 2013, which provides for class action suits by shareholders and depositors, prescribes minimum thresholds for the number or proportion of shareholders eligible to bring such actions and has been infrequently tested in the Indian courts.

In addition, derivative actions on behalf of the company by its shareholders are procedurally more complex under Indian law and are subject to judicial discretion. Minority shareholder protections, while available under the Companies Act, 2013 (including provisions relating to oppression and mismanagement under Sections 241-244), differ in scope and enforcement mechanisms from those available under, for example, the U.S. Securities Exchange Act of 1934 and the rules of the U.S. Securities and Exchange Commission. Furthermore, Indian courts may be less familiar with certain common law equitable remedies available to shareholders in other jurisdictions. As a result, shareholders may find it more difficult to protect their interests in our Company than they would in a company incorporated in the United States, the United Kingdom or certain other jurisdictions.

67. The stock exchanges may place our Equity Shares under Additional Surveillance Measures or Graded Surveillance Measures, which could adversely affect trading liquidity and the market price of the Equity Shares.

BSE and NSE have implemented frameworks for Additional Surveillance Measures ("**ASM**") and Graded Surveillance Measures ("**GSM**") to enhance market integrity and protect investor interests. Under these frameworks, the stock exchanges may, at their discretion, place the equity shares of listed companies under surveillance on the basis of objective criteria, including price variation, volatility, market capitalization changes, volume concentration, price-earnings multiples, delivery ratios and other parameters. Securities placed under ASM or GSM may be subject to higher margin requirements (including 100% margin in certain cases), reduced circuit limits, trade-to-trade settlement, periodic call auctions in lieu of continuous trading, or restrictions on the applicability of certain order types.

If our Equity Shares are placed under the ASM or GSM framework at any time, the resulting restrictions could significantly reduce trading volumes and liquidity in the Equity Shares, increase the cost of trading for investors, limit the ability of investors to exit their positions, increase bid-ask spreads and depress the market price of the

Equity Shares. Although placement under ASM or GSM does not constitute any adverse finding or action by the stock exchanges or SEBI against our Company, the market perception of such placement could be negative and could adversely affect investor sentiment toward the Equity Shares. We cannot assure you that our Equity Shares will not be placed under the ASM or GSM framework, or that any such placement, if it occurs, will not have a material adverse effect on the trading price and liquidity of the Equity Shares.

68. We are subject to Indian competition law, and any adverse proceedings or determinations thereunder could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

The Competition Act, 2002, as amended by the Competition (Amendment) Act, 2023, regulates anti-competitive agreements, abuse of dominant position and combinations (mergers and acquisitions) in India. The Competition Commission of India (the "**CCI**") has broad investigatory and adjudicatory powers and has the authority to impose significant monetary penalties on enterprises found to have engaged in anti-competitive conduct. The CCI may also issue cease and desist orders, direct the modification of agreements and impose behavioral or structural remedies. The Competition Appellate Tribunal (now the National Company Law Appellate Tribunal) hears appeals from CCI orders.

Our business involves client engagements, partnerships, subcontracting arrangements, technology alliances and acquisition activities, all of which could potentially attract scrutiny under Indian competition law. The combination regulation (merger control) provisions under the Competition (Amendment) Act, 2023, require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to, and pre-approved by the CCI.

There can be no assurance that the CCI will not require modifications, impose conditions or prohibit any future acquisition or combination involving us. In addition, any investigation or proceeding initiated by the CCI against us, whether pursuant to a complaint by a third party or on its own motion, could result in significant legal costs, diversion of management attention and reputational harm, regardless of the outcome. Any adverse determination by the CCI, including the imposition of penalties (which may be up to 10% of the average relevant turnover for the preceding three financial years), could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

69. Investors may face difficulties in enforcing civil liabilities and foreign court judgments against us or our directors and officers in India.

Our Company is a public limited company incorporated under the laws of India. Some of our Company's Directors and executive officers named herein are residents of India and all or a substantial portion of the assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process on our Company or such persons in jurisdictions outside of India, or to enforce against them judgments obtained in courts outside of India. In addition, India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. The manner of recognition and enforcement of foreign judgments in India is dependent on whether the country in which the foreign judgment has been pronounced is a reciprocating territory or not. For further information on recognition and enforcement of foreign judgments in India, please see "*Enforcement of Civil Liabilities*" on page 23.

A party seeking to enforce a foreign judgment in India may be required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999 to repatriate outside India any amount recovered pursuant to execution. Any judgment in a foreign currency would be converted into Indian Rupees on the date of the judgment and not on the date of the payment. The Company cannot predict whether a suit brought in an Indian court will be disposed of in a timely manner or be subject to considerable delays.

70. Failure to effectively integrate environmental, social and governance considerations, comply with Business Responsibility and Sustainability Reporting requirements, or adapt to evolving regulatory expectations could adversely affect our business, regulatory standing, reputation, client relationships and financial performance.

Environmental, social and governance ("**ESG**") considerations are becoming increasingly central to the technology and IT services industry, both globally and in India, driven by client due diligence requirements, evolving regulatory mandates, investor scrutiny and rising public expectations. As a listed entity ranked among the top 1,000 companies by market capitalization, our Company is required to prepare and disclose a Business

Responsibility and Sustainability Report ("**BRSR**") pursuant to the SEBI Listing Regulations. Additionally, starting Fiscal 2027, our Company has become subject to the Business Responsibility and Sustainability Report Core ("**BRSR Core**"), which would require our Company to engage external assurance providers, strengthen internal data collection and validation systems, and dedicate additional management resources to compliance.

This expanding disclosure and assurance framework is likely to result in an increase in our Company's compliance costs. Further, any failure, delay or inadequacy in meeting these requirements could expose our Company to regulatory scrutiny, enforcement action and/or penalties from SEBI and the stock exchanges, and may adversely affect the Company's reputation and standing with investors, clients and other stakeholders.

71. Provisions of Indian law and regulation may discourage or prevent potential acquisition proposals that our shareholders may consider to be in their best interests.

Indian law and regulations contain provisions that may delay, deter or prevent a takeover attempt that shareholders might consider to be in their best interests. The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "**Takeover Regulations**") require any acquirer who, together with persons acting in concert, acquires shares or voting rights in a listed company in excess of certain prescribed thresholds (currently 25% of the total shares or voting rights) to make a mandatory open offer to the remaining shareholders of the target company. The Takeover Regulations also prescribe an obligation to make an open offer upon any acquisition of "control" of a listed company. These requirements may increase the cost and complexity of, and impose additional procedural requirements on, any proposed acquisition of substantial shareholding or control of our Company and may discourage potential acquirers from pursuing such transactions. As a result, our shareholders may not have the opportunity to participate in a takeover or other change of control transaction or realise a premium over the prevailing market price of our Equity Shares.

In addition, depending on the structure and nature of a proposed acquisition, an acquirer may be required to comply with or obtain approvals under other applicable Indian laws and regulations, including the Companies Act, 2013, the Competition Act, 2002, applicable foreign exchange laws and regulations and any sector-specific laws or regulations applicable to our Company. Transactions involving a merger, amalgamation or other scheme of arrangement may also be subject to prescribed shareholder and creditor approvals, regulatory approvals and sanction by the National Company Law Tribunal. Further, acquisitions involving foreign investment may be subject to applicable foreign investment restrictions, pricing requirements, reporting requirements and other conditions under Indian foreign exchange laws and regulations. These regulatory requirements and restrictions may make an acquisition of our Company more time-consuming, costly and complex and may delay, restrict or deter potential acquirers from pursuing an acquisition proposal that may otherwise be considered beneficial by our shareholders.

Accordingly, these provisions of Indian law and regulation may limit the ability of third parties to acquire substantial shareholding or control of our Company or otherwise pursue a change of control transaction, which may adversely affect the interests of our shareholders and the market price of our Equity Shares.

72. Financial instability, political instability and geopolitical conflicts in countries other than India could adversely affect our business, financial condition, results of operations, cash flows and prospects.

We have operations in 21 countries and derive a significant proportion of our revenue from clients located outside India, particularly in North America and Europe. Global economic conditions are subject to significant uncertainty arising from financial instability, sovereign debt crises, recession risks, inflationary pressures, central bank monetary policy actions, banking sector stress and disruptions to global capital markets. A prolonged economic slowdown or recession in the United States, the European Union or other major economies could lead to reduced corporate spending on information technology services and products, deferrals or cancellations of ongoing projects, increased pricing pressure, and longer sales cycles, all of which could adversely affect our revenue and profitability.

In addition, geopolitical conflicts and political instability could adversely affect our operations and the markets in which our clients operate. The ongoing Russia-Ukraine conflict has had, and may continue to have, adverse effects on European economic conditions, energy markets, supply chains and client sentiment. Escalation of conflicts in the Middle East, tensions in the Taiwan Strait, and U.S.-China strategic competition, including technology export restrictions and supply chain decoupling, could further disrupt global trade and technology markets. Such geopolitical risks could result in sanctions and trade restrictions that affect our operations, the imposition of new compliance requirements, disruptions to the global financial system, increased cybersecurity threats and a general

deterioration in business confidence. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

73. Trade wars, tariffs and protectionist policies could reduce demand for our services and increase our costs.

Our business model relies significantly on our ability to provide information technology services from our delivery centers in India and other lower-cost locations to clients in the United States, Europe and other developed markets. This cross-border delivery model is subject to the risk of protectionist trade policies, including tariffs on services, restrictions on cross-border data flows, requirements for data localization and policies favoring domestic service providers. In the United States, "Buy American" and similar executive orders and legislation may restrict the ability of federal government agencies and their contractors to engage offshore service providers. The European Union's emphasis on digital sovereignty, including the development of indigenous technology capabilities and restrictions on the processing of EU personal data outside the European Economic Area, could limit the scope of services that can be delivered from offshore locations.

Protectionist and anti-offshoring sentiment in our key markets could lead to adverse public perceptions of companies that rely on offshore delivery models, which could affect our ability to win and retain client engagements. Any increase in protectionist policies, restrictions on cross-border service delivery or anti-offshoring measures could reduce demand for our offshore services, increase our onshore delivery costs and materially and adversely affect our business, financial condition, results of operations, cash flows and prospects.

74. Our financial statements are prepared under Indian Accounting Standards (Ind AS), which differ in certain respects from IFRS and U.S. GAAP, and investors may find it difficult to compare our financial information with that of companies reporting under those frameworks.

Our consolidated financial statements are prepared in accordance with Indian Accounting Standards ("**Ind AS**") as prescribed under Section 133 of the Companies Act, 2013, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. While Ind AS are substantially converged with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board, there are certain differences between Ind AS and IFRS, and Ind AS differs more significantly from United States Generally Accepted Accounting Principles ("**U.S. GAAP**"). Differences exist, among other areas, in the treatment of revenue recognition (including the accounting for certain variable consideration arrangements, licensing arrangements and multi-element contracts), lease classification and measurement, impairment of goodwill and other intangible assets, classification and measurement of financial instruments, accounting for business combinations (including measurement of non-controlling interests), presentation of other comprehensive income, segment reporting, and earnings per share computations.

We do not provide a reconciliation of our Ind AS financial statements to either IFRS or U.S. GAAP, and we are not required to do so under applicable Indian law or the terms of this Issue. Accordingly, investors who are accustomed to analyzing financial statements prepared under IFRS or U.S. GAAP may find it more difficult to evaluate our financial performance and compare our financial position with that of companies in similar industries that report under those frameworks. The absence of such reconciliation may also affect the ability of certain institutional investors whose investment mandates or analytical models require IFRS or U.S. GAAP financial information to fully evaluate an investment in the Equity Shares. Furthermore, to the extent that the Nagarro Acquisition is consummated, the consolidation of Nagarro SE's consolidated financial statements (which are prepared under IFRS) into our Ind AS consolidated financial statements may involve adjustments and reclassifications that could affect the comparability and transparency of our reported financial results. These differences and complexities could materially affect the perceived comparability of our financial information and could adversely affect the trading price of the Equity Shares.

RISKS IN RELATION TO THE EQUITY SHARES AND THE ISSUE

75. Bidders are not allowed to withdraw their Bids or revise their Bids downwards after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, applicants in the Issue are not allowed to withdraw their Bids after the Issue Closing Date. The Allotment of Equity Shares in this Issue and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately seven days and up to 10 days from the Issue Closing Date. However, there is no assurance that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure,

material adverse changes in the business, results of operations and financial condition of our Company, or other events affecting the applicant's decision to invest in the Equity Shares, would not arise between the Issue Closing Date and the date of Allotment of Equity Shares in the Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of the Equity Shares. The applicants shall not have the right to withdraw their Bids in the event of any such occurrence. Our Company may complete the Allotment of the Equity Shares even if such events may limit the applicants' ability to sell the Equity Shares after the Issue or cause the trading price of the Equity Shares to decline.

76. The Equity Shares issued pursuant to this Issue may not be listed on the Stock Exchanges in a timely manner or at all, and any failure or delay in obtaining listing approval would adversely affect the liquidity of the Equity Shares.

We are required to apply to BSE and the NSE for listing and admission to trading of the Equity Shares to be issued pursuant to this Issue. Our existing Equity Shares are listed and traded on BSE (scrip code: 533179) and NSE (symbol: PERSISTENT). There can be no assurance that the Stock Exchanges will grant the necessary listing and trading approvals in a timely manner, or at all. In accordance with Regulation 176 of the SEBI ICDR Regulations, we are required to ensure that the Equity Shares allotted pursuant to this Issue are listed on the Stock Exchanges within a period prescribed thereunder. If we fail to obtain listing and trading approvals within the prescribed timeframe, we may be required to refund the subscription amounts to allottees in accordance with applicable law, which could have adverse reputational and financial consequences for us.

Until such time as the Equity Shares are listed on the Stock Exchanges, investors may not be able to sell or otherwise dispose of the Equity Shares on any recognized stock exchange, and there may be no established trading market for such Equity Shares. Any delay in the listing of the Equity Shares may cause the market price to differ materially from the Issue Price at the time the Equity Shares commence trading. Furthermore, there can be no assurance that, even after listing, an active and liquid trading market for the Equity Shares will develop or be sustained, or that the Equity Shares will trade at or above the Issue Price. Any failure or delay in obtaining listing approval could materially and adversely affect the liquidity and market price of the Equity Shares and investors' ability to trade them.

77. The Equity Shares are subject to significant distribution and transfer restrictions, which may limit their resale and adversely affect their liquidity and market price.

The Equity Shares are being offered and sold only to QIBs as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, in reliance on Chapter VI of the SEBI ICDR Regulations. The Equity Shares have not been, and may not be, registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws in the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

In addition, the Equity Shares are subject to restrictions on transfer in certain other jurisdictions, including the United Kingdom, the European Economic Area, Japan, Hong Kong, Singapore, and other jurisdictions where the offer, sale, or distribution of the Equity Shares would require compliance with applicable securities laws. Prospective investors are urged to consult their own legal and financial advisers regarding the legal, regulatory, and tax implications of acquiring, holding, and disposing of the Equity Shares in their respective jurisdictions. The foregoing restrictions may substantially limit the number of potential purchasers of the Equity Shares and reduce the liquidity of any secondary market in the Equity Shares, which could materially and adversely affect the market price at which the Equity Shares may be resold.

We have not undertaken, and do not intend to undertake, any action to permit a public offering of the Equity Shares in any jurisdiction outside India where such action would be required. No assurance can be given that any exemption from registration or qualification under applicable securities laws will be available to permit the resale of the Equity Shares in any particular jurisdiction, and investors may be required to bear the economic risk of their investment for an indefinite period.

78. Non-resident investors may face restrictions on transfers of the Equity Shares under Indian foreign exchange laws, which could limit liquidity and delay repatriation of sale proceeds.

Under Indian foreign exchange regulations, transfers of shares between non-residents and residents are generally permitted only subject to applicable pricing guidelines, reporting requirements, sectoral limits and other restrictions. If a proposed transfer does not comply with those requirements or falls within an exception, prior approval from the RBI or another governmental authority may be required. A non-resident investor seeking to convert Rupee proceeds from a sale of Equity Shares into foreign currency and repatriate those proceeds may also be required to obtain a no-objection or tax clearance certificate from the Indian income-tax authorities and to satisfy conditions relating to repatriation basis, pricing and regulatory compliance.

The Government of India may impose emergency foreign exchange restrictions, including in response to sudden fluctuations in interest rates or exchange rates, difficulty in stabilizing the balance of payments or substantial disturbances in Indian financial and capital markets. Such restrictions could require additional approval before an investor acquires Indian securities or repatriates dividends, interest or sale proceeds. We cannot assure investors that any required approval will be obtained within a reasonable period, on acceptable terms or at all, and any resulting delay or inability to repatriate funds could materially and adversely affect the liquidity and value of the Equity Shares.

79. We may issue additional equity shares or equity-linked securities in the future, which would dilute existing shareholders' proportionate ownership and could adversely affect the market price of the Equity Shares.

We may, from time to time, issue additional equity shares or securities convertible into or exchangeable for equity shares, including through further qualified institutional placements, rights issues, preferential allotments, employee stock option schemes, or other equity-linked instruments such as convertible debentures or warrants. Our Articles of Association authorize our Board of Directors, subject to the approval of our shareholders where required under applicable law, to issue and allot equity shares, and we have in the past obtained, and may in the future seek, shareholder approvals for the issuance of additional securities. We currently have employee stock option plans ("**ESOPs**") outstanding under the PESOS 2014 and ESOP 2017, pursuant to which stock options have been granted that, upon exercise, would result in the issuance of additional equity shares. As of September 30, 2026, 416,279 stock options were outstanding and exercisable.

Any future issuance of equity shares or equity-linked securities would dilute the proportionate ownership and voting power of existing shareholders, including investors who acquire Equity Shares in this Issue, and could reduce earnings per share. For Fiscal 2026, our basic earnings per equity share was ₹119.74. Any increase in the number of outstanding equity shares without a corresponding increase in our earnings would reduce earnings per share and could adversely affect the market price of the Equity Shares. Furthermore, the terms on which future equity or equity-linked securities may be issued, including the pricing, quantum, and timing of such issuances, may not be favorable to existing shareholders. The perception that such issuances may occur could itself depress the market price of the Equity Shares. Any of the foregoing could have a material adverse effect on the market price of the Equity Shares and on the value of investors' holdings.

80. Investors may be subject to Indian taxes on capital gains and securities transaction tax on the sale of the Equity Shares, which may reduce their returns.

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Securities transaction tax is levied on equity shares sold on an Indian stock exchange. Subject to applicable conditions, including conditions relating to payment of STT, long-term capital gains exceeding ₹125,000 on listed Equity Shares held for more than 12 months may be taxed in India at 12.5% (plus applicable surcharge and cess), while short-term capital gains on listed Equity Shares held for 12 months or less may be taxed at 20% (plus applicable surcharge and cess) where STT has been paid at the time of sale. Gains on transfers not made through a recognized stock exchange or not satisfying applicable STT or other conditions may be taxed at different rates. These rates, thresholds and conditions may change.

Capital gains arising from the sale of the Equity Shares may be exempt from Indian tax where a tax treaty between India and the country in which the investor is resident provides relief and the investor satisfies the applicable conditions and documentation requirements. Indian tax treaties generally do not limit India's ability to tax capital gains, and investors may also be subject to tax in their home jurisdictions. The application of Indian tax laws and treaties depends on the investor's circumstances and may reduce the return on an investment in the Equity Shares.

Investors should consult their own tax advisers regarding the consequences of acquiring, holding and disposing of the Equity Shares.

81. We may not pay dividends in the future at historical levels or at all, and our ability to declare and pay dividends may be constrained by the substantial capital requirements of the Nagarro Acquisition and applicable regulatory restrictions.

The declaration and payment of dividends on our Equity Shares are at the discretion of our Board of Directors and depend on a number of factors, including our earnings, financial condition, cash flows from operations, capital expenditure requirements, financing obligations (including the debt expected to be incurred in connection with the Nagarro Acquisition), working capital needs, applicable legal and regulatory restrictions, contractual restrictions contained in our financing arrangements, tax considerations, and such other factors as our Board of Directors may deem relevant. For Fiscal 2026, we declared a total dividend of ₹40 per Equity Share, comprising a final dividend of ₹18 per Equity Share and an interim dividend of ₹22 per Equity Share. There can be no assurance that we will continue to pay dividends at this level, or at all, in future periods.

Under the Companies Act, 2013 and the rules made thereunder, dividends may only be declared and paid out of profits of the company for the relevant financial year, or out of undistributed profits of previous financial years, or out of both, after providing for depreciation in accordance with applicable rules. In addition, the terms of our existing or future credit facilities and other financing arrangements may contain covenants that restrict or limit our ability to declare and pay dividends. The indebtedness that we expect to incur to fund a portion of the Nagarro Acquisition consideration, together with the ongoing capital requirements of the combined business, may significantly constrain the amount of cash available for distribution to shareholders. Any reduction in, or elimination of, our dividend payments could adversely affect the market price of the Equity Shares.

82. The market price of the Equity Shares may be volatile after this Issue and could fluctuate significantly due to numerous factors, many of which are beyond our control.

The market price of the Equity Shares on BSE and NSE may be subject to significant volatility after completion of this Issue. The trading price of the Equity Shares could fluctuate widely in response to a variety of factors, including: quarterly variations in our results of operations or those of our competitors; changes in financial estimates, earnings projections, or investment recommendations by securities research analysts who cover our Company; announcements of strategic transactions, including acquisitions, divestments, strategic alliances, or joint ventures by us or our competitors; changes in the composition of stock market indices in which our Equity Shares are included, such as the MSCI India Index, S&P BSE100, Nifty IT, or Nifty Midcap Liquid15; additions or departures of key management personnel; developments, or the lack of developments, with respect to the Nagarro Acquisition, including the outcome of the public takeover offer, receipt or non-receipt of regulatory approvals, or any amendment or termination of the Business Combination Agreement; and general economic, political, and market conditions in India and globally, including fluctuations in foreign exchange rates, interest rate movements, and changes in investor sentiment toward the Indian equity markets or the IT services sector.

BSE and NSE have established trading circuit filter limits that restrict the permissible range of price fluctuations for a security during a single trading session. If the market price of the Equity Shares reaches a circuit filter limit, trading in the Equity Shares may be halted for a specified period, which could further contribute to price volatility and limit investors' ability to sell the Equity Shares at a desired price. In addition, the SEBI may, at its discretion, impose surveillance measures, including additional margin requirements or trading restrictions, on the Equity Shares, which could further impair liquidity and adversely affect the market price. Broad market fluctuations and general economic and political conditions, including the effects of recession, inflation, interest rate changes, acts of terrorism, or armed conflict, may also adversely affect the market price of the Equity Shares, regardless of our actual operating performance.

The Indian securities markets are also subject to regulatory changes, technological disruptions, and shifts in trading patterns, including increasing algorithmic and high-frequency trading activity, which may amplify short-term volatility. Investors may not be able to resell the Equity Shares at or above the Issue Price, and may lose all or a part of their investment. The volatility in the market price of the Equity Shares may also subject us to securities litigation, which could be costly and divert management's attention and resources from our business operations.

83. The Floor Price and the Issue Price are determined by formula and through the book-building process and may not be indicative of the market price of the Equity Shares after this Issue.

The Floor Price for this Issue has been calculated in accordance with Regulation 176(1) of the SEBI ICDR Regulations, as the higher of the average of the weekly high and low of the volume-weighted average price of the Equity Shares quoted on the Stock Exchanges during the two weeks or the six weeks preceding the Relevant Date. The Issue Price has been determined by our Board of Directors, in consultation with the Lead Managers, based on the book-building process and investor demand, and includes a discount of 3.66% on the Floor Price, as permitted under Regulation 176(1) of the SEBI ICDR Regulations. The Issue Price is not necessarily indicative of the market value of our Company or the Equity Shares, and the market price of the Equity Shares after listing may be higher or lower than the Issue Price.

The Issue Price may represent a premium or a discount to the market price of the Equity Shares prevailing on the date of allotment or the date on which trading of the Equity Shares issued pursuant to this Issue commences on the Stock Exchanges. There can be no assurance that the Equity Shares will trade at or above the Issue Price after listing and commencement of trading on the Stock Exchanges. The market price of the Equity Shares after listing will be determined by prevailing market conditions, supply and demand dynamics, our financial performance and prospects, and other factors that are beyond our control. As of September 30, 2026, our market capitalization was approximately USD 8.7 billion. Investors should not regard the Issue Price as an indication of the future market price of the Equity Shares and should make their own independent assessment of the value of the Equity Shares and the risks associated with an investment in them.

84. The Net Proceeds of this Issue are intended primarily to fund the consideration payable for the Nagarro Acquisition, and if the acquisition does not complete or the Net Proceeds exceed the portion required for the acquisition, the unused Net Proceeds may be redeployed in a manner that investors may not consider optimal.

We intend to use the Net Proceeds of this Issue primarily to fund a portion of the consideration payable in connection with the Nagarro Acquisition. Completion of the Nagarro Acquisition remains subject to the satisfaction or waiver of certain conditions, including receipt of necessary regulatory approvals, including merger-control clearance in the United Kingdom, foreign-direct-investment clearances in Austria and Spain, and RBI approval under applicable overseas-investment rules. There can be no assurance that all such conditions will be satisfied or waived within the contemplated timelines or at all. Further, the Business Combination Agreement may be terminated in certain circumstances as described elsewhere in this Placement Document. See "*Proposed Acquisition of Nagarro SE*" on page 801.

If the Nagarro Acquisition is not completed for any reason, or if the amount of the Net Proceeds required for the Nagarro Acquisition is lower than currently contemplated, the relevant unutilized Net Proceeds may be redeployed for other purposes only in accordance with the objects of the Issue and applicable laws, including the SEBI ICDR Regulations and the applicable requirements of the Stock Exchanges. Any such redeployment will also be subject to the applicable monitoring agency framework, requisite approvals of our Board of Directors and shareholders, as applicable, compliance with the applicable requirements relating to variation of objects of the Issue, and alignment with the resolution passed by our Shareholders at the EGM. Accordingly, there can be no assurance that the Net Proceeds will ultimately be utilized for the Nagarro Acquisition or that investors will have an opportunity to evaluate the specific alternative uses to which any unutilized Net Proceeds may be applied.

Any alternative deployment of the Net Proceeds may be in areas or for purposes that may not generate returns comparable to those expected from the Nagarro Acquisition. Further, investors may not agree with or have control over the manner in which any such unutilized Net Proceeds are ultimately deployed. Any delay in deployment or alternative use of the Net Proceeds may adversely affect our business, financial condition, results of operations, cash flows and prospects, as well as the return on investment for investors participating in this Issue.

Pending deployment of the Net Proceeds for the purposes described in this Placement Document, we intend to temporarily invest such proceeds in deposits with one or more scheduled commercial banks, mutual funds and other instruments as may be approved by our Board of Directors and permitted under applicable law, including the SEBI ICDR Regulations. Such temporary investments may generate returns that are lower than those that we may otherwise expect to generate from deploying such funds in our business or towards the Nagarro Acquisition. Any delay in deployment or temporary investment of the Net Proceeds may adversely affect our business, financial condition, results of operations, cash flows and prospects and the return on investment for investors participating in this Issue.

85. The objects of the Issue have not been appraised by any bank or financial institution, and the deployment of the Net Proceeds is at the discretion of our Board of Directors.

The objects of the Issue, including the funding of a portion of the consideration payable under the Nagarro Acquisition and general corporate purposes, have not been appraised by any bank or financial institution or any other independent agency. The proposed deployment of the Net Proceeds is based on management estimates, our current business plans and prevailing market conditions, and is subject to revision in light of changes in external circumstances, costs, other financial conditions or business strategy. Our Board of Directors will accordingly have significant flexibility and discretion in applying the Net Proceeds, and investors will not have the opportunity to evaluate the specific uses to which the Net Proceeds will ultimately be applied. Any variation in the objects of the Issue, or any inability to deploy the Net Proceeds in the manner described in this Placement Document, could materially and adversely affect our business, financial condition, results of operations, cash flows and prospects and the return on investment for investors participating in this Issue.

MARKET PRICE INFORMATION

The Equity Shares of our Company have been listed on BSE and NSE since April 6, 2010. As on the date of this Placement Document, 158,150,000 Equity Shares have been issued, subscribed and paid up. The face value of the Equity Shares is ₹5.00 each.

As of October 23, 2026, the closing price of the Equity Shares on BSE and NSE was ₹5,700.50 and ₹5,727.50 per Equity Share, respectively. Since the Equity Shares are available for trading on BSE and NSE, the market price and other information for BSE and NSE has been given separately.

(i) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading turnover for the Financial Years ended March 31, 2026, March 31, 2025, and March 31, 2024:

BSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the year (₹)**	**Total volume of Equity Shares traded in the Fiscals (in number)**	**Total turnover of Equity Shares traded in the Fiscals (₹ in million)**
2026	6,562.90	December 22, 2025	30,665	199.79	4,402.80	April 9, 2025	28,300	125.41	5,603.59	6,295,690	34,533.38
2025	6,682.40	December 19, 2024	113,501	740.60	3,350.20	June 4, 2024	39,028	130.17	5,065.13	4,602,543	23,064.67
April 1, 2023 to March 27, 2024*	8,869.40	February 16, 2024	9,375	82.38	4,206.05	April 17, 2023	50,346	206.37	6,124.18	2,946,352	17,425.36
March 28, 2024 to March 31, 2024*	3,989.25	March 28, 2024#	9,201	36.90	3,989.25	March 28, 2024#	9,201	36.90	3,989.25	9,201	36.90

(Source:www.bseindia.com)

**Stock market data has been shown separately for the periods prior and post the ex- date i.e., March 28, 2024 for sub-division of equity shares from face value from ₹10 each to ₹5 each, undertaken pursuant to a board resolution dated January 19, 2024 and Shareholders' resolution dated March 11, 2024.*

#Only trading day for the remaining period of Fiscal 2024.

Notes:

1. High price, low price indicates and average prices are based on the daily closing prices, for the respective periods.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Fiscal	**High (₹)**	**Date of high**	**Number of Equity Shares traded on the date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on the date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the year (₹)**	**Total volume of Equity Shares traded in the Fiscals (in number)**	**Total turnover of Equity Shares traded in the Fiscals (₹ in million)**
2026	6,563.50	December 22, 2025	359,560	2,346.79	4,402.75	April 9, 2025	1,279,395	5,655.01	5,604.27	144,703,830	788,156.19
2025	6,674.20	December 19, 2024	785,692	5,167.85	3,351.85	June 4, 2024	1,165,302	3,889.00	5,066.05	135,668,223	676,217.03
April 1, 2023 to March 27, 2024*	8,869.55	February 16, 2024	197,048	1,731.33	4,204.55	April 17, 2023	1,323,898	5,463.38	6,124.91	94,442,832	570,636.99
March 28, 2024 to March 31, 2024*	3,984.55	March 28, 2024#	747,068	2,995.59	3,984.55	March 28, 2024#	747,068	2,995.59	3,984.55	747,068	2,995.59

(Source: www.nseindia.com)

**Stock market data has been shown separately for the periods prior and post the ex- date i.e., March 28, 2024, for sub-division of equity shares from face value from ₹10 each to ₹5 each, undertaken pursuant to a board resolution dated January 19, 2024, and Shareholders' resolution dated March 11, 2024.*

#Only trading day for the remaining period of Fiscal 2024.

Notes:

1. High price, low price indicates and average prices are based on the daily closing prices, for the respective periods.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(ii) The following tables set forth the reported high, low and average of the closing prices and the trading volumes of the Equity Shares on the Stock Exchanges on the dates on which such high and low prices were and the turnover of Equity Shares traded in each of the last six months preceding this Placement Document:

BSE											
Month, year	**High (₹)**	**Date of high**	**Number of Equity Shares traded on date of high**	**Total turnover of Equity Shares traded on date of high (₹ in million)**	**Low (₹)**	**Date of low**	**Number of Equity Shares traded on date of low**	**Total turnover of Equity Shares traded on date of low (₹ in million)**	**Average price for the month (₹)**	**Equity Shares traded in the month**	
										Volume	**Turnover (₹ in million)**
September 30, 2026	5,795.00	September 1, 2026	52,720	302.94	5,205.50	September 29, 2026	13,215	69.66	5,458.81	657,651	3,608.62
August 31, 2026	5,851.50	August 28, 2026	50,555	294.62	5,435.00	August 10, 2026	25,830	141.84	5,568.38	843,899	4,701.43

BSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
July 31, 2026	5,549.95	July 31, 2026	39,084	212.88	4,326.45	July 1, 2026	43,232	188.59	5,061.62	1,276,611	6,409.79
June 30, 2026	5,469.00	June 2, 2026	56,395	310.82	4,298.25	June 29, 2026	365,891	1,615.68	4,935.11	1,498,708	7,201.71
May 31, 2026	5,195.30	May 29, 2026	28,841	150.66	4,632.45	May 14, 2026	26,034	121.19	4,967.51	679,350	3,371.43
April 30, 2026	5,499.25	April 16, 2026	15,570	85.92	4,747.50	April 24, 2026	45,362	220.40	5,190.50	636,706	3,245.67

(Source:www.bseindia.com)

Notes:

1. High price, low price indicates and average prices are based on the daily closing prices, for the respective periods.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

NSE											
Month, year	High (₹)	Date of high	Number of Equity Shares traded on date of high	Total turnover of Equity Shares traded on date of high (₹ in million)	Low (₹)	Date of low	Number of Equity Shares traded on date of low	Total turnover of Equity Shares traded on date of low (₹ in million)	Average price for the month (₹)	Equity Shares traded in the month	
										Volume	Turnover (₹ in million)
September 30, 2026	5,800.00	September 1, 2026	592,977	3,408.86	5,162.00	September 29, 2026	294,063	1,543.34	5,457.83	9,199,336	50,442.51
August 31, 2026	5,875.00	August 28, 2026	957,631	5,584.99	5,442.50	August 18, 2026	353,161	1,944.27	5,573.45	10,362,134	57,819.00
July 31, 2026	5,549.00	July 31, 2026	1,471,276	8,049.07	4,330.20	July 1, 2026	964,797	4,207.69	5,062.63	18,954,965	95,254.51
June 30, 2026	5,470.50	June 2, 2026	1,368,824	7,530.73	4,298.50	June 29, 2026	6,170,867	27,092.05	4,935.21	19,258,891	91,985.87
May 31, 2026	5,194.30	May 29, 2026	1,393,236	7,258.40	4,628.80	May 14, 2026	758,017	3,522.96	4,967.76	10,967,231	54,592.61
April 30, 2026	5,500.50	April 16, 2026	615,320	3,390.63	4,747.30	April 24, 2026	1,280,422	6,203.07	5,191.26	16,532,413	85,485.75

(Source: www.nseindia.com)

Notes:

1. High, low and average prices are based on the daily closing prices.

2. In the case of a year, average represents the average of the closing prices of all trading days of each year presented.

3. In case of two days with the same high or low price, the date with the higher volume has been chosen.

(iii) The following tables set forth the market price on the Stock Exchanges on i.e., September 3, 2026, the first working day following the approval of the Board of Directors for the Issue:

BSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded (in number)**	**Turnover (₹ in million)**
5,694.60	5,694.60	5,500.00	5,624.00	43,646	244.57

(Source: www.bseindia.com)

NSE					
Open (₹)	**High (₹)**	**Low (₹)**	**Close (₹)**	**Number of Equity Shares traded (in number)**	**Turnover (₹ in million)**
5,632.00	5,668.00	5,501.00	5,657.00	501,616	2,812.84

(Source: www.nseindia.com)

In the event the high or low or closing price of the Equity shares are the same on more than one day, the day on which there has been higher volume of trading has been considered for the purposes of this chapter.

USE OF ISSUE PROCEEDS

The gross proceeds from the Issue aggregates to ₹42,646.09 million (the "**Gross Proceeds**"). Subject to compliance with applicable laws, the net proceeds from the Issue, after deducting fees, commissions, and the estimated expenses of the Issue of ₹646.99 million, shall be ₹41,999.10 million (the "**Net Proceeds**").

Objects of the Issue

Subject to compliance with applicable laws and regulations, our Company intends to utilize the Net Proceeds towards the following object:

(in ₹ million)

Particulars	Amount which will be financed from the Net Proceeds*
Funding inorganic growth initiatives, including the Proposed Acquisition, subject to receipt of outstanding regulatory approvals, and all costs associated therewith	32,000.00
General corporate purposes(1)	9,999.10
Total Net Proceeds	**41,999.10**

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25% of the gross proceeds of the Issue.
**The amounts in ₹ million set out above have been computed on the basis of the RBI/FBIL reference rate of ₹94.7691 per USD as on the Working Day immediately preceding the date of the Preliminary Placement Document, i.e. October 19, 2026.*

Our main objects clause and objects incidental or ancillary to the attainment of the main objects clauses of our Memorandum of Association enable us to undertake the aforesaid object.

Proposed schedule of implementation and deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(in ₹ million)

Particulars	Amount to be financed from the Net Proceeds*	Estimated deployment
		Fiscal 2027
Funding inorganic growth initiatives, including the Proposed Acquisition, subject to receipt of outstanding regulatory approvals, and all costs associated therewith	32,000.00	32,000.00
General corporate purposes(1)	9,999.10	9,999.10
Total Net Proceeds	**41,999.10**	**41,999.10**

(1) The amount to be utilised for general corporate purposes alone shall not exceed 25% of the gross proceeds of the Issue.
**The amounts in ₹ million set out above have been computed on the basis of the RBI/FBIL reference rate of ₹94.7691 per USD as on the Working Day immediately preceding the date of the Preliminary Placement Document, i.e. October 19, 2026.*

The aforesaid fund requirements, and the proposed deployment of the Net Proceeds in Fiscal 2027, and the intended use of the Net Proceeds as described herein, are based on (a) our current business plan, management estimates, prevailing market conditions, current circumstances of our business and other commercial considerations, which are subject to change and may not be within the control of our management; and (b) receipt of the outstanding regulatory approvals and other approvals required in respect of the Proposed Acquisition.

In the event of any delay in receipt of the outstanding regulatory approvals or if the Proposed Acquisition does not proceed, the deployment of the Net Proceeds will be made in subsequent Fiscals. Such fund requirements and deployment of funds have not been appraised by any bank or financial institution, and are subject to changes in our business and strategy or external circumstances such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, increasing regulations or changes in government policies, which may not be in our control. In this regard, see "*Risk Factors – The objects of the Issue have not been appraised by any bank or financial institution, and the deployment of the Net Proceeds is at the discretion of our Board of Directors*." on page 83.

Details of the object

Funding inorganic growth initiatives, including the Proposed Acquisition, subject to receipt of outstanding regulatory approvals, and all costs associated therewith

We propose to utilize ₹32,000.00 million of the Net Proceeds towards funding inorganic growth initiatives, including the Proposed Acquisition, subject to receipt of outstanding regulatory approvals, and all costs associated therewith for the expansion of our business operations.

In addition to growing our business organically, our Company has in the past undertaken acquisitions and intends to continue to evaluate acquisition opportunities in the future in furtherance of our strategic business objectives and growth strategies. Our past acquisitions have enabled us to expand our capabilities, service offerings, customer base and geographical presence. The table below summarizes the key acquisitions that we have undertaken in the past, as on the date of this Placement Document:

Name of the acquired entity	Nature of acquisition	Country of incorporation of the acquired entity	Financial Year of acquisition	Acquisition rationale
Concise Systems OÜ	Acquisition, through PerSys Estonia OÜ, of the part of Concise Systems OÜ's business that provides IT services	Estonia	2027	To enhance expertise supporting mobility, logistics, smart infrastructure and connected ecosystems globally and to expand nearshore delivery capabilities in Europe
Arrka Infosec Private Limited ("**Arrka**") [(1)]	Acquisition of 100% of the share capital Arrka	India	2025	To strengthen data privacy, digital governance, AI governance and information risk management capabilities
Starfish Associates, LLC ("**Starfish**")[(2)]	Acquisition of 100% of the equity interests of Starfish, through Persistent Systems Inc.	United States	2025	To strengthen its position in contact center and unified communications
MediaAgility Inc. ("**MediaAgility**") and MediaAgility India Private Limited	Acquisition of 100% of the issued and outstanding stock of MediaAgility (including, indirectly, its subsidiaries in Singapore, the UK and Mexico) through Persistent Systems Inc., and acquisition by our Company of 100% of the share capital of MediaAgility India Private Limited	United States and India	2023	To strengthen Google Cloud capabilities and expand cloud-native application development, modernisation
Data Glove Incorporated ("**DGI**") and its affiliates	Acquisition, by our Company and certain of our subsidiaries, of substantially all of the business assets of DGI, Global Resource Management, Inc., ExcelTo Solutions LLC and Data Glove IT Solutions entities in India, the UK, Singapore and Australia. Also, acquisition of 100% of the equity interests in Data Glove IT Solutions Limitada (Costa Rica) through Persistent Systems Germany GmbH	United States	2023	To strengthen Microsoft capabilities and expand cloud modernisation capabilities

Name of the acquired entity	Nature of acquisition	Country of incorporation of the acquired entity	Financial Year of acquisition	Acquisition rationale
Shree Partners LLC / Shree Infosoft Private Limited	Acquisition (i) of substantially all of the business assets of Shree Partners LLC, through Persistent Systems, Inc.; and (ii) by our Company of the IT business undertaking of Shree Infosoft Private Limited as a going concern on a slump sale basis	United States / India	2022	To strengthen infrastructure, data application and automation, and artificial intelligence and machine learning capabilities
Software Corporation International ("**SCI**") and SCI Fusion 360, LLC ("**SCI 360**")	Our Company, through its wholly owned subsidiary Persistent Systems Inc., acquired 100% of the equity interests of SCI and SCI 360. This included, following a pre-closing restructuring, 100% of the membership interests of Software Company International, LLC	United States	2022	To establish and expand capabilities in the payments consulting, integration and support services space
Sureline Systems, Inc. and Sureline Systems India Private Limited	Acquisition of all or substantially all of the assets of Sureline Systems, Inc. through Persistent Systems Inc., and of Sureline Systems India Private Limited by our Company	United States / India	2022	To strengthen data migration and disaster recovery capabilities
Capiot Software, Inc. and Capiot Software Private Limited	Persistent Systems, Inc. acquired 100% of the shares of Capiot Software, Inc., including its subsidiaries in Australia and Singapore. The Company acquired 100% of the shares of Capiot Software Private Limited	United States, India, Australia and Singapore	2021	To strengthen enterprise integration capabilities in TIBCO, Red Hat, MuleSoft and Oracle technologies

1. Merged with our Company, pursuant to an order dated April 21, 2026 passed by the National Company Law Tribunal, Mumbai.
2. Merged with Persistent Systems Inc. with effect from February 27, 2026.

In furtherance of our inorganic growth strategy, our Company, through Galaxy Germany Holding SE, a wholly owned subsidiary of our Company, has made a voluntary public takeover offer for acquiring all outstanding shares of Nagarro SE ("**Nagarro**") at an offer price of EUR 81.00 per Nagarro share (the "**Takeover Offer**"). The Proposed Acquisition is intended to enable us to expand our capabilities and service offerings, strengthen our presence in key markets and enhance our customer base and growth opportunities. The completion of the Proposed Acquisition is subject to the satisfaction or waiver of the applicable conditions to the Takeover Offer, including the receipt of the outstanding regulatory approvals. For details of the Proposed Acquisition, see "*Proposed Acquisition of Nagarro* SE" on page 801.

Our Company, directly or through any of our Subsidiaries, evaluates and pursue potential acquisitions and/or strategic investments based on a broad framework and indicative selection criteria, which may include the following:

- Strengthening our presence in existing markets and expanding into new markets: We may evaluate acquisitions that enable us to strengthen our presence in our existing key markets and expand our geographic reach into new markets.

- Expanding industry presence: We may pursue acquisitions that enable us to deepen our capabilities and customer base across the industries in which we operate, including technology, banking and financial services, healthcare and life sciences, and communications, media and technology, as well as expand our presence across other industry sectors.

- Enhancing, expanding and diversifying capabilities: We may consider acquisitions that provide access to new technologies, intellectual property, platforms, products, solutions or specialised capabilities, with a view to enhancing and expanding our existing service offerings and capabilities.

- Expanding customer relationships and business opportunities: We may evaluate acquisitions that enable us to strengthen relationships with existing customers, expand our customer base and pursue new business opportunities.

The above-mentioned criteria are indicative in nature and are not the sole criteria for identification of a potential acquisition target, and our Company may decide to acquire any potential company or undertaking, basis the criteria that they deem fit.

To fund the Proposed Acquisition, Barclays Bank PLC, including its successors, transferees, novates and assigns, has committed to arrange, underwrite and provide a committed bridge financing facility of up to EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) (the "**Bridge Facility**") to Galaxy Germany Holding SE. The Bridge Facility may be utilised to fund the consideration payable pursuant to the Takeover Offer and the Lantano SPA and, subject to applicable terms, to refinance existing indebtedness of Nagarro and its subsidiaries and pay acquisition related transaction costs and expenses. Notwithstanding the availability of the Bridge Facility, and subject to applicable laws, our Company currently intends to fund the Proposed Acquisition through the Issue and other debt financing. Subject to the receipt of regulatory and other approvals, our Company intends to deploy the Net Proceeds of the Issue (other than the portion utilised towards general corporate purposes) towards financing the Proposed Acquisition, including the consideration payable pursuant to the Takeover Offer and the Lantano SPA and the related transaction costs and expenses. Any residual funding requirement in relation to the Proposed Acquisition is intended to be met through other debt financing.

If the requisite regulatory or other approvals for the deployment of the Net Proceeds towards the Proposed Acquisition are not received, our Company may, subject to applicable laws, utilise such Net Proceeds towards other acquisitions, strategic initiatives and/or general corporate purposes, as may be determined by the Board.

To the extent any amounts under the Bridge Facility are drawn for the Nagarro Acquisition, the proceeds of the Issue may, subject to applicable laws and the terms of the relevant financing arrangements, be utilised to repay a portion of such amounts drawn under the Bridge Facility. For further details of the Bridge Facility, see "*Proposed Acquisition of Nagarro SE – Financial arrangements*" on page 804, and for the associated risks, see "*Risk Factors – The Nagarro Acquisition is expected to be financed through a portion of the Net Proceeds from this Issue and other debt financing, or a EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) bridge facility, and we may be subject to significant financing, refinancing and leverage risks. If we are unable to raise funds to fund the Nagarro Acquisition, our business prospects could be adversely affected*" on page 46.

In the event that the Proposed Acquisition does not proceed, our Company may, in accordance with the approval granted by our Shareholders vide resolution dated October 5, 2026, consider utilising ₹32,000.00 million towards funding one or more unidentified acquisitions or other inorganic growth initiatives, including to pursue growth opportunities in complementary lines of business, accelerate the development and time-to-market of new products, expand our customer base, acquire new capabilities, serve existing customers more effectively, enhance our geographical reach and/or strengthen our market position. Such initiatives may include acquisitions of businesses, assets or securities, or other strategic investments that are complementary to our existing business, undertaken directly or through our Subsidiaries. For details of the conditions to the Takeover Offer and their status, see "*Proposed Acquisition of Nagarro SE – Conditions to closing of the Takeover Offer*" and "*Proposed Acquisition of Nagarro SE – Status of Offer Conditions*" each on page 802. For the risks associated with completing the Proposed Acquisition, see "*Risk Factors – The Nagarro Acquisition is subject to numerous completion conditions and regulatory approvals, and there can be no assurance that all such conditions will be satisfied or all such approvals will be obtained in a timely manner, or at all*" on page 68.

As on the date of this Placement Document, except in relation to the Proposed Acquisition, we have not identified any other acquisition target or entered into any definitive agreement in relation to any other inorganic growth initiative proposed to be funded from the Net Proceeds. Any such acquisition, if pursued, will be undertaken in accordance with applicable laws, including the Companies Act, 2013 and applicable foreign exchange laws and regulations, including FEMA, and the required disclosures, if any, will be made to the Stock Exchanges in accordance with the SEBI Listing Regulations.

The deployment of the Net Proceeds towards such acquisitions may entail rescheduling or revising the planned expenditure and funding requirements and increasing or decreasing the expenditure for a particular purpose from the planned expenditure, based on the circumstances applicable to the relevant acquisition and subject to compliance with applicable laws. Any shortfall in funds required for such acquisitions, if any, at the discretion of the Board may be met through, *inter alia*, our internal accruals, borrowings or a combination thereof, subject to applicable laws. For details, see "*Risk Factors – We propose to use the Net Proceeds to partially fund the Nagarro Acquisition and for general corporate purposes, and if the Nagarro Acquisition is not completed, the Net Proceeds may be redeployed at the discretion of our Board of Directors, towards alternate acquisitions, and/or general corporate purposes*" on page 69.

General corporate purposes

Our Company intends to deploy up to ₹9,999.10 million from the Net Proceeds towards our general corporate purposes, as approved by our management, from time to time, subject to such amount not exceeding 25% of the gross proceeds of the Issue, in compliance with the applicable laws. Such general corporate purposes may include, but are not restricted to, funding growth opportunities, including the Proposed Acquisition and all costs associated therewith, expenses incurred pursuant to the Issue, business development initiatives, meeting expenses incurred in the ordinary course of business, making payments to vendors and towards any exigencies or any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

Further, if the Net Proceeds are not utilised (in full or in part) towards the Proposed Acquisition, including due to non-receipt of any regulatory or other approvals required for consummation of the Proposed Acquisition or if the Proposed Acquisition does not proceed for any reason, the remaining Net Proceeds shall be utilised, subject to applicable laws, towards pursuing alternate acquisitions and/or general corporate purposes, as may be approved by our Board of Directors or a duly constituted committee thereof. The utilisation of the Net Proceeds towards general corporate purposes shall not exceed 25% of the Gross Proceeds. Such alternate acquisitions may include acquisitions of businesses, assets, securities or other strategic investments, subject to applicable laws. This may entail rescheduling and revising the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of our Board of Directors, subject to compliance with applicable law. Shortfalls, if any, will be met through, inter alia, our internal accruals and borrowings.

Monitoring of utilisation of funds

Pursuant to Regulation 173A of the SEBI ICDR Regulations, our Company has appointed CRISIL Ratings Limited, a credit rating agency registered with the SEBI, as the monitoring agency ("**Monitoring Agency**") by way of an agreement dated October 21, 2026, as the size of our Issue exceeds ₹1,000 million. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule XI of the SEBI ICDR Regulations on a quarterly basis, till 100% of the proceeds of the Issue have been utilised. The Board of Directors and the management of our Company will provide their comments on the findings of the Monitoring Agency as specified in Schedule XI of the SEBI ICDR Regulations. Our Company shall, within 45 days from the end of each quarter, upload the report of the Monitoring Agency on our website and also submit the same to the Stock Exchanges.

The report of the Monitoring Agency shall be placed before our Audit Committee on a quarterly basis, promptly upon its receipt. On an annual basis, our Company shall (i) prepare a statement of funds utilised for purposes other than those stated in this Placement Document and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised; and (ii) disclose every year, the utilization of the Net Proceeds during that year in its annual report. Furthermore, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilisation of the proceeds of the Issue from the Objects, as stated above; and (ii) details of category wise variations in the actual

utilisation of the proceeds of the Issue from the Objects, as stated above. This information will also be published on our website simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit Committee.

Interim use of Net Proceeds

Pending utilisation of the Net Proceeds towards the purposes described in this section, our Company intends to deposit the Net Proceeds in one or more scheduled commercial banks included in the Second Schedule of the Reserve Bank of India Act, 1934 or to temporarily invest the funds in creditworthy instruments, including money market / mutual funds, as approved by the Board and/or a duly authorized committee of the Board, from time to time, and in accordance with applicable laws.

In accordance with applicable laws, we undertake to not utilize proceeds from the Issue unless Allotment is made and the corresponding return of Allotment is filed with the RoC, and the final listing and trading approvals are received from each of the Stock Exchanges, whichever is later. The Net Proceeds shall be kept by our Company in a separate bank account with a scheduled bank.

Other confirmations

Neither our Promoters, Promoter Group nor our Directors are making any contribution either as part of the Issue or separately in furtherance of the Objects. Further, neither our Promoter nor our Directors shall not receive any proceeds from the Issue, whether directly or indirectly. Since the Issue is only made to Eligible QIBs, our Directors, Key Managerial Personnel or members of Senior Management are not eligible to subscribe in the Issue.

Since the Net Proceeds are proposed to be utilised towards the purposes set forth above, and not being used towards implementation of any project, the following disclosure requirements are not applicable: (i) break-up of cost of the project, (ii) means of financing such project, and (iii) proposed deployment status of the proceeds at each stage of the project.

CAPITALISATION STATEMENT

The following table sets forth our Company's capitalisation basis as at September 30, 2026, which is derived from the Audited Condensed Interim Financial Statements for September 2026 as at and for the period ended September 30, 2026 and as adjusted to give effect to the receipt of the Gross Proceeds and application thereof.

This table should be read together with "*Risk Factors*" and "*Financial Information*" on pages 36 and 103, respectively.

(in ₹ million, unless otherwise stated)

Particulars	Pre-Issue (as at September 30, 2026)	As adjusted for the Issue
Borrowings		
Current borrowings^ (I)	-	-
Non-current borrowings^ (II)	-	-
Total borrowings (III = I + II)	-	-
Equity		
Equity share capital^ (IV)	788.75	827.17
Other equity^ (V)	85,105.58	127,713.25
Total equity (VI = IV + V)	**85,894.33**	**128,540.42**
Ratio: Total borrowings / Total equity (in times) (VII = III/ VI)	-	-

^*These terms shall carry the meaning as per Schedule III to the Companies Act, 2013, as amended.*

Notes:

1. *The figures included under "As adjusted for the Issue" column relating to total equity are derived after considering the impact due to the issue of 7,683,981 Equity Shares of face value ₹5.00 each only through the Issue and thereby reflects changes in Equity Share capital amounting to ₹38.42 million and in other equity amounting to ₹42,607.67 million and further does not include any other transactions or movements/ Issue related expenses.*
2. *Subsequent to September 30, 2026, Company has allotted 400,000 Equity Shares of face value of ₹5.00 each at an Issue Price of ₹5.00 each to its ESOP trust other than through the Issue. The figures included under "As adjusted for the Issue" column does not include a movement due to this Issue.*

For details in relation to the capital structure, see "*Capital Structure*" on page 95.

CAPITAL STRUCTURE

The Equity share capital of our Company as at the date of this Placement Document is set forth below:

(in ₹)

	Particulars	Aggregate value at face value
A.	**AUTHORIZED SHARE CAPITAL**	
	comprises of:	
	400,000,000 Equity shares of face value of ₹5.00 each	2,000,000,000
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**	
	158,150,000 Equity shares of face value of ₹5.00 each	790,750,000
C	**PRESENT ISSUE IN TERMS OF THIS PLACEMENT DOCUMENT*(1)***	
	7,683,981 Equity shares of face value of ₹5.00 each aggregating to ₹42,646.09 million[#]	38,419,905
D	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE ISSUE**	
	165,833,981 Equity shares of face value of ₹5.00 each	829,169,905
E	**SECURITIES PREMIUM ACCOUNT**	
	Before the Issue (as of the date of this Placement Document)	3,609,920,000
	After the Issue*(2)*	46,217,594,645

[#]*Subject to allotment of equity shares pursuant to the Issue.*

(1) This Issue has been authorised and approved by our Board of Directors pursuant to its resolution passed on September 2, 2026. The Shareholders of our Company have authorised and approved the Issue by way of a special resolution dated October 5, 2026.

(2) The securities premium account after the Issue is calculated on the basis of Gross Proceeds. Adjustments do not include Issue related expenses.

Equity share capital history of our Company

The history of the equity share capital of our Company is set forth below:

Date of issue / allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason / Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
May 30, 1990[#]	100	100.00	100.00	Cash	Subscription to the Memorandum of Association	100	10,000
December 18, 1990	50	100.00	100.00	Cash	Preferential allotment	150	15,000
March 4, 1991	200	100.00	100.00	Other than cash[(1)]	Preferential allotment	350	35,000
March 31, 1991	200	100.00	100.00	Cash	Preferential allotment	550	55,000
April 15, 1991	210	100.00	100.00	Cash	Preferential allotment	760	76,000
June 24, 1991	500	100.00	100.00	Cash	Preferential allotment	1,260	126,000
July 30, 1991	12	100.00	100.00	Cash	Preferential allotment	1,272	127,200
October 4, 1991	2,328	100.00	100.00	Cash	Preferential allotment	3,600	360,000
May 5, 1995	50	100.00	100.00	Cash	Preferential allotment	3,650	365,000
October 21, 1995	100	100.00	100.00	Cash	Preferential allotment	3,750	375,000
July 9, 1996	56,250	100.00	N.A.	N.A.	Bonus issuance	60,000	6,000,000
October 1, 1996	2,400	100.00	100.00	Cash	Preferential allotment[(2)]	62,400	6,240,000
October 1, 1997	2,400	100.00	100.00.	Cash	Preferential allotment[(2)]	64,800	6,480,000
February 28, 1998	75	100.00	100.00	Cash	Preferential allotment	64,875	6,487,500
March 30, 1998	250	100.00	N.A.	N.A.	Bonus issuance	65,125	6,512,500
October 1, 1998	2,650	100.00	100.00	Cash	Preferential allotment[(3)]	67,775	6,777,500
October 1, 1999	2,700	100.00	100.00	Cash	Preferential allotment[(4)]	70,475	7,047,500
December 24, 1999	5,600	100.00	100.00	Cash	Preferential allotment	76,075	7,607,500
April 27, 2000	2,800	100.00	15,578.60	Cash	Preferential allotment	78,875	7,887,500
Pursuant to a resolution of the shareholders of our Company dated October 21, 2002, each equity share of our Company of face value of ₹100.00 each, was split into the equity shares of face value of ₹10.00 each, and accordingly, 78,875 equity shares of our Company of face value of ₹100.00 each were split into 788,750 equity shares of face value of ₹10.00 each							
November 11, 2002	7,098,750	10.00	N.A.	N.A.	Bonus issuance	7,887,500	78,875,000

Date of issue / allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason / Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
June 30, 2004	1,044,365	10.00	83.52	Cash	Preferential allotment	8,931,865	89,318,650
September 30, 2004	1,000	10.00	90.73	Cash	Preferential allotment	8,932,865	89,328,650
December 31, 2004	500	10.00	99.39	Cash	Preferential allotment	8,933,365	89,333,650
September 30, 2005	41,500	10.00	130.79	Cash	Preferential allotment	8,974,865	89,748,650
November 18, 2005	157,135	10.00	410.69	Cash	Preferential allotment	9,132,000	91,320,000
January 13, 2006	(979,450)	10.00	251.26	Cash	Buyback	8,152,550	81,525,500
September 30, 2006	1,500	10.00	169.19	Cash	Preferential allotment	8,154,050	81,540,500
June 21, 2007	1,500	10.00	214.70	Cash	Preferential allotment	8,155,550	81,555,500
September 17, 2007	2,090,450	10.00	396.91	N.A.	Conversion of CCPS	10,246,000	102,460,000
September 17, 2007	25,615,000	10.00	N.A.	N.A.	Bonus issuance	35,861,000	358,610,000
March 30, 2010	4,139,000	10.00	310.00	Cash	Initial public offer	40,000,000	400,000,000
March 12, 2015	40,000,000	10.00	N.A.	N.A.	Bonus issuance	80,000,000	800,000,000
June 27, 2019	(3,575,000)	10.00	N.A.	Cash	Buyback	76,425,000	764,250,000
April 6, 2023	500,000	10.00	2,789.00	Cash	Allotment to PSPL ESOP Management Trust	76,925,000	769,250,000
February 1, 2024	100,000	10.00	2,133.00	Cash	Allotment to PSPL ESOP Management Trust	77,025,000	770,250,000
Pursuant to a resolution of the shareholders of our Company dated March 11, 2024, each equity share of our Company of face value of ₹10.00 each, was split into the equity shares of face value of ₹5.00 each, and accordingly, 200,000,000 equity shares of our Company of face value of ₹10.00 each were split into 400,000,000 equity shares of face value of ₹5.00 each							
July 10, 2024	600,000	5.00	643.50	Cash	Allotment to PSPL ESOP Management Trust	154,650,000	773,250,000
September 6, 2024	1,200,000	5.00	1,216.50	Cash	Allotment to PSPL ESOP Management Trust	155,850,000	779,250,000
May 8, 2025	550,000	5.00	316.30	Cash	Allotment to PSPL ESOP	156,400,000	782,000,000

Date of issue / allotment	Number of equity shares allotted	Face value per equity share (₹)	Issue price per equity share (₹)	Nature of consideration	Reason / Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
					Management Trust		
October 14, 2025	1,350,000	5.00	5.00	Cash	Allotment to PSPL ESOP Management Trust	157,750,000	788,750,000
October 2, 2026	400,000	5.00	5.00	Cash	Allotment to PSPL ESOP Management Trust	158,150,000	790,750,000

[#]Our Company was incorporated on May 30, 1990. The date of subscription to the Memorandum of Association is May 10, 1990, and this subscription to the Memorandum of Association was taken on record by our Board in its meeting held on June 5, 1990.

(1) The allotment was made in consideration of the services rendered by the allottee.

(2) Includes 2,250 equity shares of face value of ₹100.00 each allotted through a bonus issuance.

(3) Includes 2,500 equity shares of face value of ₹100.00 each allotted through a bonus issuance.

(4) Includes 2,500 equity shares of face value of ₹100.00 each allotted through a bonus issuance and 50 equity shares of face value of ₹100.00 each through a sweat equity issuance.

[*]Our Company is unable to trace certain filings, agreements and records pertaining to historical secretarial and allotment related information. For details, see "Risk Factors – Our Company is unable to trace certain documents pertaining to historical secretarial information" on page 49.

[*Remainder of this page is intentionally left blank*]

Preference shares

As on the date of this Placement Document, our Company has no outstanding preference shares.

Employee Stock Option Schemes

As on the date of this Placement Document, there are two Employee Stock Option Schemes: (i) Persistent Systems Limited - Employee Stock Option Scheme 2014; and (ii) Persistent Systems Limited - Employee Stock Option Plan 2017.

The details of PESOS 2014 and ESOP 2017 are set forth below:

Persistent Systems Limited - Employee Stock Option Scheme 2014 ("PESOS 2014")

Pursuant to the resolution of our Board dated June 15, 2014, and the resolution of our Shareholders dated July 26, 2014, our Company adopted PESOS 2014 for granting stock options to eligible employees of our Company, exercisable into equity shares. The PESOS 2014 was last amended pursuant to a resolution passed by our Shareholders on July 16, 2024. The PESOS 2014 is currently administered by the PSPL ESOP Management Trust and grants of stock options to eligible employees will be made by and in accordance with the procedure framed by the compensation and remuneration committee of the Board.

PESOS 2014 has been implemented in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

The details of the grants, exercises and lapses of options under PESOS 2014 as of the date of this Placement Document are as follows:

Particulars	Number of options
Maximum number of options which may be granted under the scheme (A)	5,400,000
Total number of options granted (B)	6,438,360
Options vested (excluding exercised)	60,772
Options exercised (C)	3,579,366
Options lapsed or forfeited (D)	1,850,868
Total number of options outstanding [B-(C+D)]	1,008,126

Note: The details set out in the table above are as on October 23, 2026.

Employee Stock Option Plan, 2017 ("ESOP 2017")

Pursuant to the resolution of our Board dated May 30, 2017, and the resolution of our Shareholders dated July 20, 2017, our Company adopted ESOP 2017 for granting stock options to eligible employees of our Company, exercisable into equity shares. The ESOP 2017 was last amended pursuant to a resolution passed by our Shareholders on July 18, 2023. In terms of ESOP 2017 is currently administered by the PSPL ESOP Management Trust and grants of stock options to eligible employees will be made by and in accordance with the procedure framed by the Nomination and Remuneration Committee.

ESOP 2017 has been implemented in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI SBEB Regulations.

The details of the grants, exercises and lapses of options under ESOP 2017 as of the date of this Placement Document are as follows:

Particulars	Number of options
Maximum number of options which may be granted under the scheme (A)	16,000,000
Total number of options granted (B)	17,062,570
Options vested (excluding exercised)	964,746
Options exercised (C)	7,574,406
Options lapsed or forfeited (D)	7,184,941
Total number of options outstanding [(B-(C+D)]	2,303,223

Note The details set out in the table above are as on October 23, 2026.

PSPL ESOP Management Trust

Our Company established a trust in the name of 'PSPL ESOP Management Trust' ("**Trust**"), pursuant to a trust deed dated December 21, 1999, to administer the ESOP schemes of our Company, as may be approved by the Board and the Shareholders from time to time. The Trust is empowered to (i) acquire equity shares of our Company by subscription or purchase through stock exchanges; (ii) transfer equity shares of our Company to employees pursuant to their exercise of options; (iii) dispose off the equity shares of our Company held by it subject to applicable laws; (iv) borrow monies for subscribing to or purchasing equity shares of our Company to administer ESOP schemes; and (v) repay loans and other forms of financial assistance to our Company from the funds available pursuant to the exercise of options, dividends, or any other income of the Trust.

It is in compliance with the provisions of the SEBI SBEB Regulations. Our employees, Mukesh Sureshchandra Agarwal, Nayana Satish Bhandari, Vikas Chandrakant Sawant, and Rajendra Singh Lingwal are the trustees of the PSPL ESOP Management Trust as on date.

Pre-Issue and post-Issue shareholding pattern of the Company

The pre-Issue shareholding pattern of our Company as of September 30, 2026 and the post-Issue shareholding pattern of our Company, reflecting the allocation made in the Issue to institutional investors and the shareholding of all other categories as of September 30, 2026, are set forth below:

S. No	Category	Pre-Issue (As of September 30, 2026)		Post-Issue (As of the date of this Placement Document[(2)])	
		Number of Equity Shares held	Percentage of shareholding (%)	Number of Equity Shares held	Percentage of shareholding (%)
A. Promoters' and Promoter Group holding					
1.	*Indian*				
	Individual	47,789,930	30.29	47,789,930	28.89
	Body corporates (including trusts)	Nil	Nil	Nil	Nil
2.	*Foreign*	Nil	Nil	Nil	Nil
	Sub-total (A)	**47,789,930**	**30.29**	**47,789,930**	**28.89**
B. Public holding					
1.	Institutional investors	83,212,774	52.75	90,896,755	54.94
2.	Non-institutional investors	25,874,425	16.41	25,874,425	15.64
	Body corporates	653,353	0.41	653,353	0.39
	Key Managerial Personnel	6,654	Negligible	6,654	0.00
	Indian public	20,468,473	12.98	20,468,473	12.37
	Others (including NRIs)	4,745,945	3.01	4,745,945	2.87
	Sub-total (B)	**109,087,199**	**69.15**	**116,771,180**	**70.58**
C. Non-Promoter Non-Public					
3.	Non-Promoter Non-Public	872,871	0.55	872,871	0.53
	Sub-total (C)	**872,871**	**0.55**	**872,871**	**0.53**
	Grand Total (A+B+C)	**157,750,000**	**100.00**	**165,433,981**	**100.00**

(1) Post September 30, 2026, our Company made an allotment of 400,000 shares to the PSPL ESOP Management Trust on October 2, 2026.
(2) The post-Issue shareholding pattern of our Company reflects the shareholding of the institutional investors category on basis of the Allocation made in the Issue and reflects the shareholding of all other categories as of September 30, 2026.

Other confirmations

Except stock options granted pursuant to the Employee Stock Options Schemes, there are no outstanding options or rights to convert debentures, loans or other instruments convertible into the Equity Shares as on the date of this Placement Document.

Except for the allotment of 400,000 Equity Shares of face value ₹5.00 each to PSPL ESOP Management Trust on October 2, 2026, our Company has not made any allotment of Equity Shares in the year immediately preceding the date of this Placement Document, including for consideration other than cash, or pursuant to a preferential issue, private placement or a rights issue.

There will be no change of control in our Company pursuant to the Issue.

Our Equity Shares have been listed for a period of at least one year prior to the date of the issuance of the notice to our Shareholders for approving the Issue.

Our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue. Further, Equity Shares allotted pursuant to this Issue cannot be sold by the Allottee for a period of one year from the date of allotment, except on the Stock Exchanges.

Proposed Allottees in the Issue

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment shall be made by our Company, in consultation with the Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees, assuming that the Equity Shares are Allotted to them pursuant to the Issue, and the percentage of post-Issue share capital that may be held by them is set forth in "*Proposed Allottees in the Issue*" on page 874.

DIVIDENDS

The declaration and payment of dividends by our Company is governed by applicable provisions of the Companies Act, 2013 and our Articles of Association. Our Board has approved and adopted a dividend distribution policy on July 23, 2016 in accordance with Regulation 43A of the SEBI Listing Regulations.

In terms of this policy, the declaration of dividend is dependent on various internal and external factors, including but not limited to profits of the Company made during the year, business policy of the Company, corporate restructuring, change in taxation, government policies and geopolitical reasons. For further information, see "*Description of the Equity Shares*" on page 861.

The dividend distribution policy is available on our Company's website at www.persistent.com.

Following are the details of dividends declared by our Company for the six months period ended September 30, 2026, and for Fiscals 2026, 2025 and 2024 and from October 1, 2026 till the date of this Placement Document:

Particulars	October 1, 2026, till the date of this Placement Document	Six months period ended September 30, 2026	Fiscal					
			2026		2025		2024	
			Interim	Final	Interim	Final	Interim[#]	Final
Number of equity shares	158,150,000	157,750,000	157,750,000	157,750,000	155,850,000	155,850,000	76,925,000	154,050,000
Face value per share (in ₹)	5.00	5.00	5.00	5.00	5.00	5.00	10.00	5.00
Aggregate dividend (includes interim and final dividend) (in ₹ million)	Nil	Nil	3,470.50	2,839.50	3,117.00	2,337.75	2,461.60	1,540.50
Dividend per share (in ₹)	Nil	Nil	22.00	18.00	20.00	15.00	32.00	10.00
Rate of dividend (%)	Nil	Nil	440.00	360.00	400.00	300.00	320.00	200.00

[#]Pursuant to a resolution of the Shareholders of our Company dated March 11, 2024, with effect from April 1, 2024, each equity share of our Company of face value of ₹10.00 each, was split into the equity shares of face value of ₹5.00 each. Accordingly, the information presented in this column reflects the pre-sub-division data.

The Equity Shares to be issued in connection with this Issue shall qualify for dividend, including interim dividend, if any, that is declared in respect of the Fiscal in which they have been Allotted. For further information, see "*Description of the Equity Shares*" on page 861.

Investors are cautioned not to rely on past dividends as an indication of the future performance of our Company or for an investment in the Equity Shares offered in the Issue. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. For details in relation to the risks involved in this regard, see "*Risk Factors – We may not pay dividends in the future at historical levels or at all, and our ability to declare and pay dividends may be constrained by the substantial capital requirements of the Nagarro Acquisition and applicable regulatory restrictions*" on page 81.

FINANCIAL INFORMATION

S. No.	Particulars	Page Nos.
1.	Audited Condensed Interim Financial Statements for September 2026	114 - 172
2.	Audited Condensed Interim Financial Statements for September 2025	173 - 232
3.	Audited Financial Statements for Fiscal 2026	233 - 326
4.	Audited Financial Statements for Fiscal 2025	327 - 428
5.	Audited Financial Statements for Fiscal 2024	429 - 519
6.	Nagarro financial statements for Calendar Year 2025	520 - 631
7.	Nagarro financial statements for Calendar Year 2024	632 - 748

Certain financial metrics derived from the Audited Condensed Interim Financial Statements and Audited Consolidated Financial Statements

Summary of audited condensed interim consolidated balance sheets and audited consolidated balance sheet

(in ₹ million)

Particulars	As at		
	September 30, 2026	September 30, 2025	March 31, 2026
ASSETS			
Non-current assets			
Property, plant and equipment	4,061.20	4,122.69	3,968.88
Capital work-in-progress	87.97	165.81	106.85
Right of use assets	6,370.16	4,551.27	5,471.81
Goodwill	13,947.37	12,782.28	13,596.88
Other Intangible assets	14,543.52	4,375.59	5,522.25
Intangible assets under development	783.80	1,323.41	268.95
	39,794.02	**27,321.05**	**28,935.62**
Financial assets			
- Investments	7,311.34	7,014.99	7,001.38
- Trade receivables			
- Billed	585.71	360.71	899.36
- Unbilled	-	-	-
- Loans	-	-	-
- Other financial assets	721.90	942.26	1,012.99
Deferred tax Assets (net) / Deferred tax Assets	3,880.45	2,636.69	3,459.97
Income tax assets (net) / Income tax Asset	639.14	1,090.97	1,032.97
Other non-current assets	411.35	658.12	450.32
	13,549.89	**12,703.74**	**13,856.99**
(A)	**53,343.91**	**40,024.79**	**42,792.61**
Current assets			
Financial assets			
- Investments	6,226.39	6,359.55	9,146.28
- Trade receivables			
- Billed	23,464.14	20,675.74	21,331.89
- Unbilled	12,197.41	8,279.20	12,011.98
- Cash and cash equivalents	16,311.85	10,008.01	10,749.15
- Bank balances other than cash and cash equivalents	1,051.28	2,025.15	1,433.36
- Loans	-	-	-
- Other financial assets	212.86	272.73	73.45
Other current assets	17,497.31	11,255.55	16,226.72
(B)	**76,961.24**	**58,875.93**	**70,972.83**
TOTAL ASSETS (A+B)	**130,305.15**	**98,900.72**	**113,765.44**
EQUITY AND LIABILITIES			

(in ₹ million)

Particulars	As at		
	September 30, 2026	September 30, 2025	March 31, 2026
EQUITY			
Equity share capital	788.75	782.00	788.75
Other equity	85,105.58	70,692.81	77,589.80
(A)	**85,894.33**	**71,474.81**	**78,378.55**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	3,590.56	2,492.72	2,996.70
- Other financial liabilities	147.92	413.21	157.14
Provisions	2,304.54	211.45	2,632.77
Deferred tax liabilities (net) / Deferred tax liabilities	336.71	194.14	326.28
Other non-current liabilities	4.71	119.71	31.44
(B)	**6,384.44**	**3,431.23**	**6,144.33**
Current liabilities			
Financial liabilities			
- Lease liabilities	2,161.07	1,546.66	1,777.78
- Trade payables			
- Total outstanding dues of micro and small enterprises	79.93	19.19	58.10
- Total outstanding dues of creditors other than micro and small enterprises	13,764.65	9,074.99	11,283.78
- Other financial liabilities	12,545.68	4,450.15	8,272.69
Other current liabilities	7,881.79	5,797.49	6,805.36
Provisions	882.22	1,895.47	570.25
Income tax liabilities (net) / Income tax liabilities	711.04	1,210.73	474.60
(C)	**38,026.38**	**23,994.68**	**29,242.56**
TOTAL LIABILITIES (B)+(C)	**44,410.82**	**27,425.91**	**35,386.89**
TOTAL EQUITY AND LIABILITIES (A) + (B)+(C)	**130,305.15**	**98,900.72**	**113,765.44**

Summary of audited condensed interim consolidated statement of profit and loss

(in ₹ million)

Particulars	For the six months ended September 30, 2026	For the six months ended September 30, 2025
Income		
Revenue from operations	89,671.31	69,143.07
Other income	950.81	1,064.38
Total income (A)	**90,622.12**	**70,207.45**
Expenses		
Employee benefits expense	45,806.18	37,722.33
Subcontracting costs	13,811.66	10,170.65
Finance costs	667.12	350.43
Depreciation and amortisation expense	2,819.60	1,938.31
Other expenses	16,749.71	8,303.34
Total expenses (B)	**79,854.27**	**58,485.06**
Profit before exceptional item and tax (A - B)	**10,767.85**	**11,722.39**

(in ₹ million)

Particulars	For the six months ended September 30, 2026	For the six months ended September 30, 2025
Exceptional item (C)	**-**	**-**
Profit before tax (A-B-C)	**10,767.85**	**11,722.39**
Tax expense		
Current tax	3,231.23	3,056.46
Deferred tax	(808.95)	(298.13)
Total tax expense	**2,422.28**	**2,758.33**
Net profit for the period / year (D)	**8,345.57**	**8,964.06**
Other comprehensive income		
Items that will not be reclassified to profit or loss (E)		
- Remeasurements of the defined benefit liabilities / (asset)	(53.71)	109.09
- Income tax effect on above	13.52	(25.95)
	(40.19)	**83.14**
Items that will be reclassified to profit or loss (F)		
- Effective portion of Gain / (loss) on hedging instruments in cash flow hedge / Effective portion of cash flow hedge	1,667.01	(767.59)
- Income tax effect on above	(419.55)	193.19
- Exchange differences in translating the financial statements of foreign operations	396.02	765.30
	1,643.48	**190.90**
Total other comprehensive income for the period / year (E) + (F)	**1,603.29**	**274.04**
Total comprehensive income for the period / year (D) + (E) + (F)	**9,948.86**	**9,238.10**
Earnings per equity share [Nominal value of share ₹5 (Corresponding period / Previous year: ₹5)]		
Basic (In ₹)	53.29	57.74
Diluted (In ₹)	52.83	57.36

Summary of audited condensed interim consolidated statement of cash flow for the six months ended September 30, 2026 and September 30, 2025

(in ₹ million)

Particulars	For the six months ended September 30, 2026	For the six months ended September 30, 2025
Cash flow from operating activities		
Profit before tax	**10,767.85**	**11,722.39**
Adjustments for:		
Interest income	(252.48)	(268.07)
Finance costs	421.71	195.86
Interest on lease liability	245.41	154.57
Depreciation and amortisation expense	2,819.60	1,938.31
Unrealised exchange loss / (gain) (net)	655.27	(324.82)
Exchange (gain) / loss on derivative contracts	(144.77)	148.35

(in ₹ million)

Particulars	For the six months ended September 30, 2026	For the six months ended September 30, 2025
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents	48.68	(8.68)
Bad debts	60.70	120.35
Allowance for expected credit (gain) / loss (net)	145.30	102.31
Employee stock compensation expenses	494.04	902.48
Loss / Impairment of non-current investments	(0.12)	0.11
Changes in contingent consideration payable on business combination	(190.86)	-
Excess provision in respect of earlier period / year written back	(24.71)	(10.28)
Profit on sale / fair valuation of financial assets designated as FVTPL	(362.23)	(297.36)
Profit on account of lease modification	(1.18)	-
Profit on sale of property, plant and equipment (net)	(1.34)	(3.16)
Operating profit before working capital changes	**14,680.87**	**14,372.36**
Movements in working capital :		
Decrease / (Increase) in other non-current assets	80.72	(218.82)
(Increase) / Decrease in other financial assets	(53.71)	1,268.98
(Increase) in other current assets	(1,192.69)	(2,217.07)
(Increase) / Decrease in trade receivables	(1,964.93)	(609.17)
Increase / (Decrease) in trade payables, current liabilities and non-current liabilities	400.73	(767.20)
(Decrease) / Increase in provisions	(69.97)	408.16
Operating profit after working capital changes	**11,881.02**	**12,237.24**
Direct taxes paid (net of refunds)	(2,600.96)	(2,655.00)
Net cash generated from operating activities (A)	**9,280.06**	**9,582.24**
Cash flows from investing activities		
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)	(2,467.57)	(1,033.57)
Proceeds from sale of property, plant and equipment	1.37	10.90
Payment for acquisition of financial instruments	(43,736.27)	(33,425.74)
Payment towards contingent consideration	(169.50)	(735.69)
Proceeds from sale of financial instruments	46,411.73	30,221.64
Payment towards business purchase	(417.92)	-
Investment in unquoted securities	658.36	-
Proceeds from maturity of bank deposits having original maturity over three months	188.85	1,317.95
Interest received	284.55	251.81
Net cash generated / (used) in investing activities (B)	**753.60**	**(3,392.70)**
Cash flows from financing activities		
Purchase of treasury shares for stock options	(769.51)	-
Proceeds from issue of equity shares options	662.94	470.85
Payment of principal portion of lease liabilities	(859.89)	(662.63)
Payment of interest portion of lease liabilities	(245.41)	(154.57)
Interest paid	(389.04)	(235.60)

(in ₹ million)

Particulars	For the six months ended September 30, 2026	For the six months ended September 30, 2025
Dividends paid	(2,821.37)	(2,352.32)
Net cash used in financing activities (C)	**(4,422.28)**	**(2,934.27)**
Net increase in cash and cash equivalents (A + B + C)	**5,611.38**	**3,255.27**
Cash and cash equivalents at the beginning of the year	10,749.15	6,744.06
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(48.68)	8.68
Cash and cash equivalents at the end of the period / year	**16,311.85**	**10,008.01**
Components of cash and cash equivalents		
Cash on hand	0.16	0.13
Balances with banks		
On current accounts	10,329.65	6,087.14
On saving accounts	57.21	40.94
On exchange earner's foreign currency accounts	5,838.63	3,091.19
On deposit accounts with original maturity less than three months	86.20	788.61
Cash and cash equivalents	**16,311.85**	**10,008.01**

Summary of audited consolidated balance sheet

(in ₹ million)

Particulars	As at		
	March 31, 2026	March 31, 2025	March 31, 2024
ASSETS			
Non-current assets			
Property, plant and equipment	3,968.88	4,350.88	4,420.03
Capital work-in-progress	106.85	41.84	218.73
Right of use assets	5,471.81	3,798.67	2,307.18
Goodwill	13,596.88	12,337.94	10,912.56
Other Intangible assets	5,522.25	4,923.33	4,574.95
Intangible assets under development	268.95	731.77	116.53
	28,935.62	**26,184.43**	**22,549.98**
Financial assets			
- Loans	-	-	-
- Trade receivables			
- Billed	899.36	664.40	730.18
- Unbilled	-	-	-
- Investments	7,001.38	6,415.04	5,539.14
- Other financial assets	1,012.99	773.81	691.06
Deferred tax assets	3,459.97	2,024.24	1,462.80
Income tax assets	1,032.97	787.55	387.05
Other non-current assets	450.32	257.02	1,247.28
	13,856.99	**10,922.06**	**10,057.51**
(A)	**42,792.61**	**37,106.49**	**32,607.49**
Current assets			
Financial assets			
- Loans	-	-	-
- Investments	9,146.28	3,388.17	2,726.54
- Trade receivables			
- Billed	21,331.89	18,477.95	16,761.13

(in ₹ million)

Particulars	As at		
	March 31, 2026	March 31, 2025	March 31, 2024
- Unbilled	12,011.98	8,313.74*	-
- Cash and cash equivalents	10,749.15	6,744.06	6,625.15
- Bank balances other than cash and cash equivalents	1,433.36	3,510.65	3,603.71
- Other financial assets	73.45	116.44*	6,621.83
Other current assets	16,226.72	9,708.52*	5,230.49
(B)	**70,972.83**	**50,259.53**	**41,568.85**
TOTAL ASSETS (A) + (B)	**113,765.44**	**87,366.02**	**74,176.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	788.75	779.25	770.25
Other equity	77,589.80	62,411.40	48,806.82
(A)	**78,378.55**	**63,190.65**	**49,577.07**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	-	-	99.15
- Lease liabilities	2,996.70	2,156.67	1,608.09
- Other financial liabilities	157.14	425.90	-
Provisions	2,632.77	66.95	546.96
Deferred tax liabilities	326.28	150.49	121.92
Other non-current liabilities	31.44	47.63	44.44
(B)	**6,144.33**	**2,847.64**	**2,420.56**
Current liabilities			
Financial liabilities			
- Borrowings	-	-	1,974.04
- Lease liabilities	1,777.78	952.30	830.01
- Trade payables			
- Total outstanding dues of micro and small enterprises	58.10	40.77	49.63
- Total outstanding dues of creditors other than micro and small enterprises	11,283.78	8,845.40	8,088.99
- Other financial liabilities	8,272.69	4,726.04*	3,718.27
Other current liabilities	6,805.36	4,516.47	3,639.82
Provisions	570.25	1,740.90*	3,330.66
Income tax liabilities	474.60	505.85	547.29
(C)	**29,242.56**	**21,327.73**	**22,178.71**
TOTAL LIABILITIES (B) + (C)	**35,386.89**	**24,175.37**	**24,599.27**
TOTAL EQUITY AND LIABILITIES (A) + (B) +(C)	**113,765.44**	**87,366.02**	**74,176.34**

**Regrouped to align with classifications under the Audited Financial Statements for Fiscal 2026.*

Summary of audited consolidated statement of profit and loss

(in ₹ million)

Particulars	For the year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Income			
Revenue from operations	147,484.49	119,387.17	98,215.87
Other income	1,804.26	1,381.54	1,280.20
Total income (A)	**149,288.75**	**120,768.71**	**99,496.07**
Expenses			
Employee benefits expense	79,495.42	68,737.17	59,609.70
*Subcontracting costs / Cost of professionals	21,986.14	17,491.65	11,492.70
Finance costs	726.82	671.29	467.27
Depreciation and amortisation expense	4,029.50	3,069.10	3,093.73
Other expenses	18,048.50	12,576.42	10,356.61
Total expenses (B)	**124,286.38**	**102,545.63**	**85,020.01**
Profit before exceptional item and tax (A - B)	**25,002.37**	**18,223.08**	**14,476.06**
Exceptional item (C)			
Statutory Impact of new Labour Code	890.25	-	-
Profit before tax (A-B-C)	**24,112.12**	**18,223.08**	**14,476.06**
Tax expense			
Current tax	5,972.45	4,680.05	3,679.65
Tax charge in respect of earlier years	-	41.92	73.19
Deferred tax credit	(511.53)	(500.50)	(211.69)
Total tax expense	**5,460.92**	**4,221.47**	**3,541.15**
Net profit for the year (D)	**18,651.20**	**14,001.61**	**10,934.91**
Other comprehensive income			
Items that will not be reclassified to profit or loss (E)			
- Remeasurements of the defined benefit liabilities / (asset)	211.83	193.08	(98.29)
- Income tax effect on above	(53.34)	(49.81)	21.29
	158.49	**143.27**	**(77.00)**
Items that will be reclassified to profit or loss (F)			
- Effective portion of cash flow hedge	(2,236.60)	(34.97)	21.59
- Income tax effect on above	562.91	8.80	8.02
- Exchange differences in translating the financial statements of foreign operations	1,666.92	81.19	104.82
	(6.77)	**55.02**	**134.43**
Total other comprehensive income for the year (E) + (F)	**151.72**	**198.29**	**57.43**
Total comprehensive income for the year (D) + (E) + (F)	**18,802.92**	**14,199.90**	**10,992.34**
Earnings per equity share [Nominal value of share ₹5 (Previous years: ₹5)]			

(in ₹ million)

Particulars	For the year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Basic (In ₹)	119.74	91.22	72.44
Diluted (In ₹)	118.87	90.24	71.07

[*]Referred to as sub-contracting costs for Fiscal 2026 and Cost of professionals for Fiscal 2025 and Fiscal 2024.

Summary of audited consolidated statement of cash flows

(in ₹ million)

Particulars	For the year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
Cash flow from operating activities			
Profit before tax	**24,112.12**	**18,223.08**	**14,476.06**
Adjustments for:			
Interest income	(501.87)	(556.42)	(562.45)
Finance costs	396.48	417.06	287.25
Interest on lease liability	330.34	254.23	180.02
Depreciation and amortisation expense	4,029.50	3,069.10	3,093.73
Unrealised exchange (gain) / loss (net)	(463.97)	275.94	27.27
Change in foreign currency translation reserve	-	227.91	172.65
Exchange loss / (gain) on derivative contracts	518.23	44.12	(70.63)
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents	85.42	11.76	(23.84)
Bad debts	189.27	-	63.36
Allowance for expected credit loss (net)	285.27	422.18	103.57
Employee stock compensation expenses	1,577.79	3,095.27	1,091.75
Loss / Impairment of non-current investments	4.31	-	20.58
Changes in contingent consideration payable on business combination	(139.59)	(1,461.82)	(743.03)
Excess provision in respect of earlier period / year written back	(21.26)	(29.37)	(27.76)
Profit on sale / fair valuation of financial assets designated as FVTPL	(632.50)	(470.40)	(289.11)
Provision towards employee benefits	-	(506.74)	-
Profit on sale of investment - Dx Now	-	(21.67)	-
Profit on sale of investment – PSG	-	(0.69)	-
Profit on sale of property, plant and equipment (net)	(60.96)	(76.84)	(22.64)
Operating profit before working capital changes	**29,708.58**	**22,916.70**	**17,776.78**
Movements in working capital :			
(Increase) / Decrease in other non-current assets	(198.76)	197.12	(256.22)
Decrease / (Increase) in other financial assets	(135.63)	(2,761.88)	(1,585.47)
(Increase) in other current assets	(6,038.66)	(3,659.19)	(1,076.41)
Decrease / (Increase) in trade receivables	154.48	(2,394.69)	(1,810.64)
(Decrease) / Increase in trade payables, current liabilities and non-current liabilities	(1,176.58)	1,467.51	4,629.73
Increase / (Decrease) in provisions	1,607.00	917.69	(1,242.94)
Operating profit after working capital changes	**23,920.43**	**16,683.26**	**16,434.83**
Direct taxes paid (net of refunds)	(6,249.13)	(5,114.10)	(3,413.74)
Net cash generated from operating activities (A)	**17,671.30**	**11,569.16**	**13,021.09**
Cash flows from investing activities			
Payment towards capital expenditure (including property, plant and equipment,	(2,085.81)	(2,366.91)	(3,580.33)

(in ₹ million)

Particulars	For the year ended		
	March 31, 2026	March 31, 2025	March 31, 2024
intangible assets, capital advances and capital creditors)			
Proceeds from sale of property, plant and equipment	133.97	436.14	29.35
Payment for acquisition of financial instruments	(76,938.70)	(54,916.91)	(50,889.51)
Payment towards contingent consideration	(1,065.13)	(489.64)	(2,073.64)
Proceeds from sale of financial instruments	72,074.20	52,773.30	49,522.79
Investment in unquoted securities	(739.27)	(434.93)	-
Profit on sale of investment - Dx Now	-	21.67	-
Profit on sale of investment – PSG	-	0.69	-
Proceeds from maturity of bank deposits having original maturity over three months	2,023.68	62.21	773.06
Interest received	498.03	570.04	597.38
Net cash used in investing activities (B)	**(6,099.03)**	**(4,344.34)**	**(5,620.90)**
Cash flows from financing activities			
Repayment of long term borrowings	-	-	(1.84)
Proceeds from issue of share capital including securities premium	-	1,845.90	1,607.80
Purchase of treasury shares for stock options	(2,048.57)	-	-
Proceeds from issue of equity shares options	2,547.77	-	-
Repayment of foreign currency long term borrowings	-	(2,061.35)	(2,231.88)
Payment of principal portion of lease liabilities	(1,467.34)	(839.43)	(580.16)
Payment of interest portion of lease liabilities	(330.34)	(254.23)	(180.02)
Interest paid	(392.87)	(372.82)	(349.11)
Dividends paid	(5,790.41)	(4,600.06)	(4,083.62)
Net cash used in financing activities (C)	**(7,481.76)**	**(6,281.99)**	**(5,818.83)**
Net increase in cash and cash equivalents (A + B + C)	4,090.51	942.83	1,581.36
Cash and cash equivalents at the beginning of the year	6,744.06	6,625.15	4,670.12
Cash and cash equivalents acquired on acquisition	-	56.38	-
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(85.42)	(11.76)	23.84
Impact of ESOP Trust & Persistent India Foundation consolidation	-	(868.54)	349.83
Cash and cash equivalents at the end of the year	**10,749.15**	**6,744.06**	**6,625.15**
Components of cash and cash equivalents			
Cash on hand	0.10	0.20	0.11
Balances with banks			
On current accounts	6,575.53	4,392.63	4,819.66
On saving accounts	26.26	27.50	23.48
On exchange earner's foreign currency accounts	3,762.96	1,488.57	1,401.87
On deposit accounts with original maturity less than three months	384.30	835.16	380.03
Cash and cash equivalents	**10,749.15**	**6,744.06**	**6,625.15**

Non-GAAP Measures

Certain metrics such as EBIT (excluding other income), EBIT (excluding other income) Margin (%) and Profit for the period/ year margin (%) ("**Non-GAAP Measures**"), presented in this Placement Document are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. **"EBIT (excluding other income)"** is calculated as sum of Net profit for the period/ year, finance costs, total tax expense reduced by other income. "**EBIT (excluding other income) Margin (%)"** is calculated as EBIT (excluding other income) divided by revenue from operations. **"Profit for the period/ year margin (%)"** is calculated as net profit for the period/year divided by revenue from operations.

These Non-GAAP Measures are not alternatives to any measure of performance or liquidity or an indicator of our operating performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit or loss for the years or periods, or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, there are no standard methodologies in the industries for computing such Non-GAAP Measures, and the Non-GAAP Measures included in this Placement Document may not be comparable to similarly titled measures presented by other companies. Other companies may calculate similarly titled measures differently from us, limiting their usefulness as comparative measures to our data. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, we consider these Non-GAAP Measures useful in evaluating our business and financial performance. We encourage investors and others to review our financial information in its entirety and not rely on a single financial measure.

For further information, see "*Risk Factors – This Placement Document contains certain non-GAAP measures, and such measures have inherent limitations and should not be unduly relied upon. These non-GAAP measures may not be comparable with financial or statistical information of similar nomenclature computed and presented by other companies*" on page 67.

Reconciliation of Non-GAAP Measures

Reconciliation for certain non-GAAP measures included in this Placement Document are given below.

Reconciliation of EBIT (excluding other income) and EBIT* (excluding other income) *Margin (%)

(₹ in million, except percentages)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net profit for the period / year (A)	8,345.57	8,964.06	18,651.20	14,001.61	10,934.91
Add: Total tax expense (B)	2,422.28	2,758.33	5,460.92	4,221.47	3,541.15
Add: Finance costs (C)	667.12	350.43	726.82	671.29	467.27
Less: Other Income (D)	950.81	1,064.38	1,804.26	1,381.54	1,280.20
EBIT (excluding other income) (E = A+B +C-D)	10,484.16	11,008.44	23,034.68	17,512.83	13,663.13
Revenue from Operations (F)	89,671.31	69,143.07	147,484.49	119,387.17	98,215.87
EBIT (excluding other income) Margin (%) (G=E/F)	11.69	15.92	15.62	14.67	13.91

Reconciliation of Profit for the period / year margin (%)

(₹ in million, except percentages)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Fiscal 2026	Fiscal 2025	Fiscal 2024
Net profit for the period / year (A)	8,345.57	8,964.06	18,651.20	14,001.61	10,934.91

(₹ in million, except percentages)

Particulars	Six months ended September 30, 2026	Six months ended September 30, 2025	Fiscal 2026	Fiscal 2025	Fiscal 2024
Revenue from operations (B)	89,671.31	69,143.07	147,484.49	119,387.17	98,215.87
Profit for the period/ year margin (%) (C=A/B)	9.31	12.96	12.65	11.73	11.13

B S R & Co. LLP
Chartered Accountants

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Pune, Maharashtra, 411001
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Independent Auditor's Report

To the Board of Directors of Persistent Systems Limited

Report on the Audit of the Condensed Interim Consolidated Financial Statements

Opinion

We have audited the condensed interim consolidated financial statements of Persistent Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the condensed interim consolidated Balance Sheet as at 30 September 2026, and the condensed interim consolidated statement of Profit and Loss (including other comprehensive income) for the quarter and year-to-date period then ended, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the year-to-date period then ended, and notes to the condensed interim consolidated financial statements, including material accounting policies and other explanatory information as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India [in which are included the condensed interim financial statements for the year-to-date period ended on that date audited by the auditors of the Group's Employee Stock Option (ESOP) Trust ("the ESOP Trust")] (hereinafter referred to as "the condensed interim consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and reports of other auditors on condensed separate interim financial statements of such subsidiaries as were audited by the other auditors, the aforesaid condensed interim consolidated financial statements are prepared, in all material respects, in accordance with Ind AS 34 and other accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Condensed Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the condensed interim consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the condensed interim consolidated financial statements.

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

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Management and Board of Directors of the companies included in the Group and 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 each company/ ESOP Trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed interim consolidated financial statements that are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed interim consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the condensed interim consolidated financial statements, the respective Management and Board of Directors of the companies and Board of Trustees of the ESOP Trust included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Board of Trustees of the ESOP Trust either intends to liquidate the Company/ ESOP Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies and Board of Trustees of the ESOP Trust included in the Group are responsible for overseeing the financial reporting process of each company/ ESOP Trust.

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

Our objectives are to obtain reasonable assurance about whether the condensed interim consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed interim consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing opinion on the effectiveness of the entity's internal control.

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

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of condensed interim consolidated 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 appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed interim consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the condensed interim consolidated financial statements, including the disclosures, and whether the condensed interim consolidated financial statements represent the underlying transactions and events in a manner that is in accordance with Ind AS 34.

- Obtain sufficient appropriate audit evidence regarding the condensed interim financial statements of such entities within the Group to express an opinion on the condensed interim consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of condensed interim consolidated financial statements of such entities included in the condensed interim consolidated financial statements of which we are the independent auditors. For the other entities included in the condensed interim consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the condensed interim consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

(a) We did not audit the condensed interim financial statements of 18 subsidiaries and one ESOP trust, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of Rs. 21,028 million as at 30 September 2026, total revenues (before consolidation adjustments) of Rs. 4,463 million and Rs. 9,262 million for the quarter and year-to-date period then ended respectively and net cash inflows (before consolidation adjustments) amounting to Rs. 428 million for the year-to-date period then ended, as considered in the condensed interim consolidated financial statements. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed interim consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.

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

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:31:35 +05'30'

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 26113896OMJSYQ5509

Place: Pune
Date: 15 October 2026

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2026

	Notes	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
ASSETS				
Non-current assets				
Property, plant and equipment	5.1	4,061.20	4,122.69	3,968.88
Capital work-in-progress		87.97	165.81	106.85
Right of use assets	5.3	6,370.16	4,551.27	5,471.81
Goodwill	5.4	13,947.37	12,782.28	13,596.88
Other Intangible assets	5.5	14,543.52	4,375.59	5,522.25
Intangible assets under development		783.80	1,323.41	268.95
		39,794.02	**27,321.05**	**28,935.62**
Financial assets				
- Investments	6	7,311.34	7,014.99	7,001.38
- Trade receivables	12			
- Billed		585.71	360.71	899.36
- Unbilled		-	-	-
- Loans	7	-	-	-
- Other financial assets	8	721.90	942.26	1,012.99
Deferred tax assets (net)	9	3,880.45	2,636.69	3,459.97
Income tax assets (net)		639.14	1,090.97	1,032.97
Other non-current assets	10	411.35	658.12	450.32
		13,549.89	**12,703.74**	**13,856.99**
	(A)	**53,343.91**	**40,024.79**	**42,792.61**
Current assets				
Financial assets				
- Investments	11	6,226.39	6,359.55	9,146.28
- Trade receivables	12			
- Billed		23,464.14	20,675.74	21,331.89
- Unbilled		12,197.41	8,279.20	12,011.98
- Cash and cash equivalents	13	16,311.85	10,008.01	10,749.15
- Bank balances other than cash and cash equivalents	14	1,051.28	2,025.15	1,433.36
- Loans	15	-	-	-
- Other financial assets	16	212.86	272.73	73.45
Other current assets	17	17,497.31	11,255.55	16,226.72
	(B)	**76,961.24**	**58,875.93**	**70,972.83**
TOTAL ASSETS	**(A) + (B)**	**130,305.15**	**98,900.72**	**113,765.44**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18(A)	788.75	782.00	788.75
Other equity	18(B)	85,105.58	70,692.81	77,589.80
	(A)	**85,894.33**	**71,474.81**	**78,378.55**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Lease liabilities	19	3,590.56	2,492.72	2,996.70
- Other financial liabilities	22	147.92	413.21	157.14
Provisions	20	2,304.54	211.45	2,632.77
Deferred tax liabilities (net)	9	336.71	194.14	326.28
Other non-current liabilities	23	4.71	119.71	31.44
	(B)	**6,384.44**	**3,431.23**	**6,144.33**
Current liabilities				
Financial liabilities				
- Lease liabilities	19	2,161.07	1,546.66	1,777.78
- Trade payables	21			
- Total outstanding dues of micro and small enterprises		79.93	19.19	58.10
- Total outstanding dues of creditors other than micro and small enterprises		13,764.65	9,074.99	11,283.78
- Other financial liabilities	22	12,545.68	4,450.15	8,272.69
Other current liabilities	23	7,881.79	5,797.49	6,805.36
Provisions	24	882.22	1,895.47	570.25
Income tax liabilities (net)		711.04	1,210.73	474.60
	(C)	**38,026.38**	**23,994.68**	**29,242.56**
TOTAL LIABILITIES	**(B) + (C)**	**44,410.82**	**27,425.91**	**35,386.89**
TOTAL EQUITY AND LIABILITIES	**(A) + (B) + (C)**	**130,305.15**	**98,900.72**	**113,765.44**
Summary of material accounting policy information	4			

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:31:56 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 15, 2026

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

Anand Deshpande
Anand Deshpande (Oct 15, 2026 15:36:37 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place : Pune
Date : October 15, 2026

Sandeep Kalra
Sandeep Kalra (Oct 15, 2026 06:08:06 EDT)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place : USA
Date : October 15, 2026

Praveen Kadle
Praveen Kadle (Oct 15, 2026 15:34:37 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : October 15, 2026

Vinit Teredesai
Vinit Teredesai (Oct 15, 2026 15:58:02 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 15, 2026

Amit Atre
Amit Atre (Oct 15, 2026 15:37:26 GMT+5.5)

Amit Atre
Company Secretary

Membership No: A20507

Place : Pune
Date : October 15, 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2026

	Notes	For the quarter ended		For the six months ended		For the year ended
		September 30, 2026 In ₹ Million	September 30, 2025 In ₹ Million	September 30, 2026 In ₹ Million	September 30, 2025 In ₹ Million	March 31, 2026 In ₹ Million
Income						
Revenue from operations	25	46,639.04	35,807.20	89,671.31	69,143.07	147,484.49
Other income	26	244.45	517.76	950.81	1,064.38	1,804.26
Total income (A)		**46,883.49**	**36,324.96**	**90,622.12**	**70,207.45**	**149,288.75**
Expenses						
Employee benefits expense	27.1	23,818.11	19,460.96	45,806.18	37,722.33	79,495.42
Subcontracting costs	27.2	7,140.05	5,374.86	13,811.66	10,170.65	21,986.14
Finance costs	28	375.69	179.79	667.12	350.43	726.82
Depreciation and amortisation expense	5.6	1,666.73	1,000.47	2,819.60	1,938.31	4,029.50
Other expenses (refer note 41d)	29	9,346.07	4,140.56	16,749.71	8,303.34	18,048.50
Total expenses (B)		**42,346.65**	**30,156.64**	**79,854.27**	**58,485.06**	**124,286.38**
Profit before exceptional item and tax (A - B)		**4,536.84**	**6,168.32**	**10,767.85**	**11,722.39**	**25,002.37**
Exceptional item (C)						
Statutory Impact of new Labour Code (refer note 38)		-	-	-	-	890.25
Profit before tax (A-B-C)		**4,536.84**	**6,168.32**	**10,767.85**	**11,722.39**	**24,112.12**
Tax expense						
Current tax		1,774.57	1,710.52	3,231.23	3,056.46	5,972.45
Deferred tax		(752.87)	(256.90)	(808.95)	(298.13)	(511.53)
Total tax expense		**1,021.70**	**1,453.62**	**2,422.28**	**2,758.33**	**5,460.92**
Net profit for the period / year (D)		**3,515.14**	**4,714.70**	**8,345.57**	**8,964.06**	**18,651.20**
Other comprehensive income						
Items that will not be reclassified to profit or loss (E)						
- Remeasurements of the defined benefit liabilities / (asset)		77.53	74.37	(53.71)	109.09	211.83
- Income tax effect on above		(19.51)	(17.21)	13.52	(25.95)	(53.34)
		58.02	**57.16**	**(40.19)**	**83.14**	**158.49**
Items that will be reclassified to profit or loss (F)						
- Effective portion of Gain / (loss) on hedging instruments in cash flow hedge		315.69	(931.43)	1,667.01	(767.59)	(2,236.60)
- Income tax effect on above		(79.45)	234.42	(419.55)	193.19	562.91
- Exchange differences in translating the financial statements of foreign operations		277.49	680.76	396.02	765.30	1,666.92
		513.73	**(16.25)**	**1,643.48**	**190.90**	**(6.77)**
Total other comprehensive income for the period / year (E) + (F)		**571.75**	**40.91**	**1,603.29**	**274.04**	**151.72**
Total comprehensive income for the period / year (D) + (E) + (F)		**4,086.89**	**4,755.61**	**9,948.86**	**9,238.10**	**18,802.92**
Earnings per equity share [Nominal value of share ₹5 (Corresponding period / Previous year: ₹5)]	30					
Basic (In ₹)		22.42	30.31	53.29	57.74	119.74
Diluted (In ₹)		22.22	30.15	52.83	57.36	118.87
Summary of material accounting policy information	4					

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:32:23 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 15, 2026

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

Anand Deshpande
Anand Deshpande (Oct 15, 2026 15:36:37 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place : Pune
Date : October 15, 2026

Sandeep Kalra
Sandeep Kalra (Oct 15, 2026 06:08:06 EDT)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place : USA
Date : October 15, 2026

Praveen Kadle
Praveen Kadle (Oct 15, 2026 15:54:37 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : October 15, 2026

Vinit Teredesai
Vinit Teredesai (Oct 15, 2026 15:58:02 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 15, 2026

Amit Atre
Amit Atre (Oct 15, 2026 15:37:26 GMT+5.5)

Amit Atre
Company Secretary

Membership No: A20507

Place : Pune
Date : October 15, 2026

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

		For the six months ended		For the year ended
		September 30, 2026 In ₹ Million	September 30, 2025 In ₹ Million	March 31, 2026 In ₹ Million
Cash flow from operating activities				
Profit before tax		**10,767.85**	**11,722.39**	**24,112.12**
Adjustments for:				
Interest income		(252.48)	(268.07)	(501.87)
Finance costs		421.71	195.86	396.48
Interest on lease liability		245.41	154.57	330.34
Depreciation and amortisation expense		2,819.60	1,938.31	4,029.50
Unrealised exchange loss / (gain) (net)		655.27	(324.82)	(463.97)
Exchange (gain) / loss on derivative contracts		(144.77)	148.35	518.23
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents		48.68	(8.68)	85.42
Bad debts		60.70	120.35	189.27
Allowance for expected credit (gain) / loss (net)		145.30	102.31	285.27
Employee stock compensation expenses		494.04	902.48	1,577.79
Loss / Impairment of non-current investments		(0.12)	0.11	4.31
Changes in contingent consideration payable on business combination		(190.86)	-	(139.59)
Excess provision in respect of earlier period / year written back		(24.71)	(10.28)	(21.26)
Profit on sale / fair valuation of financial assets designated as FVTPL		(362.23)	(297.36)	(632.50)
Profit on account of lease modification		(1.18)	-	-
Profit on sale of property, plant and equipment (net)		(1.34)	(3.16)	(60.96)
Operating profit before working capital changes		**14,680.87**	**14,372.36**	**29,708.58**
Movements in working capital :				
Decrease / (Increase) in other non-current assets		80.72	(218.82)	(198.76)
(Increase) / Decrease in other financial assets		(53.71)	1,268.98	(135.63)
(Increase) in other current assets		(1,192.69)	(2,217.07)	(6,038.66)
(Increase) / Decrease in trade receivables		(1,964.93)	(609.17)	154.48
Increase / (Decrease) in trade payables, current liabilities and non-current liabilities		400.73	(767.20)	(1,176.58)
(Decrease) / Increase in provisions		(69.97)	408.16	1,607.00
Operating profit after working capital changes		**11,881.02**	**12,237.24**	**23,920.43**
Direct taxes paid (net of refunds)		(2,600.96)	(2,655.00)	(6,249.13)
Net cash generated from operating activities	**(A)**	**9,280.06**	**9,582.24**	**17,671.30**
Cash flows from investing activities				
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)		(2,467.57)	(1,033.57)	(2,085.81)
Proceeds from sale of property, plant and equipment		1.37	10.90	133.97
Payment for acquisition of financial instruments		(43,736.27)	(33,425.74)	(76,938.70)
Payment towards contingent consideration		(169.50)	(735.69)	(1,065.13)
Proceeds from sale of financial instruments		46,411.73	30,221.64	72,074.20
Payment towards business purchase		(417.92)	-	-
Investment in unquoted securities		658.36	-	(739.27)
Proceeds from maturity of bank deposits having original maturity over three months		188.85	1,317.95	2,023.68
Interest received		284.55	251.81	498.03
Net cash generated / (used) in investing activities	**(B)**	**753.60**	**(3,392.70)**	**(6,099.03)**
Cash flows from financing activities				
Purchase of treasury shares for stock options		(769.51)	-	(2,048.57)
Proceeds from issue of equity shares options		662.94	470.85	2,547.77
Payment of principal portion of lease liabilities		(859.89)	(662.63)	(1,467.34)
Payment of interest portion of lease liabilities		(245.41)	(154.57)	(330.34)
Interest paid		(389.04)	(235.60)	(392.87)
Dividends paid		(2,821.37)	(2,352.32)	(5,790.41)
Net cash used in financing activities	**(C)**	**(4,422.28)**	**(2,934.27)**	**(7,481.76)**

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Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

	For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	5,611.38	3,255.27	4,090.51
Cash and cash equivalents at the beginning of the year	10,749.15	6,744.06	6,744.06
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(48.68)	8.68	(85.42)
Cash and cash equivalents at the end of the period / year	**16,311.85**	**10,008.01**	**10,749.15**
Components of cash and cash equivalents			
Cash on hand (refer note 13)	0.16	0.13	0.10
Balances with banks			
On current accounts # (refer note 13)	10,329.65	6,087.14	6,575.53
On saving accounts (refer note 13)	57.21	40.94	26.26
On exchange earner's foreign currency accounts (refer note 13)	5,838.63	3,091.19	3,762.96
On deposit accounts with original maturity less than three months (refer note 13)	86.20	788.61	384.30
Cash and cash equivalents	**16,311.85**	**10,008.01**	**10,749.15**

Of the cash and cash equivalent balance as at September 30, 2026, the Group can utilise ₹ 0.02 Million (Corresponding period / Previous year : ₹ 0.02 Million) only towards certain predefined activities.

The above Statement of cash flow 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 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:32:45 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 15, 2026

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

Anand Deshpande (Oct 15, 2026 15:36:37 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : October 15, 2026

Sandeep Kalra (Oct 15, 2026 06:08:06 EDT)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : USA
Date : October 15, 2026

Praveen Kadle (Oct 15, 2026 15:54:37 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : October 15, 2026

Vinit Teredesai (Oct 15, 2026 15:58:02 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 15, 2026

Amit Atre (Oct 15, 2026 15:37:26 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507

Place : Pune
Date : October 15, 2026

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

B. Other equity

(refer note 18 (B))

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Capital Reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2026	3,609.92	31,693.88	1,081.99	72.28	35.75	41,826.66	(2,153.64)	(259.36)	(1,676.01)	3,358.33	77,589.80
Net profit for the quarter	-	-	-	-	-	8,345.57	-	-	-	-	8,345.57
Items recognised in / from other comprehensive income for the period	-	-	-	-	-	(53.71)	-	-	1,667.01	396.02	2,009.32
Income tax effect on above	-	-	-	-	-	13.52	-	-	(419.55)	-	(406.03)
Dividend	-	-	-	-	-	(2,839.50)	-	-	-	-	(2,839.50)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	18.04	-	-	18.04
Exercise of stock options	-	-	-	-	-	-	1,398.22	-	-	-	1,398.22
Purchase of treasury shares	-	-	-	-	-	-	(769.51)	-	-	-	(769.51)
Loss on exercise of treasury shares	-	-	-	-	-	-	-	(735.28)	-	-	(735.28)
Employee stock compensation expenses	-	-	494.04	-	-	-	-	-	-	-	494.04
Other changes during the period	-	-	0.11	0.80	-	-	-	-	-	-	0.91
Balance at September 30, 2026	**3,609.92**	**31,693.88**	**1,576.14**	**73.08**	**35.75**	**47,292.54**	**(1,524.93)**	**(976.60)**	**(428.55)**	**3,754.35**	**85,105.58**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Capital Reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2025	3,438.70	27,730.15	3,432.38	65.19	35.75	28,833.47	(2,994.10)	180.77	(2.32)	1,691.41	62,411.40
Addition during the period	171.22	-	-	-	-	-	-	-	-	-	171.22
Net profit for the period	-	-	-	-	-	8,964.06	-	-	-	-	8,964.06
Items recognised in / from other comprehensive income for the quarter	-	-	-	-	-	109.09	-	-	(767.59)	765.30	106.80
Income tax effect on above	-	-	-	-	-	(25.95)	-	-	193.19	-	167.24
Dividend	-	-	-	-	-	(2,346.00)	-	-	-	-	(2,346.00)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	13.70	-	-	13.70
Employee stock compensation expenses	-	-	902.48	-	-	-	-	-	-	-	902.48
Other changes during the period	-	-	(1.39)	2.52	-	3.90	-	-	-	-	5.03
Shares held by ESOP trust	-	-	-	-	-	-	296.88	-	-	-	296.88
Balance at September 30, 2025	**3,609.92**	**27,730.15**	**4,333.47**	**67.71**	**35.75**	**35,538.57**	**(2,697.22)**	**194.47**	**(576.72)**	**2,456.71**	**70,692.81**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Capital Reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2025	3,438.70	27,730.15	3,432.38	65.19	35.75	28,833.47	(2,994.10)	180.77	(2.32)	1,691.41	62,411.40
Addition during the year	171.22	-	-	-	-	-	-	-	-	-	171.22
Profit for the year	-	-	-	-	-	18,651.20	-	-	-	-	18,651.20
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	211.83	-	-	(2,236.60)	1,666.92	(357.85)
Income tax effect on above	-	-	-	-	-	(53.34)	-	-	562.91	-	509.57
Dividend	-	-	-	-	-	(5,816.50)	-	-	-	-	(5,816.50)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	41.71	-	-	41.71
Exercise of stock options	-	-	-	-	-	-	1,954.76	633.15	-	-	2,587.91
Purchase of treasury shares	-	-	-	-	-	-	(2,229.29)	-	-	-	(2,229.29)
Adjustments towards employees stock options	-	3,963.73	(3,963.73)	-	-	-	1,114.99	(1,114.99)	-	-	-
Employee stock compensation expenses	-	-	1,577.79	-	-	-	-	-	-	-	1,577.79
Other changes during the year	-	-	35.55	7.09	-	-	-	-	-	-	42.64
Balance at March 31, 2026	**3,609.92**	**31,693.88**	**1,081.99**	**72.28**	**35.75**	**41,826.66**	**(2,153.64)**	**(259.36)**	**(1,676.01)**	**3,358.33**	**77,589.80**

Summary of material accounting policy information (refer note 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:33:40 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 15, 2026

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

Anand Deshpande (Oct 15, 2026 15:36:37 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : October 15, 2026

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Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place : USA
Date : October 15, 2026

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Vinit Teredesai
Executive Director and
Chief Financial Officer
DIN: 03293917
Place : Pune
Date : October 15, 2026

Amit Atre (Oct 15, 2026 15:37:26 GMT+5.5)

Amit Atre
Company Secretary

Membership No. A20507
Place : Pune
Date : October 15, 2026

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2026

A. Share capital

(refer note 18 (A))

(In ₹ Million)

Balance as at April 1, 2026	Changes in equity share capital during the period	Balance as at September 30, 2026
788.75	-	788.75

(In ₹ Million)

Balance as at April 1, 2025	Changes in equity share capital during the period	Balance as at September 30, 2025
779.25	2.75	782.00

(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

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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 upon which such amount is transferred to General reserve.

c) Capital reserve
The excess of the Group's portion of equity of the acquired company over its cost is treated as capital reserve and disclosed under capital reserve in the financial statements.

d) 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.

e) 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.

f) Foreign currency translation reserve
The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

g) PSPL ESOP Trust reserve and Treasury shares
The Group has created an Employee Stock Options Trust (ESOP Trust) for providing share-based payment to its employees. The Group uses ESOP Trust as a vehicle for distributing shares to employees. The ESOP Trust buys shares of the Company either from the market or issued by the holding company, 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 Group'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 through treasury shares.

h) Securities premium
Securities premium 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.

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

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1 Group Overview

Persistent Systems Limited ("the Parent 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. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as 'the Group'. The Group offers complete product life cycle services.

The Board of Directors approved the consolidated financial statements for the six months ended September 30, 2026 and authorised for issue on October15, 2026.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation. Also, the Company is engaged in providing sales and marketing support and other allied services to its group entities.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, is a wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) w.e.f. March 25, 2026 and is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc.(PSI), is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains. PTSI has been merged into PSI w.e.f. February 28, 2026

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) , an Ireland based wholly owned subsidiary of Persistent Systems Limited (PSL), is engaged in software development and related services and also operates as the Holding Company of Persistent Systems Lanka (Private) Limited, Persistent Systems France SAS (PSFS), Persistent Systems Switzerland AG (PSS), Persistent Systems S.R.L. Romania, Persistent Systems Germany GmbH and Persistent Systems Poland sp z.o.o.

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Persistent Systems Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland)) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Limited (PSL). Sale of services are then contracted between Persistent Systems Limited and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH is a wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) w.e.f March 31, 2026 is engaged in software development.

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) w.e.f December 24, 2025) is engaged in the business of software products, services and technology innovation in the digital practice.

Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada, a Costa Rica based wholly owned subsidiary of Persistent Systems Inc .w.e.f December 24, 2025) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems S.R.L. Romania is a wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) w.e.f February 24, 2026 is engaged in software development and services.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Digitalagility S. DE R.L.de C.V. (a Mexico based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Persistent Systems Poland sp z.o.o. is a subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) w.e.f March 4, 2026 and is engaged in providing software products, services and technology innovation.

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 for carrying out CSR activities.

Starfish Associates, LLC, USA (Starfish) has become a wholly owned subsidiary of Persistent Systems Inc, USA (PSI) (wholly owned subsidiary) effective from August 1, 2024. Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.Starfish has now merged into PSI w.e.f March 2, 2026.

Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024. The subsidiary specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains. Arrka has now merged into PSL w.e.f. May 12, 2026.

Persistent Systems Pte. Ltd., Singapore (Wholly Owned Subsidiary of the Company) has established its Wholly Owned Subsidiary, Baixinteng System Service (Shanghai) Co. Ltd. in China on February 27, 2026 and is engaged in providing software products, services and technology innovation.

Persistent Systems Limited through its step-down subsidiary namely Persistent Systems Estonia OÜ (erstwhile known as PerSys Estonia OÜ) has acquired part business of M/s. Concise Systems OÜ, Estonia on May 28, 2026. Persistent Systems Estonia OÜ is a wholly owned subsidiary of Persistent Systems Ireland Operations Limited (erstwhile known as Aepona Group Limited, Ireland) and will be engaged in providing IT services and software development services.

The Company has established M/s. Galaxy Germany Holding SE as a wholly owned subsidiary of the Company ('BidCo') by way of acquisition on June 26, 2026.

The Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated.

2 Basis of preparation

The consolidated 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
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

These condensed interim consolidated financial statements for the period ended September 30, 2026, have been prepared in accordance with Indian Accounting Standard (Ind AS) 34, "Interim Financial Reporting", prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other relevant provisions of the Companies Act, 2013. These condensed interim consolidated financial statements do not include all the information and disclosures required in annual consolidated financial statements and should be read in conjunction with the Company's latest annual financial statements.

3 Basis of consolidation

The consolidated financial statements of the Parent Company, its subsidiaries and the controlled trust ("the Group") for the six months ended September 30, 2026 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The standalone financial statements of the Parent Company, its subsidiary companies and its controlled trust have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealised profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the acquired company over its cost is treated as capital reserve in the consolidated financial statements. Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

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4 Material accounting policy information

4.1 Use of estimates and judgements

The preparation of the consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the period / year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

4.2 Critical accounting estimates and judgements

a) Revenue recognition

The Group'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 Group 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 fixed-price project is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group'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.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group 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 Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

The Group 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 Group and the customer at contract inception.

The Group 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 Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. 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 Group 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 Group. 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 Group'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.

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 Group 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 Group 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 Group'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 Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group 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 Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

f) Provisions and contingent liabilities

The Group 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 Group uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

4.3 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 Group'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 their realisation in cash and cash equivalents and 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 Group 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 Group. 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 consolidated financial statement of profit and loss for the period / year 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 consolidated financial statement of profit and loss when the asset is disposed.

c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs 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 consolidated financial 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 Group 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 capitalisation, 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 from the date the asset is made available for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The estimated useful lives for the property, plant and equipment, except for leasehold improvements, are 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.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

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. The estimated useful lives of Intangible assets are as below -

1. Software - 3 years from the day the asset is made available for use
2. Acquired Contractual Rights - 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 capitalised 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 Group 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 Group assesses whether:

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

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

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

Where the Group is a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group 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 consolidated financial statement of profit and loss.

The Group 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 Group 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 Group 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 consolidated statement of profit and loss if the right-of-use asset is already reduced to zero.

The Group 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 consolidated statement of profit and loss on a straight line basis.

g) Impairment of non-financial assets

The Group 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 Group 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 Groups 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 groups or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Group 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 Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the consolidated 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 Group 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 consolidated 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 Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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 Group 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 Group's business model for managing them. The Group's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Group 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 consolidated 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 amortised 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 recognised in the consolidated statement of profit and loss.

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 Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group 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 Group 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 consolidated statement of profit and loss.

Amounts accumulated in equity are reclassified to consolidated 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 as FVTPL.

Derecognition

The Group 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 ("Financial Instrument"). A financial liability (or a part of a financial liability) is derecognised from the Group'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 the consolidated statement of profit and loss, except in case of equity instruments classified as FVTOCI, where such cumulative gain or loss is not recycled to the consolidated statement of profit and loss.

The Group derecognises financial liabilities when the Group'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 the consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 ("Financial Instrument") and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 Group 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.

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Impairment of financial assets

The Group 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 Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Group 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 Group 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 Group 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 Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group 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 Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group 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.

Revenue from the sale of proprietary and third-party term licenses is recognized at a point in time upon delivery of the licenses to the customer. Revenue from time-and-material contracts, volume-based contracts, transaction-based contracts, fixed-price contracts, and other service arrangements is recognized over time as the related services are rendered.

Income from software services and licences

The Group 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.

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 Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. 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 Group's right to receive dividend is established. Dividend income is included under the head 'Other income' in the consolidated statement of profit and loss.

Contract balances

Contract assets

Contract assets are recognised when there are excess of revenues 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 revenues.

j) Foreign currency translation

Foreign currency

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the entities, 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 the consolidated statement of profit and loss of the Group 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 Group presents the consolidated financial statements in ₹. For the purpose of these consolidated financial statements, the assets and liabilities of the Group'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 Group 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 by the group are charged to the consolidated statement of profit and loss for the period / year when the contributions are due. The Group 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 consolidated 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 Group for its employees of Indian operations covered under respective Company's 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 consolidated 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 / year 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 Group 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 Group 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 consolidated financial statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

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.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per the Group’s policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the consolidated statement of profit and loss.

During the year, the group has discontinued the said policy.

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 consolidated statement of profit and loss during the period when the employee renders the service.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group 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 the consolidated 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 Group 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 Group'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 consolidated statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker, are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the consolidated financial statements of the Group as a whole.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period 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 earnings per share, the net profit for the year attributable to the equity shareholders of parent company and the weighted average number of equity shares outstanding during the 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 consolidated financial statements by the Board of Directors.

o) Provision

A provision is recognised when the Group 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 Group 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 the consolidated financial statements.

q) Share based payments

Employees of the Group 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 Group's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the Group 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 the consolidated statement of profit and loss with a corresponding adjustment to equity.

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

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) Treasury shares

The group has created a PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by 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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

t) Dividend

Final dividend on shares is 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 Board of Directors.

u) Business combination

The acquisition method of accounting is used to recognize 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. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in Consolidated Financial Statements of profit and loss.

The Group 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 including 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.

v) Goodwill / Capital reserve

Goodwill represents the cost of business acquisition in excess of the Group'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 other comprehensive income as capital reserve.

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 Group'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 Group 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.

w) 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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2026	1,010.57	2,894.52	4,864.58	98.29	2,398.48	110.89	1,207.90	15.41	12,600.64
Additions	-	-	202.71	5.74	161.44	1.86	210.93	-	582.68
Disposals		-	78.17	0.12	6.23	-	0.01	-	84.53
Effect of foreign currency translation from functional currency to reporting currency	(0.02)	(0.08)	(10.75)	0.09	1.85	1.18	3.65	-	(4.08)
As at September 30, 2026	**1,010.55**	**2,894.44**	**4,978.37**	**104.00**	**2,555.54**	**113.93**	**1,422.47**	**15.41**	**13,094.71**
Accumulated depreciation									
As at April 1, 2026	-	1,726.67	4,098.98	72.18	1,707.83	61.30	953.06	11.74	8,631.76
Charge for the period	-	59.48	216.18	4.59	142.65	7.31	63.79	0.98	494.98
Disposals	-	-	78.15	0.12	6.23	-	-	-	84.50
Effect of foreign currency translation from functional currency to reporting currency	-	(0.07)	(12.24)	0.06	0.34	0.58	2.60	-	(8.73)
As at September 30, 2026	**-**	**1,786.08**	**4,224.77**	**76.71**	**1,844.59**	**69.19**	**1,019.45**	**12.72**	**9,033.51**
	-								
Net block as at September 30, 2026	**1,010.55**	**1,108.36**	**753.60**	**27.29**	**710.95**	**44.74**	**403.02**	**2.69**	**4,061.20**

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5.1 Property, plant and equipment (continued)

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers (refer note 2)	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2025	1,007.69	2,893.57	5,225.16	87.65	2,382.46	73.82	1,180.81	15.39	12,866.55
Additions	-	30.20	175.88	2.12	44.08	0.03	7.94	-	260.25
Disposals	-	17.99	172.99	0.61	104.25	2.09	33.54	-	331.47
Effect of foreign currency translation from functional currency to reporting currency	2.06	9.20	68.54	0.74	10.32	4.46	17.20	-	112.52
As at September 30, 2025	**1,009.75**	**2,914.98**	**5,296.59**	**89.90**	**2,332.61**	**76.22**	**1,172.41**	**15.39**	**12,907.85**
Accumulated depreciation									
As at April 1, 2025	-	1,630.32	4,261.32	65.92	1,617.19	48.10	883.03	9.79	8,515.67
Charge for the quarter (refer note 38)		68.72	248.56	3.29	127.12	3.45	54.85	0.98	506.97
Disposals	-	14.26	172.99	0.58	100.27	2.09	33.54	-	323.73
Effect of foreign currency translation from functional currency to reporting currency	-	5.10	56.65	0.83	5.96	3.71	14.00	-	86.25
As at September 30, 2025	**-**	**1,689.88**	**4,393.54**	**69.46**	**1,650.00**	**53.17**	**918.34**	**10.77**	**8,785.16**
Net block as at September 30, 2025	**1,009.75**	**1,225.10**	**903.05**	**20.44**	**682.61**	**23.05**	**254.07**	**4.62**	**4,122.69**

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers (refer note 2)	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2025	1,007.69	2,893.57	5,225.16	87.65	2,382.46	73.82	1,180.81	15.39	12,866.55
Additions	-	45.20	312.94	12.24	163.87	29.64	59.16	-	623.05
Disposals	-	57.12	804.31	3.12	168.79	2.76	63.10	-	1,099.20
Effect of foreign currency translation from functional currency to reporting currency	2.88	12.87	130.79	1.52	20.94	10.19	31.03	0.02	210.24
As at March 31, 2026	**1,010.57**	**2,894.52**	**4,864.58**	**98.29**	**2,398.48**	**110.89**	**1,207.90**	**15.41**	**12,600.64**
Accumulated depreciation									
As at April 1, 2025	-	1,630.32	4,261.32	65.92	1,617.19	48.10	883.03	9.79	8,515.67
Charge for the year (refer note 38)	-	129.21	485.25	8.20	245.78	8.72	110.89	1.95	990.00
Disposals	-	40.09	753.62	3.12	163.57	2.76	63.03	-	1,026.19
Effect of foreign currency translation from functional currency to reporting currency	-	7.23	106.03	1.18	8.43	7.24	22.17	-	152.28
As at March 31, 2026	**-**	**1,726.67**	**4,098.98**	**72.18**	**1,707.83**	**61.30**	**953.06**	**11.74**	**8,631.76**
Net block as at March 31, 2026	**1,010.57**	**1,167.85**	**765.60**	**26.11**	**690.65**	**49.59**	**254.84**	**3.67**	**3,968.88**

Note 1: Buildings include those constructed on leasehold land:

a) Gross block as on September 30, 2026 ₹ 1,446.20 Million (Corresponding period : ₹ 1,460.20 Million / Previous year : ₹ 1,446.20 Million)

b) Depreciation charge for the period ₹ 28.62 Million (Corresponding period : ₹ 28.91 Million / Previous year ₹ 57.46 Million)

c) Accumulated depreciation as on September 30, 2026 ₹ 873.42 Million (Corresponding period : ₹ 822.38 Million / Previous year ₹ 844.80 Million)

d) Net block value as on September 30, 2026 ₹ 572.78 Million (Corresponding period : ₹ 637.82 Million / Previous year ₹ 601.40 Million),

Note 2: The management has revised estimated useful life of computers and networking equipments prospectively (refer note 38 for details).

5.3 Right of use assets

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2026	973.36	5,326.41	2,278.46	8,578.23
Additions	-	700.23	1,190.57	1,890.80
Disposals	-	316.37	261.76	578.13
Lease Modifications	-	24.80	-	24.80
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	10.96	0.11	11.07
As at September 30, 2026	**973.36**	**5,696.43**	**3,207.38**	**9,877.17**
Accumulated depreciation				
As at April 1, 2026	29.73	2,538.42	538.27	3,106.42
Charge for the period	6.12	615.47	353.64	975.23
Disposals	-	316.37	261.76	578.13
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	3.44	0.05	3.49
As at September 30, 2026	**35.85**	**2,840.96**	**630.20**	**3,507.01**
Net block as at September 30, 2026	**937.51**	**2,855.47**	**2,577.18**	**6,370.16**

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total In ₹ Million
Gross block (At cost)				
As at April 1, 2025	973.36	4,440.34	276.80	5,690.50
Additions	-	325.56	1,072.57	1,398.13
Lease Modifications	-	11.30	-	11.30
Disposals	-	92.87	-	92.87
Effect of foreign currency translation of foreign operations from functional currency to	-	102.21	-	102.21
As at September 30, 2025	**973.36**	**4,763.94**	**1,349.37**	**7,086.67**
Accumulated depreciation				
As at April 1, 2025	17.52	1,860.22	14.09	1,891.83
Charge for the period	6.12	469.89	218.74	694.75
Disposals	-	100.05	-	100.05
Effect of foreign currency translation of foreign operations from functional currency to	-	48.87	-	48.87
As at September 30, 2025	**23.64**	**2,278.93**	**232.83**	**2,535.40**
Net block as at September 30, 2025	**949.72**	**2,485.01**	**1,116.54**	**4,551.27**

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2025	973.36	4,440.34	276.80	5,690.50
Additions	-	1,200.00	2,001.65	3,201.65
Disposals	-	464.35	-	464.35
Lease Modifications	-	11.30	-	11.30
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	161.72	0.01	161.73
As at March 31, 2026	**973.36**	**5,326.41**	**2,278.46**	**8,578.23**
Accumulated depreciation				
As at April 1, 2025	17.52	1,860.22	14.09	1,891.83
Charge for the year	12.21	1,043.38	477.21	1,532.80
Disposals	-	421.04	-	421.04
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	55.86	46.97	102.83
As at March 31, 2026	**29.73**	**2,538.42**	**538.27**	**3,106.42**
Net block as at March 31, 2026	**943.63**	**2,787.99**	**1,740.19**	**5,471.81**

5.4 Goodwill

(In ₹ Million)

	As at September 30, 2026	As at September 30, 2025	As at March 31, 2026
Cost			
Balance at beginning of the year	13,596.88	12,337.94	12,337.94
Addition on purchase price allocation of business combination (refer note 35)	206.65	-	-
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	143.84	444.34	1,258.94
Balance at end of the period	**13,947.37**	**12,782.28**	**13,596.88**

5.5 Other Intangible assets

(In ₹ Million)

	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2026	3,696.68	1,761.39	15,308.81	20,766.88
Additions	9,699.69	2.65	370.50	10,072.84
Disposals	69.52	-	-	69.52
Effect of foreign currency translation from functional currency to reporting currency	117.33	-	94.76	212.09
As at September 30, 2026	**13,444.18**	**1,764.04**	**15,774.07**	**30,982.29**
Accumulated amortisation				
As at April 1, 2026	3,388.31	137.49	11,718.83	15,244.63
Charge for the period	497.01	145.19	707.19	1,349.39
Disposals	69.52	-	-	69.52
Effect of foreign currency translation from functional currency to reporting currency	6.42	-	(92.15)	(85.73)
As at September 30, 2026	**3,822.22**	**282.68**	**12,333.87**	**16,438.77**
Net block as at September 30, 2026	**9,621.96**	**1,481.36**	**3,440.20**	**14,543.52**

(In ₹ Million)

	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2025	3,332.78	176.70	14,041.91	17,551.39
Additions	3.66	42.35	-	46.01
Effect of foreign currency translation from functional currency to reporting currency	83.96	-	614.06	698.02
As at September 30, 2025	**3,420.40**	**219.05**	**14,655.97**	**18,295.42**
Accumulated amortisation				
As at April 1, 2025	3,043.21	66.63	9,518.22	12,628.06
Charge for the period	93.37	32.59	610.63	736.59
Effect of foreign currency translation from functional currency to reporting currency	85.66	-	469.52	555.18
As at September 30, 2025	**3,222.24**	**99.22**	**10,598.37**	**13,919.83**
Net block as at September 30, 2025	**198.16**	**119.83**	**4,057.60**	**4,375.59**

(In ₹ Million)

	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2025	3,156.08	176.70	14,218.61	17,551.39
Additions	324.82	1,584.69	-	1,909.51
Disposals	10.58	-	-	10.58
Effect of foreign currency translation from functional currency to reporting currency	226.36	-	1,090.20	1,316.56
As at March 31, 2026	**3,696.68**	**1,761.39**	**15,308.81**	**20,766.88**
Accumulated amortisation				
As at April 1, 2025	2,976.58	66.63	9,584.85	12,628.06
Charge for the year	194.55	70.86	1,241.29	1,506.70
Disposals	10.58	-	-	10.58
Effect of foreign currency translation from functional currency to reporting currency	227.76	-	892.69	1,120.45
As at March 31, 2026	**3,388.31**	**137.49**	**11,718.83**	**15,244.63**
Net block as at March 31, 2026	**308.37**	**1,623.90**	**3,589.98**	**5,522.25**

5.6 Depreciation and amortisation

(In ₹ Million)

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
On Property, plant and equipment	250.74	254.21	494.98	506.97	990.00
On Right of Use assets	515.80	375.21	975.23	694.75	1,532.80
On Other Intangible assets	900.19	371.05	1,349.39	736.59	1,506.70
	1,666.73	**1,000.47**	**2,819.60**	**1,938.31**	**4,029.50**

6. Non-current financial assets : Investments

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Investments carried at amortised cost			
Quoted Investments			
In bonds	2,370.69	2,581.54	2,368.97
Add: Interest accrued on bonds	126.63	114.93	165.26
Total investments carried at amortised cost (A)	**2,497.32**	**2,696.47**	**2,534.23**
Investments carried at fair value through profit and loss			
Quoted Investments			
- Investments in mutual funds			
Fair value of long term mutual funds (refer Note 6a)	3,705.25	3,691.54	3,754.41
	3,705.25	**3,691.54**	**3,754.41**
- Others*			
Unquoted investments			
Investments in Common Stocks / Preferred Stocks			
Ciqual Limited [Holding 2.38% (Corresponding period / Previous year 2.38%)]			
0.04 Million (Corresponding period / Previous year : 0.04 Million) shares of GBP 0.01 each, fully paid up	20.32	18.64	19.90
Less : Change in fair value of investment	(20.32)	(18.64)	(19.90)
	-	-	-
Altizon Systems Private Limited	6.00	6.00	6.00
0.004 Million equity shares (Corresponding period / Previous year : 0.004 Million equity shares) of ₹ 10 each, fully paid up			
	6.00	**6.00**	**6.00**
Hygenx Inc.	19.16	17.76	18.95
0.25 Million (Corresponding period / Previous year : 0.25 Million) Preferred stock of $ 0.001 each, fully paid up			
Less : Change in fair value of investment	(19.16)	(17.76)	(18.95)
	-	-	-
Trunomi Inc.	-	22.20	-
Nil Million (Corresponding period : 0.28 Million / Previous year : Nil Million) Preferred stock of $ 0.0002 each, fully paid up			
Less : Change in fair value of investment	-	(22.20)	-
	-	-	-

6. Non-current financial assets : Investments

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Monument Bank 0.024 Million (Corresponding period / Previous year: 0.024 Million) Stock of GBP 50 each), fully paid up	156.27	144.79	154.56
Monument Technology Ltd 1.33 Million (Corresponding period / Previous year: 1.33 Million) Ordinary Shares of GBP 0.000001 each), fully paid up	254.71	238.48	251.05
Akumina Inc. 0.40 Million Preference shares of $ 0.443 each (Corresponding period / Previous year: 0.40 Million Preference shares of $ 0.443 each)	17.01	15.76	16.82
SwanAI 0.08 Million (Corresponding period / Previous year - 0.08 Million) preferred shares of $ 0.00001 each, fully paid up	236.92	221.95	236.92
Less : Change in fair value of investment	(236.92)	-	(236.92)
	-	**221.95**	**-**
Mila Health (refer note no. 43) 0.23 Million (Corresponding period - Nil / Previous year - 0.23 Million) preferred shares of $ 0.0001 each, fully paid up	-	-	284.31
DexCare (refer note no. 43) 1.03 Million (Corresponding period/Previous year - Nil) preferred shares of USD 2.29922 each, fully paid up	283.32	-	-
Investments carried at fair value through other comprehensive income			
Unquoted Investments			
Others*			
Investments in Common Stocks / Preferred Stocks			
Hrdwyr Ventures Pvt. Ltd. (refer note no. 44) 0.26 Million (Corresponding period / Previous year- Nil) equity shares of ₹ 1,268.82 each, fully paid up	391.46	-	-
Total Investments carried at Fair Value (B)	**4,814.02**	**4,318.52**	**4,467.15**
Total investments (A) + (B)	**7,311.34**	**7,014.99**	**7,001.38**
Aggregate amount of impairment in value of investments	**276.40**	**58.60**	**275.77**
Aggregate amount of quoted bonds	**2,497.32**	**2,696.47**	**2,534.23**
Aggregate amount of quoted mutual funds	**3,705.25**	**3,691.54**	**3,754.41**
Aggregate book value of quoted investments	**6,202.57**	**6,388.01**	**6,288.64**
Aggregate market value of quoted investments	**5,828.23**	**6,054.46**	**5,893.87**
Aggregate value of unquoted investments	**1,108.77**	**626.98**	**712.74**

* Investments, where the Group did not have joint-control or significant influence including situations where such joint-control or significant influence was intended to be temporary, were classified as "investments in others".

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

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	583.92	497.20	564.63
Axis Mutual Fund	484.23	698.16	713.62
Kotak Mutual Fund	646.82	560.65	617.99
Aditya Birla Sun Life Mutual Fund	179.70	171.69	174.74
HDFC Mutual Fund	219.15	208.98	212.97
DSP Mutual Fund	184.45	175.08	178.59
HSBC Mutual Fund	184.26	175.55	178.71
ICICI Prudential Mutual Fund	1,107.58	750.69	1,002.23
SBI Mutual Fund		172.61	-
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	115.14	280.93	110.93
	3,705.25	**3,691.54**	**3,754.41**

7. Non-current financial assets : Loans

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Carried at amortised cost			
Other loans			
Unsecured, credit impaired	0.58	0.58	0.58
	0.58	**0.58**	**0.58**
Less: Impairment allowance	(0.58)	(0.58)	(0.58)
	-	**-**	**-**

The Group has not granted any loans repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties as at 30 September 2026, 30 September 2025 and 31 March 2026.

8. Other non-current financial assets

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Considered good			
Carried at amortised cost			
Deposits with banks (refer note 14)*	204.39	169.65	4.39
Add: Interest accrued but not due on bank deposits (refer note 14)	0.17	6.86	0.23
Deposits with banks	**204.56**	**176.51**	**4.62**
Security deposits	517.34	433.00	616.91
Simple Agreement for Future Equity (SAFE) (refer note no. 44)	-	332.75	391.46
Credit impaired			
Deposit with financial institutions-credit impaired (refer note 36)	371.25	408.88	408.88
Add: Interest accrued but not due on deposit with financial institutions-credit impaired	0.30	0.30	0.30
Less: Credit impaired (refer note 36)	(371.55)	(409.18)	(409.18)
Deposits with financial institutions	-	-	-
	721.90	**942.26**	**1,012.99**

* Out of the balance, fixed deposits of ₹ 203.75 Million (Corresponding period: ₹ 32.50 Million / Previous year : ₹ 3.76 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.

9. Deferred tax asset / liabilities

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Deferred tax assets			
Provision for leave encashment	486.70	416.57	533.29
Provision for bonus and commission	172.70	176.09	17.98
Allowance for expected credit loss	212.56	230.77	221.93
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	304.32	238.67	194.58
Brought forward and current year losses	1,784.45	455.28	1,084.00
Tax credits	96.06	153.01	104.68
Lease liability	1,418.36	52.18	58.89
Right of use	(1,338.90)	-	-
Provision for shared based payments to employees	501.95	598.22	548.96
Provisions for doubtful investment	95.00	113.28	113.28
Cashflow on Hedges	144.14	193.97	563.69
Unbilled revenue	0.50	-	-
Others	2.61	8.65	18.69
	3,880.45	**2,636.69**	**3,459.97**
Deferred tax liabilities			
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	32.40	6.16	30.25
Capital gains	122.44	111.51	126.07
Unrealised exchange gain/loss	166.48	76.16	157.96
Others	15.39	0.31	12.00
	336.71	**194.14**	**326.28**

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Deferred income tax assets after set-off	3,880.45	2,636.69	3,459.97
Deferred income tax liabilities after set-off	(336.71)	(194.14)	(326.28)
	3,543.74	**2,442.55**	**3,133.69**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Certain subsidiaries of the group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

10. Other non-current assets

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Capital advances (Unsecured, considered good)	69.82	215.81	28.07
Prepayments	341.53	442.31	422.25
	411.35	**658.12**	**450.32**

11. Current financial assets : Investments

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Investments carried at fair value through profit and loss			
-Quoted investments			
Investments in mutual funds (A)			
Fair value of current mutual funds (refer Note 11a)	5,466.85	6,109.55	5,954.41
	5,466.85	**6,109.55**	**5,954.41**
Investments carried at amortised cost (B)			
- Quoted investments			
In bonds	660.00	250.00	2,452.60
Add: Interest accrued on bonds	-		-
Total investments carried at amortised cost	**660.00**	**250.00**	**2,452.60**
- Unquoted investments			
Investment in Commercial Papers	99.54	-	739.27
Total investments carried at amortised cost	**99.54**	**-**	**739.27**
Total carrying amount of investments	**6,226.39**	**6,359.55**	**9,146.28**
Aggregate amount of quoted bonds	**660.00**	**250.00**	**2,452.60**
Aggregate amount of quoted mutual funds	**5,466.85**	**6,109.55**	**5,954.41**
Aggregate book value of quoted investments	**6,126.85**	**6,359.55**	**8,407.01**
Aggregate market value of quoted investments	**6,127.63**	**6,109.55**	**8,403.30**
Aggregate amount of unquoted investments	**99.54**	**-**	**739.27**

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

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Aditya Birla Sun Life Mutual Fund	512.19	494.94	375.78
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	524.09	772.92	1,056.97
UTI Mutual Fund	344.60	700.45	812.44
Axis Mutual Fund	469.82	515.39	739.80
Tata Mutual Fund	405.01	440.12	823.35
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	378.76	239.10	230.93
HDFC Mutual Fund	179.39	317.33	253.93
HSBC Mutual Fund	-	155.22	60.03
ICICI Prudential Mutual Fund	-	195.60	30.02
Mirae Asset Mutual Fund	260.90	491.61	148.22
SBI Mutual Fund	-	-	80.03
DSP Mutual Fund	390.69	341.74	272.82
Sundaram Mutual Fund	195.74	245.91	60.48
Kotak Mutual Fund	429.68	507.73	476.54
Invesco Mutual Fund	763.29	496.23	344.87
Bajaj Finserv Mutual Fund	195.62	195.26	158.18
Baroda BNP Mutual Fund	25.65	-	30.02
Edelweiss Mutual Fund	195.78	-	-
LIC Mutual Fund	195.64	-	-
	5,466.85	**6,109.55**	**5,954.41**

12. Trade receivables

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
- Trade Receivables - Billed - Non current			
Unsecured, considered good	585.71	360.71	899.36
	585.71	**360.71**	**899.36**
- Trade Receivables - Billed - Current			
Unsecured, considered good	24,188.99	20,675.74	22,048.18
Unsecured, credit impaired	723.47	1,048.65	566.81
	24,912.46	**21,724.39**	**22,614.99**
Less : Allowance for expected credit loss	(1,448.32)	(1,048.65)	(1,283.10)
	23,464.14	**20,675.74**	**21,331.89**
Trade Receivable - Unbilled - Current	12,197.41	8,279.20	12,011.98
	36,247.26	**29,315.65**	**34,243.23**

13. Cash and cash equivalents

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Cash in hand	0.16	0.13	0.10
Balances with banks			
On current accounts #	10,329.65	6,087.14	6,575.53
On saving accounts	57.21	40.94	26.26
On exchange earner's foreign currency accounts	5,838.63	3,091.19	3,762.96
On deposit accounts with original maturity less than three months	86.20	788.61	384.30
	16,311.85	**10,008.01**	**10,749.15**

Of the cash and cash equivalent balance as at September 30, 2026, the Group can utilise ₹ 0.02 million (Corresponding period : ₹0.02 Million / Previous year : ₹0.02 Million) only towards certain predefined activities.

14. Bank balances other than cash and cash equivalents

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Deposits with banks*	1,223.24	2,117.82	1,412.09
Add: Interest accrued but not due on deposits with banks	27.97	83.63	21.35
Deposits with banks (carried at amortised cost)	**1,251.21**	**2,201.45**	**1,433.44**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(204.39)	(169.65)	(4.39)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.17)	(6.86)	(0.23)
	1,046.65	**2,024.94**	**1,428.82**
Balances with banks on unpaid dividend accounts**	4.63	0.21	4.54
	1,051.28	**2,025.15**	**1,433.36**

* Out of the balance:
i) Fixed deposits of ₹ 570.71 Million (Corresponding period : ₹ 1,207.54 Million / Previous year : ₹ 866.71 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.
ii) Fixed deposits of ₹ 195.95 Million (Corresponding period : ₹91.00 Million / Previous year : ₹ 182.00 Million) have been kept as earmarked funds in Persistent India Foundation.

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

15. Current financial assets : Loans

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Loan to others (Unsecured, credit impaired)			
LHS Solution Inc.	-	28.70	-
Interest accrued but not due at amortised cost	-	-	-
Less: Impairment	-	(28.70)	-
	-	-	-

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16. Other current financial assets

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Carried at amortised cost (considered good)			
Security deposits	190.85	135.55	49.06
Other receivables	22.01	137.18	24.39
	212.86	**272.73**	**73.45**

17. Other current assets

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Unsecured, considered good			
Advances to suppliers			
Advances recoverable in cash or kind or for value to be received	1,008.71	379.40	1,698.63
Prepayments	3,591.75	2,508.81	1,586.88
Deferred finance costs	-	45.46	2.11
Contract Assets	1,850.63	1,193.35	1,992.51
Other advances			
VAT receivable (net)	2,701.77	382.93	2,429.90
Service tax and GST receivable (net) (refer note 34)	8,344.45	6,745.60	8,516.69
	11,046.22	**7,128.53**	**10,946.59**
	17,497.31	**11,255.55**	**16,226.72**

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18 (A) Share capital

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Authorized shares (No. in million)			
400 (Corresponding period / Previous year: 400) equity shares of ₹ 5 each	2,000.00	2,000.00	2,000.00
	2,000.00	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million)			
157.75 (Corresponding period : 156.40 / Previous year: 157.75) equity shares of ₹ 5 each	788.75	782.00	788.75
Issued, subscribed and fully paid-up share capital	**788.75**	**782.00**	**788.75**

The Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated and equity. The Group 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 September 30, 2026		As at September 30, 2025		As at March 31, 2026	
	No of shares	In ₹ Million	No of shares	In ₹ Million	No of shares	In ₹ Million
Number of shares at the beginning of the year	157.75	788.75	155.85	779.25	155.85	779.25
Add/ Less: Changes during the period / year	-	-	0.55	2.75	1.90	9.50
Number of shares at the end of the period / year	**157.75**	**788.75**	**156.40**	**782.00**	**157.75**	**788.75**

b) Terms / rights attached to equity shares

The Parent 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 Parent Company declares and pays dividends in Indian rupees.

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

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

In the period of five years immediately preceding September 30, 2026, the Parent Company has not done any buy-back of shares.

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

Name of the shareholder*	As at September 30, 2026		As at September 30, 2025		As at March 31, 2026	
	No. in Million	% Holding	No. in Million	% Holding	No. in Million	% Holding
Dr. Anand Deshpande	45.78	29.02	45.73	29.24	45.78	29.02
Motilal Oswal Midcap Fund	-	-	9.88	6.32	-	-

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

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18 (B) Other equity

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Reserves and Surplus			
Securities premium	3,609.92	3,609.92	3,609.92
General reserve	31,693.88	27,730.15	31,693.88
Share options outstanding reserve	1,576.14	4,333.47	1,081.99
Capital reserve	73.08	67.71	72.28
Capital redemption reserve	35.75	35.75	35.75
Retained earnings	47,292.54	35,538.57	41,826.66
Treasury shares	(1,524.93)	(2,697.22)	(2,153.64)
PSL ESOP Trust reserve	(976.60)	194.47	(259.36)
Items of other comprehensive income			
Effective portion of cash flow hedges (net of tax)	(428.55)	(576.72)	(1,676.01)
Exchange differences on translating the financial statements of foreign operations	3,754.35	2,456.71	3,358.33
	85,105.58	**70,692.81**	**77,589.80**

(i) Securities premium

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	3,609.92	3,438.70	3,438.70
Premium on fresh issue of equity shares	-	171.22	171.22
	3,609.92	**3,609.92**	**3,609.92**

(ii) General reserve

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	31,693.88	27,730.15	27,730.15
Adjustments towards employees stock options	-	-	3,963.73
	31,693.88	**27,730.15**	**31,693.88**

(iii) Share options outstanding reserve

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	1,081.99	3,432.38	3,432.38
Adjustments towards employees stock options	-	-	(3,963.73)
Employee stock compensation expenses	494.04	902.48	1,577.79
Other changes during the period / year	0.11	(1.39)	35.55
	1,576.14	**4,333.47**	**1,081.99**

(iv) Capital reserve

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	72.28	65.19	65.19
Other changes during the period / year	0.80	2.52	7.09
	73.08	**67.71**	**72.28**

(v) Capital redemption reserve

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	35.75	35.75	35.75
Other changes during the period / year	-	-	-
	35.75	**35.75**	**35.75**

(vi) Retained earnings

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	41,826.66	28,833.47	28,833.47
Profit for the period / year	8,345.57	8,964.06	18,651.20
Items recognised in / from other comprehensive income for the period / year	(53.71)	109.09	211.83
Income tax effect on above	13.52	(25.95)	(53.34)
Dividend	(2,839.50)	(2,346.00)	(5,816.50)
Other changes during the period	-	3.90	-
	47,292.54	**35,538.57**	**41,826.66**

(vii) Treasury shares

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	(2,153.64)	(2,994.10)	(2,994.10)
Exercise of stock options	1,398.22	-	1,954.76
Purchase of treasury shares	(769.51)	-	(2,229.29)
Shares held by ESOP trust	-	296.88	-
Adjustments towards employees stock options	-	-	1,114.99
	(1,524.93)	**(2,697.22)**	**(2,153.64)**

(viii) PSL ESOP Trust reserve

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	(259.36)	180.77	180.77
Dividend Paid to ESOP trust	18.04	13.70	41.71
Exercise of stock options	-	-	633.15
Adjustments towards employees stock options	-	-	(1,114.99)
Loss on exercise of treasury shares	(735.28)	-	-
	(976.60)	**194.47**	**(259.36)**

(ix) Effective portion of cash flow hedges

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	(1,676.01)	(2.32)	(2.32)
Items recognised in / from other comprehensive income for the period / year (net of tax)	1,247.46	(574.40)	(1,673.69)
	(428.55)	**(576.72)**	**(1,676.01)**

(x) Exchange differences on translating the financial statements of foreign operations

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Opening Balance	3,358.33	1,691.41	1,691.41
Items recognised in / from other comprehensive income for the period / year	396.02	765.30	1,666.92
	3,754.35	**2,456.71**	**3,358.33**

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19. Financial liabilities : Lease Liabilities

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
-Non-Current			
Lease Liabilities	5,751.63	4,039.38	4,774.48
Less: Current portion of lease liabilities	(2,161.07)	(1,546.66)	(1,777.78)
	3,590.56	**2,492.72**	**2,996.70**
-Current			
Lease Liabilities	2,161.07	1,546.66	1,777.78
	2,161.07	**1,546.66**	**1,777.78**

The table below shows change in the Group's lease liability including both cash and non-cash changes:

	For the six months ended		For year ended
	September 30, 2026 In ₹ Million	September 30, 2025 In ₹ Million	March 31, 2026 In ₹ Million
Opening balance	4,774.48	3,108.97	3,108.97
Additions	1,851.79	1,550.10	3,065.76
Deletions	-	(13.61)	(34.18)
Lease Modification	(22.89)	(9.34)	(9.34)
Add: Interest recognised during the period / year	245.41	154.57	330.34
Less: Payments made during the period / year	(1,105.30)	(817.20)	(1,797.68)
Translation differences	8.14	65.89	110.61
Closing balance	**5,751.63**	**4,039.38**	**4,774.48**

20. Non-current liabilities : Provisions

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Provision for employee benefits			
- Gratuity	1,074.55	176.45	889.07
- Leave Encashment	1,229.99	35.00	1,743.70
	2,304.54	**211.45**	**2,632.77**

21. Trade payables

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Trade payables			
- Total outstanding dues of small enterprises and micro enterprises *	79.93	19.19	58.10
- Total outstanding dues of creditors other than small enterprises and micro enterprises	13,764.65	9,074.99	11,283.78
	13,844.58	**9,094.18**	**11,341.88**

* Disclosure of trade payable to vendors as defined under the “Micro, Small and Medium Enterprise Development Act, 2006” is based on the information available with the Group entities registered in India, regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Parent Company.

Notes forming part of condensed interim consolidated financial statements

22. Other financial liabilities

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
- Non-current			
Carried at amortised cost			
Security Deposits	4.75	-	4.75
At fair value through profit & loss			
Liability towards contingent consideration	143.17	413.21	152.39
	147.92	**413.21**	**157.14**
- Current			
Carried at amortised cost			
Capital creditors	8,608.99	87.44	100.77
Accrued employee liabilities	2,611.93	2,738.21	4,838.19
Unpaid dividend*	4.70	0.21	4.61
Other liabilities	-	37.69	5.12
Payable to selling shareholders	24.21	117.43	54.23
At fair value through profit & loss			
Liability towards contingent consideration	459.14	929.62	630.51
Less: Non-current portion of liability towards contingent consideration	(143.17)	(413.21)	(152.39)
	315.97	**516.41**	**478.12**
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	979.88	952.76	2,791.65
	12,545.68	**4,450.15**	**8,272.69**

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

23.Other liabilities

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
- Non-current			
Other Liabilities	4.71	119.71	31.44
	4.71	**119.71**	**31.44**
- Current			
Unearned revenue	4,012.81	3,420.92	3,985.09
Advance from customers	182.38	136.10	209.57
Other payables			
- Statutory liabilities	1,738.84	1,087.24	1,327.49
- Other Liabilities *	1,947.76	1,153.23	1,283.21
	7,881.79	**5,797.49**	**6,805.36**
	7,886.50	**5,917.20**	**6,836.80**

*Includes balance of ₹ 0.02 Million (Correspnding period / Previous year: ₹ 0.02 million) to be utilised against certain predefined activities.

24. Current liabilities : Provisions

	As at September 30, 2026 In ₹ Million	As at September 30, 2025 In ₹ Million	As at March 31, 2026 In ₹ Million
Provision for employee benefits			
- Gratuity	-	0.08	-
- Leave encashment	882.22	1,895.39	570.25
	882.22	**1,895.47**	**570.25**

25. Revenue from operations

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software services	45,198.75	34,453.15	86,100.75	66,118.91	139,881.37
Software licenses	1,440.29	1,354.05	3,570.56	3,024.16	7,603.12
	46,639.04	**35,807.20**	**89,671.31**	**69,143.07**	**147,484.49**

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

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Revenue as per contract price	46,639.04	35,807.20	89,671.31	69,143.07	147,484.49
Discount	-	-	-	-	-
	46,639.04	**35,807.20**	**89,671.31**	**69,143.07**	**147,484.49**

Disaggregation of Revenue from operations by geography:

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
India	4,293.76	3,313.27	8,502.20	6,579.45	12,915.48
North America	37,973.73	28,581.21	72,019.02	55,176.66	118,935.49
Rest of the World	4,371.55	3,912.72	9,150.09	7,386.96	15,633.52
	46,639.04	**35,807.20**	**89,671.31**	**69,143.07**	**147,484.49**

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.

26. Other income

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
- On deposits carried at amortised cost	23.66	60.96	43.14	129.18	182.84
- On Others	98.70	69.36	209.34	138.89	319.03
Other non operating income					
Foreign exchange gain (net)	-	271.97	-	460.67	394.35
Profit on sale of property, plant and equipment (net)	0.04	3.16	1.34	3.16	60.96
Profit on account of lease modification	-	-	1.18	-	-
Net profit on sale / fair valuation of financial assets designated as FVTPL	61.51	96.05	362.23	297.36	632.50
Excess provision in respect of earlier years written back	13.41	6.38	24.71	10.28	21.26
Miscellaneous income (refer note 40)	47.13	9.88	308.87	24.84	193.32
	244.45	**517.76**	**950.81**	**1,064.38**	**1,804.26**

27. Personnel expenses

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
27.1 Employee benefits expense					
Salaries, wages and bonus (refer note 38)	21,691.94	17,388.58	41,455.58	33,630.72	72,093.83
Contribution to provident and other funds*	1,526.14	1,178.97	3,078.21	2,443.41	4,290.36
Staff welfare expenses	434.71	409.70	778.35	745.72	1,533.44
Share based payments to employees	165.32	483.71	494.04	902.48	1,577.79
	23,818.11	**19,460.96**	**45,806.18**	**37,722.33**	**79,495.42**
27.2 Subcontracting costs	7,140.05	5,374.86	13,811.66	10,170.65	21,986.14
	30,958.16	**24,835.82**	**59,617.84**	**47,892.98**	**101,481.56**

* Includes contribution towards gratuity.

28. Finance Costs

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest on Lease	125.78	82.47	245.41	154.57	330.35
Interest Others - Expenses	249.91	97.32	421.71	195.86	396.47
	375.69	**179.79**	**667.12**	**350.43**	**726.82**

29. Other expenses (refer note 41d)

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025	March 31, 2026
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	744.28	502.63	1,415.14	1,066.60	2,299.43
Electricity expenses (net)	38.86	32.27	73.73	67.10	137.23
Internet link expenses	41.85	33.36	75.41	76.81	151.81
Communication expenses	11.50	14.78	29.43	24.95	54.94
Recruitment expenses	129.39	69.57	232.15	143.08	306.17
Training and seminars	52.35	35.30	109.34	78.05	196.82
Royalty expenses	(51.60)	28.72	(78.35)	52.82	80.98
Purchase of software licenses	5,311.02	2,155.22	9,339.65	4,452.69	10,080.39
Bad debts	-	120.35	60.70	120.35	189.27
Allowance for expected credit loss (net)	148.61	77.49	145.30	102.31	285.27
Rent	48.13	11.45	93.82	49.38	136.67
Insurance	32.05	51.49	72.88	76.57	149.28
Rates and taxes	94.04	57.25	99.96	102.23	225.22
Legal and professional fees	1,081.83	502.82	1,964.05	1,105.97	2,032.78
Repairs and maintenance					
- Plant and Machinery	52.67	47.37	94.12	99.47	195.43
- Buildings	7.19	12.23	17.64	23.37	57.40
- Others	11.61	11.52	25.80	21.00	51.01
Selling and marketing expenses	8.18	8.09	13.18	20.35	28.74
Advertisement, conference and sponsorship fees	82.61	44.70	145.38	81.69	203.45
Computer consumables	9.21	10.63	21.10	19.17	34.46
Auditor's remuneration	7.43	3.75	14.31	7.50	17.45
Corporate social responsibility expenditure	82.38	62.32	144.59	114.60	254.00
Books, memberships, subscriptions	21.73	10.46	43.07	20.66	44.30
Foreign exchange loss (net)	455.75	-	1,508.42	-	-
Loss on sale of Property, Plant and Equipment	-	(3.31)	-	-	-
Directors' sitting fees	2.15	1.43	7.28	4.38	8.03
Directors' commission	17.50	17.50	35.00	26.25	52.50
Loss / Impairment of non current investments	(0.12)	-	(0.12)	0.11	4.31
Bank charges	816.72	-	816.72	-	-
Miscellaneous expenses	88.75	221.17	230.01	345.88	771.16
	9,346.07	**4,140.56**	**16,749.71**	**8,303.34**	**18,048.50**

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30. Earnings per share

		For the quarter ended		For the six months ended		For the year ended
		September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**	**March 31, 2026**
Numerator for Basic and Diluted EPS						
Net Profit after tax (In ₹ Million)	(A)	3,515.14	4,714.70	8,345.57	8,964.06	18,651.20
Denominator for basic EPS						
Weighted average number of equity shares	(B)	156,779,391	155,564,072	156,596,421	155,253,233	155,758,626
Denominator for diluted EPS						
Weighted average number of equity shares	(C)	158,181,695	156,400,000	157,963,724	156,285,792	156,901,233
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**22.42**	**30.31**	**53.29**	**57.74**	**119.74**
Diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/C)	**22.22**	**30.15**	**52.83**	**57.36**	**118.87**

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2026	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**	**March 31, 2026**
Outstanding weighted average number of equity shares considered for diluted EPS	158,181,695	156,400,000	157,963,724	156,285,792	156,901,233
Less: Weighted average number of treasury shares	1,402,304	835,928	1,367,303	1,032,559	1,142,607
Outstanding weighted average number of equity shares considered for basic EPS	**156,779,391**	**155,564,072**	**156,596,421**	**155,253,233**	**155,758,626**

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31. Segment information

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

The operating segments of the Group are:

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

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Revenue from operations						
	Quarter ended	September 30, 2026	15,714.77	10,980.41	19,943.86	46,639.04
	Quarter ended	September 30, 2025	12,455.60	9,027.32	14,324.28	35,807.20
	Six months ended	September 30, 2026	30,345.63	21,890.92	37,434.76	89,671.31
	Six months ended	September 30, 2025	23,757.04	17,454.22	27,931.81	69,143.07
	Year ended	March 31, 2026	50,932.99	37,721.65	58,829.85	147,484.49
Identifiable expense *						
	Quarter ended	September 30, 2026	10,225.62	7,125.02	13,561.34	30,911.98
	Quarter ended	September 30, 2025	8,107.31	5,567.22	9,079.95	22,754.48
	Six months ended	September 30, 2026	19,643.08	14,021.73	25,008.64	58,673.45
	Six months ended	September 30, 2025	15,523.56	10,952.63	17,787.11	44,263.30
	Year ended	March 31, 2026	33,247.07	23,692.07	38,237.18	95,176.32
Segmental result						
	Quarter ended	September 30, 2026	5,489.15	3,855.39	6,382.52	15,727.06
	Quarter ended	September 30, 2025	4,348.29	3,460.10	5,244.33	13,052.72
	Six months ended	September 30, 2026	10,702.55	7,869.19	12,426.12	30,997.86
	Six months ended	September 30, 2025	8,233.48	6,501.59	10,144.70	24,879.77
	Year ended	March 31, 2026	17,685.92	14,029.58	20,592.67	52,308.17
Unallocable expenses						
	Quarter ended	September 30, 2026				11,434.67
	Quarter ended	September 30, 2025				7,402.16
	Six months ended	September 30, 2026				21,180.82
	Six months ended	September 30, 2025				14,221.76
	Year ended	March 31, 2026				30,000.31
Operating income						
	Quarter ended	September 30, 2026				4,292.39
	Quarter ended	September 30, 2025				5,650.56
	Six months ended	September 30, 2026				9,817.04
	Six months ended	September 30, 2025				10,658.01
	Year ended	March 31, 2026				22,307.86
Other income						
	Quarter ended	September 30, 2026				244.45
	Quarter ended	September 30, 2025				517.76
	Six months ended	September 30, 2026				950.81
	Six months ended	September 30, 2025				1,064.38
	Year ended	March 31, 2026				1,804.26
Profit before taxes						
	Quarter ended	September 30, 2026				4,536.84
	Quarter ended	September 30, 2025				6,168.32
	Six months ended	September 30, 2026				10,767.85
	Six months ended	September 30, 2025				11,722.39
	Year ended	March 31, 2026				24,112.12
Tax expense						
	Quarter ended	September 30, 2026				1,021.70
	Quarter ended	September 30, 2025				1,453.62
	Six months ended	September 30, 2026				2,422.28
	Six months ended	September 30, 2025				2,758.33
	Year ended	March 31, 2026				5,460.92
Profit after tax						
	Quarter ended	September 30, 2026				3,515.14
	Quarter ended	September 30, 2025				4,714.70
	Six months ended	September 30, 2026				8,345.57
	Six months ended	September 30, 2025				8,964.06
	Year ended	March 31, 2026				18,651.20

* This balance includes material items in the nature of subcontracting costs and employee benefit expenses. Segregation of such expenses into various reportable segments have not been presented as it is not practically possible to allocate such expenses to individual segments.

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(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	September 30, 2026	3,432.36	4,736.08	15,881.41	24,049.85
	As at	September 30, 2025	6,824.48	5,607.02	8,604.95	21,036.45
	As at	March 31, 2026	3,864.97	5,480.75	12,885.53	22,231.25
Segmental Unbilled revenue						
	As at	September 30, 2026	3,461.69	2,435.81	8,150.54	14,048.04
	As at	September 30, 2025	2,067.46	2,016.58	5,388.51	9,472.55
	As at	March 31, 2026	2,877.71	2,296.30	8,830.48	14,004.49
Unallocated assets						
	As at	September 30, 2026				92,207.26
	As at	September 30, 2025				68,391.72
	As at	March 31, 2026				77,529.70
Unallocated liabilities						
	As at	September 30, 2026				44,410.82
	As at	September 30, 2025				27,425.91
	As at	March 31, 2026				35,386.89

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

Geographical Information
The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Revenue from operations	Quarter ended	September 30, 2026	4,293.76	37,973.73	4,371.55	46,639.04
	Quarter ended	September 30, 2025	3,313.27	28,581.21	3,912.72	35,807.20
	Six months ended	September 30, 2026	8,502.20	72,019.02	9,150.09	89,671.31
	Six months ended	September 30, 2025	6,579.45	55,176.66	7,386.96	69,143.07
	Year ended	March 31, 2026	12,915.48	118,935.49	15,633.52	147,484.49

The revenue from an individual customer in excess of ten percent of total revenue of the Group is ₹ Nil for the six months ended September 30, 2026
(Corresponding period : ₹ Nil / Previous year : ₹ Nil).

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32. Financial assets and liabilities

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

(In ₹ Million)

Financial assets / Financial liabilities	September 30, 2026			September 30, 2025			March 31, 2026			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:										
Investments in equity instruments, preferred stock and convertible notes	717.31	391.46	-	626.98	-	-	949.66	-	-	Level 3
Investments in bonds #	-	-	3,157.32	-	-	2,696.47	-	-	2,534.23	
Investments in mutual funds	9,172.10	-	-	10,051.09	-	-	9,708.82	-	-	Level 1
Deposit with banks and financial institutions (net)	-	-	1,251.21	-	-	2,201.45	-	-	1,433.44	
Cash and cash equivalents (including unpaid dividend)	-	-	16,316.48	-	-	10,008.22	-	-	10,753.69	
Trade receivables (net)	-	-	24,049.85	-	-	21,036.45	-	-	22,231.25	
Unbilled revenue	-	-	12,197.41	-	-	8,279.20	-	-	12,011.98	
Other financial assets	-	-	829.74	-	-	1,038.48	-	-	1,057.43	
Total Financial Assets	**9,889.41**	**391.46**	**57,802.01**	**10,678.07**	**-**	**45,260.27**	**10,658.48**	**-**	**50,022.02**	
Financial Liabilities:										
Trade payables	-	-	13,844.58	-	-	9,094.18	-	-	11,341.88	
Lease liabilities	-	-	5,751.63	-	-	4,039.38	-	-	4,774.48	
Forward contracts payable	-	979.88	-	-	952.76	-	-	2,791.65	-	Level 2
Payable to selling shareholders	-	-	24.21	-	-	117.43	-	-	54.23	
Liability towards contingent consideration	459.14	-	-	929.62	-	-	684.74	-	-	Level 3
Other financial liabilities (excluding borrowings)	-	-	11,230.37	-	-	2,863.55	-	-	4,899.21	
Total Financial Liabilities	**459.14**	**979.88**	**30,850.79**	**929.62**	**952.76**	**16,114.54**	**684.74**	**2,791.65**	**21,069.80**	

***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 Group 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 Group 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.	• Forecasted EBITDA (₹ 134 Million - ₹ 3,112 Million) as at September 30, 2026 • Risk-adjusted discount rate (3%-9.5%) as at September 30, 2026	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:

(In ₹ Million)

Particulars	September 30, 2026		September 30, 2025		March 31, 2026	
	Carried Value	Fair Value	Carried Value	Fair Value	Carried Value	Fair Value
Bonds carried at amortised cost	3,030.69	2,783.76	2,831.54	2,704.30	4,821.57	4,588.35
Interest accrued on Bonds	126.63	-	114.93	-	165.26	-
Total investments carried at amortised cost	**3,157.32**	**2,783.76**	**2,946.47**	**2,704.30**	**4,986.83**	**4,588.35**

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 entities, in limited circumstances where sufficient recent information is not available to determine fair value, or where a wide range of possible fair value estimates exists and cost represents the best estimate of fair value within that range, the Group measures such investments at cost. In such cases, cost is considered an appropriate estimate of fair value.

There are no transfers in between levels 1, 2 and 3 during the quarter and six months ended 30 September 2026, 30 September 2025 and for the year ended 31 March 2026.

Level 3 fair value measurements

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

(In ₹ Million)

	Investments in other equity instruments	Liability towards contingent consideration	Payable to selling shareholders
Balance at April 1, 2026	712.74	630.51	54.23
Acquired during the period	283.32	180.25	0.18
Disposed during the period	(284.31)	(139.30)	(30.20)
Gain/ (loss) recognised in profit and loss in other income *	-	(190.86)	-
Effect of foreign currency translation from functional currency to reporting currency	5.56	(21.46)	-
Balance at 30 September 2026	**717.31**	**459.14**	**24.21**
Balance at April 1, 2025	712.74	1,409.82	283.71
Acquired during the period	-	53.27	0.78
Disposed during the period	-	(568.64)	(167.06)
Gain/ (loss) recognised in profit and loss in other income *	-	-	-
Effect of foreign currency translation from functional currency to reporting currency	-	35.17	-
Balance at 30 September 2025	**712.74**	**929.62**	**117.43**
Balance at April 1, 2025	595.49	1,409.82	283.71
Acquired during the year	284.31	97.48	1.55
Disposed during the year	(213.67)	(834.10)	(231.03)
Gain/ (loss) recognised in profit and loss in other income *	-	(139.59)	-
Effect of foreign currency translation from functional currency to reporting currency	46.61	96.90	-
Balance at March 31, 2026	**712.74**	**630.51**	**54.23**

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

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33 (i) Related Party Disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director Mr Sandeep Kalra, Executive Director and Chief Executive Officer Mr. Vinit Teredesai, Executive Director and Chief Financial Officer Mr. Amit Atre, Company Secretary Ms. Anjali Joshi, Independent Director Ms. Avani Davda, Independent Director Mr. Praveen Kadle, Independent Director Mr. Arvind Goel, Independent Director Mr. Ambuj Goel, Independent Director Mr. Dan'l Lewin, Independent Director Mr Ajit Ranade, Independent Director
Relatives of Key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director, Promoter) Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director, Member of Promoter Group) Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director,Member of Promoter Group) Dr. Mukund Deshpande (Brother of the Chairman and Managing Director, Member of Promoter Group) Mrs. Chitra Buzruk (Sister of the Chairman and Managing Director, Member of Promoter Group) Mr. Arul Deshpande (Son of the Chairman and Managing Director, Member of Promoter Group) Ms. Ria Anand Deshpande (Daughter of the Chairman and Managing Director, Member of Promoter Group) Mr. Hemant Bakshi (Husband of Independent Director) Ms. Alpana Ajit Ranade (Wife of Independent Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Persistent India Foundation Persistent Systems Foundation Inc. ICGA Foundation
Controlled Trust	PSPL ESOP Management Trust

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the six months ended		For the year ended
		September 30, 2026	September 30, 2025	March 31, 2026
Remuneration*	**Key Management Personnel**			
(Salaries, bonus and contribution to PF)	Dr. Anand Deshpande	22.81	20.80	42.43
	Mr Vinit Teredesai (including fair value of perquisites for stock options exercised ₹ 47.10 million during the period (Corresponding period / Previous year: ₹ 66.22 million)	61.53	78.58	95.22
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ 5.20 million (Corresponding period / Previous year: ₹Nil million)	9.46	3.70	7.60
	Mr Sandeep Kalra (including fair value of perquisites for stock options exercised ₹ 2,078.83 million (Corresponding period: ₹ 3,661.45 million / Previous year: ₹ 3,848.22 million)	2,206.85	3,842.31	4,029.90
	Independent directors:			
	Mr. Praveen Kadle	6.38	4.53	9.10
	Ms. Avani Davda	6.33	4.48	8.95
	Mr. Arvind Goel	5.90	4.38	8.53
	Dr. Ambuj Goyal	5.88	4.33	8.55
	Mr. Dan'l Lewin	5.75	4.20	8.15
	Dr. Ajit Ranade	6.33	4.55	8.85
	Ms. Anjali Joshi	5.73	4.18	8.40
	Total	**2,342.95**	**3,976.04**	**4,235.68**
Dividend paid	**Key Management Personnel**			
	Dr. Anand Deshpande	824.12	685.92	1,693.16
	Mr Sandeep Kalra	7.20	9.75	11.07
	Mr. Amit Atre	0.12	0.09	0.09
	Mr Vinit Teredesai	0.28	0.12	0.28
	Relatives of Key Management Personnel			
	Mr. Suresh Deshpande	-	0.02	0.04
	Mrs. Chitra Buzruk	16.90	14.08	34.73
	Mrs. Sonali Anand Deshpande	4.03	3.36	8.29
	Mrs. Sulabha Suresh Deshpande	0.02	0.02	0.04
	Mr. Arul Deshpande	0.36	0.30	0.74
	Mr. Mukund Deshpande	13.39	12.00	28.37
	Ms. Alpana Ajit Ranade	-	-	0.01
	Mr. Hemant Bakshi	-	0.30	-
	Ms. Ria Anand Deshpande	0.36	0.01	-
	Total	**866.78**	**725.97**	**1,776.82**
Sale of Software Services	ICGA Foundation	0.54	-	0.13
CSR Expenditure	**Subsidiaries**			
	Persistent India Foundation	144.59	103.67	243.03
	Persistent Systems Foundation Inc.	-	10.97	10.97
		144.59	**114.64**	**254.00**

*Remuneration is computed as section 197 of Companies Act 2013.

Letters of comfort

Letters of comfort issued by the Parent Company of USD Nil Million : ₹ Nil Million (September 30, 2025: USD Nil Million : ₹ Nil Million / March 31, 2026: USD 20.00 Million Nil: ₹ 1,895.40 Million) to bank for loans availed by Persistent Systems Inc.

34 Contingent liabilities

(In ₹ Million)

Sr. No		As at September 30, 2026	As at September 30, 2025	As at March 31, 2026
a)	**Claims against the Group 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 Parent 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 Parent 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 Parent Company will be eligible to claim credit / refund for the amount paid.	173.78	173.78	173.78
	(ii) Other Pending litigations in respect of Indirect taxes.	935.38	723.33	1,099.19
2	**Income tax demands disputed in appellate proceedings**	1,101.65	1,015.51	1,566.51
b)	**Letter of Comfort on behalf of Subsidiaries**			
	Guarantee given on behalf of subsidiaries	16.29	902.89	16.11
c)	Performance Guarantee given by a Subsidiary of USD 3 Million (Corresponding period / Previous year : USD 3 Million) to USCC Services and its affiliates towards trade payable of Aepona Limited (step down subsidiary)	287.46	266.34	284.31

d) Capital and other commitments

(In ₹ Million)

Sr. No		As at September 30, 2026	As at September 30, 2025	As at March 31, 2026
	Capital commitments			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	318.00	276.41	502.01

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier periods / 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 financial statements.

35 Note on Business Purchase agreement

1. Overview of the Acquisition

Persistent Systems Estonia OÜ ("PerSys Estonia" or the "Acquirer") entered into a Business Purchase Agreement ("BPA") with Concise Systems OÜ ("Concise" or the "Seller") on 28 May 2026, for the acquisition of the Seller's business. The transaction involves the purchase of assets, liabilities, transfer of selected employees and customer contracts.

The acquisition has been accounted for as a business combination in accordance with Ind AS 103, *Business Combinations* , using the acquisition method, with **1 July 2026** considered as the acquisition date, being the date on which the Acquirer obtained control of the business.

2. Accounting Treatment

In accordance with Ind AS 103, the Acquirer has recognised the identifiable assets acquired and liabilities at their respective acquisition-date fair values. The principal components of the business combination are summarised below:

a. Identifiable Assets Acquired and Liabilities Assumed

The assets and liabilities taken over from the Seller comprise the following:

Particulars	(In ₹ Million)
Assets acquired (A)	11.63
Less: Liabilities assumed (B)	(24.13)
Customer relationships recognised as an identifiable intangible asset at its fair value as on acquisition date (C)	370.50
Net identifiable assets acquired at fair value (A + B + C)	**358.00**

Customer relationships have been recognised separately from goodwill as an identifiable intangible asset, in accordance with the applicable requirements of Ind AS 103 and Ind AS 38, *Intangible Assets* .

b. Purchase Consideration

The purchase consideration for the acquisition amounts to 564.65 (In ₹' Million) comprising the following:

Particulars	(In ₹ Million)
Cash consideration paid through bank (A)	417.93
Present value of contingent consideration (B)	146.72
Purchase consideration (A + B)	**564.65**

The contingent consideration has been recognised at its present value as a financial liability in accordance with the applicable requirements of Ind AS 109, *Financial Instruments* . The subsequent unwinding of the discount is recognised as a finance cost over the relevant period.

c. Goodwill on Acquisition

Goodwill arising from the business combination has been determined as the excess of the consideration transferred over the fair value of the net identifiable assets acquired, in accordance with Ind AS 103.

Particulars	(In ₹ Million)
Total consideration transferred (A)	564.65
Less: Net identifiable assets acquired at fair value (B)	358.00
Goodwill arising on acquisition (A − B)	**206.65**

Accordingly, goodwill amounting to ₹ 206.65 Million has been recognised as a result of the acquisition. In accordance with Ind AS 36, *Impairment of Assets* , goodwill is not amortised but is tested for impairment annually and whenever there is an indication of impairment.

d. Amortisation of Customer Relationships

The customer relationships recognised as an identifiable intangible asset are amortised over their estimated useful life of 7 years, based on the expected pattern in which the future economic benefits embodied in the asset are consumed.

36 The Parent Company has deposits of ₹ 371.25 Million (corresponding period: ₹ 430.00 Million / previous year: ₹ 408.88 Million) with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Parent Company has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery.

During the six months ended September 30, 2026, the Parent Company has received ₹ 37.63 Million from the IL&FS Group and the Management is hopeful of recovery of balance amount with a time lag. The Parent 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.

37 The Hon'ble National Company Law Tribunal, Mumbai (the ' Hon'ble NCLT') sanctioned the Merger of M/s. Arrka Infosec Private Limited (Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (Holding Company – Transferee Company) by absorption through its order dated April 21, 2026. Further, the certified copy of the said Order was effective upon its submission to the Registrar of Companies, Pune on May 12, 2026. This merger has no impact on the consolidated financial results.

38 During the six months ended September 30, 2026, based on review of method and estimated useful lives of property, plant and equipment, the management has revised the estimated useful lives of computers and networking equipment prospectively from 3 years to 4 years w.e.f. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

In ₹ Million

	For the year ended
Particulars	**FY25-26**
Decrease in depreciation expense	44.84

39 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 Group 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 Group has presented such incremental impact of ₹ 890.25 million as "Statutory impact of new Labour Codes" under "Exceptional Items" in the consolidated statement of profit and loss for the year ended March 31, 2026. The Group 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.

40 During the six months ended September 30, 2026, the Group has recognised a gain on remeasurement of earnout payable towards acquisition of business to the erstwhile shareholders of Starfish Associates Inc, LLP, MediaAgility Inc., Data Glove Incorporated, M/s. Arrka Infosec Private Limited and Soho Dragon Inc. amounting to ₹ 190.86 million (Corresponding period: ₹ Nil Million / Previous year : ₹ 139.59 Million) based on settlement agreement and expected payout assessed by management.

41 Persistent Systems Limited (the 'Holding Company'), through its wholly owned subsidiary Bidco., secured an aggregate shareholding of approximately 94.04% of Nagarro SE (excluding treasury shares) as of October 6, 2026, by way of a Voluntary Public Takeover Offer (the 'Open Offer') as mentioned below. (The Holding Company and its subsidiaries together referred to as "Group")Persistent Systems Limited (the 'Company') secured an aggregate shareholding of approximately 94.04% of Nagarro SE (excluding treasury shares) as of October 6, 2026, by way of a Voluntary Public Takeover Offer (the 'Open Offer') as mentioned below:
a. The Group secured a stake of approximately 22.10% shareholding (excluding treasury shares) through Share Purchase Agreement executed by M/s. Galaxy Germany Holding SE ('WOS'/BidCo') with Lantano Beteiligungen GmbH on June 26, 2026.

b. The Group secured a stake of approximately 7,568,145 shares, representing approximately 61.15% of Nagarro SE's ('Nagarro') outstanding share capital (i.e., excluding treasury shares) by way of the Open Offer during the acceptance period commenced from August 6, 2026, to September 17, 2026.

c. The Group secured a stake of approximately 1,335,114 shares, representing approximately 10.79% of Nagarro SE's ('Nagarro') outstanding share capital (i.e., excluding treasury shares) by way of the Open Offer during the additional acceptance period commenced from September 23, 2026, to October 6, 2026.

d. The Group incurred acquisition-related expenses amounting to ₹ 1,853.41 million in connection with the acquisition of Nagarro. These expenses primarily comprise professional fees, legal and regulatory advisory charges, due diligence costs, valuation fees and other transaction-related costs. The said expenses have been disclosed under "Other Expenses" in the condensed interim consolidated financial statements.

42 Approval of the payment of a final dividend of ₹ 18 per equity share for the Financial Year 2025-26 was obtained and accordingly, an amount of ₹ 2,838.47 Million was paid towards the Final Dividend as of September 30, 2026, out of the total dividend amount of ₹ 2,839.50 Million.

(Note: The balance amount of ₹ 1.03 Million remains unpaid due to non-availability of valid bank account details, incomplete KYC particulars, or other banking-related validation issues pertaining to certain shareholders. The Company, through its Registrar and Transfer Agent, has communicated with the concerned shareholders at their registered contact details and will remit the dividend upon receipt of the requisite information. The Company will make due efforts to pay the same to the respective Shareholders.)

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43 Persistent Systems Inc held 225,000 preferred shares in Mila Health, Inc. which constitutes around 15% ownership. As part of the business combination transaction, DexCare, Inc. acquired Mila Health Inc. Accordingly, preferred shares in Mila Health Inc. held by Persistent Systems Inc were exchanged for a consideration comprising cash of ₹ 19.73 Million (USD 0.21 million) , 1.03 million Preferred shares of DexCare Inc with face value of USD 2.29922 each, and a contingent earnout in DexCare Inc common shares amounting to ₹ 56.13 Million (USD 0.59 million). Pursuant to this transaction, Persistent Systems Inc has recorded a gain of ₹ 14.48 million (USD 0.15 million) in financial statements under Other income.

44 The Group's investment in the Simple Agreement for Future Equity ("SAFE") issued by HrdWyr Ventures Private Limited ("HrdWyr") became eligible for conversion pursuant to the terms of the SAFE agreement and the subsequent financing arrangements executed between the parties. As per the agreed conversion terms, the SAFE instrument was converted into 0.26 million equity shares of HrdWyr amounting to INR 391.46 million.

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

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.10.15 16:35:15 +05'30'

Swapnil Dakshindas

Partner
Membership No: 113896

Place : Pune
Date : October 15, 2026

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

Anand Deshpande (Oct 15, 2026 15:36:37 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place : Pune
Date : October 15, 2026

Sandeep Kalra (Oct 15, 2026 06:08:06 EDT)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place : USA
Date : October 15, 2026

Praveen Kadle (Oct 15, 2026 15:54:37 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : October 15, 2026

Vinit Teredesai (Oct 15, 2026 15:58:02 GMT+5.5)

Vinit Teredesai
Executive Director and
Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 15, 2026

Amit Atre (Oct 15, 2026 15:37:26 GMT+5.5)

Amit Atre
Company Secretary

Membership No.: A20507

Place : Pune
Date : October 15, 2026

B S R & Co. LLP
Chartered Accountants

8th floor, Business Plaza Westin Hotel Campus
36/3-B, Koregaon Park Annex Mundhwa Road,
Ghorpadi Pune - 411 001, India
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Persistent Systems Limited

Opinion

We have audited the condensed interim consolidated financial statements of Persistent Systems Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the condensed interim consolidated Balance Sheet as at 30 September 2025, and the condensed interim consolidated statement of Profit and Loss (including other comprehensive income) for the quarter and year-to-date period then ended, condensed interim consolidated statement of changes in equity and condensed interim consolidated statement of cash flows for the year-to-date period then ended, and notes to the condensed interim consolidated financial statements, including material accounting policies and other explanatory information as required by Indian Accounting Standard (Ind AS) 34 "Interim Financial Reporting" and other accounting principles generally accepted in India (in which are included interim financial statements of one controlled trust) (hereinafter referred to as "the condensed interim consolidated financial statements")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed consolidated interim financial statements are prepared, in all material respects, in accordance with Ind AS 34 and other accounting principles generally accepted in India.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act"). Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Condensed Interim Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the condensed interim consolidated financial statements.

Responsibilities of Management and Board of Directors/Trustees and Those Charged with Governance for the Condensed Interim Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these condensed interim consolidated financial statements in accordance with Ind AS 34 prescribed under section 133 of the Act and other accounting principles generally accepted in India. The respective Board of Directors of the companies/ Trustees of the entity included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company/ entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed interim consolidated financial statements are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the condensed interim consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Responsibilities of Management and Board of Directors/Trustees and Those Charged with Governance for the Condensed Interim Consolidated Financial Statements (continued)

In preparing the condensed interim consolidated financial statements, the respective Management and Board of Directors of the companies/ Trustees of the entity included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless respective Board of Directors/ Trustees either intends to liquidate the company/ entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies/ Trustees of the entity included in the Group are responsible for overseeing the financial reporting process of each company/ entity.

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

Our objectives are to obtain reasonable assurance about whether the condensed interim consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these condensed interim consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

  Conclude on the appropriateness of the Management's and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed interim consolidated 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 Group to cease to continue as a going concern.

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

- Evaluate the overall presentation, structure and content of the condensed interim consolidated financial statements, including the disclosures, and whether the condensed interim consolidated financial statements represent the underlying transactions and events in a manner that is in accordance with Ind AS 34.

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the condensed interim consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the condensed interim consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (b) of the section titled 'Other Matters' in this audit report.

We communicate with those charged with governance of the Holding Company and such other entities included in the condensed interim consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matters

a. The consolidated annual financial statements of the Group for the year ended 31 March 2025 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion on 23 April 2025.

   The condensed interim consolidated financial statements of the Group for the quarter ended 30 September 2024 were audited by the predecessor auditor. The predecessor auditor had expressed an unmodified opinion on 22 October 2024.

   Our opinion is not modified in respect of this matter.

b. We did not audit the financial statements of twenty three subsidiaries and one controlled trust, whose condensed interim financial statements reflect total assets (before consolidation adjustments) of Rs. 15,268 million as at 30 September 2025, total revenues (before consolidation adjustments) of Rs. 3,120 million and Rs. 6,164 million for the quarter and year-to-date period then ended, respectively and net cash flows (before consolidation adjustments) amounting to Rs. 484 million for the year-to-date period ended on that date, as considered in the condensed interim consolidated financial statements. These condensed interim financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the condensed interim consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and trust is based solely on the audit reports of the other auditors.

Other matters (continued)

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

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

SWAPNIL SATISH DAKSHINDAS
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Date: 2025.10.14 15:18:49 +05'30'

Swapnil Dakshindas
Partner
Membership No. 113896
UDIN: 25113896BMOKGJ4047

Place: Pune
Date: 14 October 2025

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT SEPTEMBER 30, 2025

	Notes	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
ASSETS				
Non-current assets				
Property, plant and equipment	5.1	4,122.69	4,553.76	4,350.88
Capital work-in-progress		165.81	151.89	41.84
Right of use assets	5.2	4,551.27	3,034.90	3,798.67
Goodwill	5.3	12,782.28	10,967.39	12,337.94
Other Intangible assets	5.4	4,375.59	5,810.07	4,923.33
Intangible assets under development		1,323.41	361.79	731.77
		27,321.05	**24,879.80**	**26,184.43**
Financial assets				
- Trade receivables	12			
- Billed		360.71	577.23	664.40
- Unbilled		-	-	-
- Investments	6	7,014.99	6,283.24	6,415.04
- Loans	7	-	-	-
- Other financial assets	8	942.26	786.78	773.81
Deferred tax assets	9	2,636.69	1,508.69	2,024.24
Income tax assets		1,090.97	162.22	787.55
Other non-current assets	10	658.12	1,213.23	257.02
		12,703.74	**10,531.39**	**10,922.06**
	(A)	**40,024.79**	**35,411.19**	**37,106.49**
Current assets				
Financial assets				
- Investments	11	6,359.55	1,758.24	3,388.17
- Trade receivables	12			
- Billed		20,675.74	21,221.66	18,477.95
- Unbilled		8,279.20	7,062.64	8,313.74
- Cash and cash equivalents	13	10,008.01	5,999.64	6,744.06
- Bank balances other than cash and cash equivalents	14	2,025.15	3,870.77	3,510.65
- Loans	15	-	-	-
- Other financial assets	16	272.73	969.05	1,061.42
Other current assets	17	11,255.55	6,497.04	8,763.54
	(B)	**58,875.93**	**47,379.04**	**50,259.53**
TOTAL ASSETS	**(A) + (B)**	**98,900.72**	**82,790.23**	**87,366.02**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18(A)	782.00	779.25	779.25
Other equity	18(B)	70,692.81	54,863.93	62,411.40
	(A)	**71,474.81**	**55,643.18**	**63,190.65**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	19	-	-	-
- Lease liabilities	20	2,492.72	2,158.03	2,156.67
- Other financial liabilities	23	413.21	541.06	425.90
Other non-current liabilities	24	119.71	63.09	47.63
Deferred tax liabilities	9	194.14	133.49	150.49
Provisions	21	211.45	2.18	66.95
	(B)	**3,431.23**	**2,897.85**	**2,847.64**
Current liabilities				
Financial liabilities				
- Borrowings	19	-	2,632.38	-
- Lease liabilities	20	1,546.66	975.42	952.30
- Trade payables	22			
- Total outstanding dues of micro and small enterprises		19.19	61.58	40.77
- Total outstanding dues of creditors other than micro and small enterprises		9,074.99	10,308.80	8,845.40
- Other financial liabilities	23	4,450.15	3,333.01	4,726.04
Other current liabilities	24	5,797.49	5,042.22	4,516.47
Provisions	25	1,895.47	1,563.98	1,740.90
Income tax liabilities		1,210.73	331.81	505.85
	(C)	**23,994.68**	**24,249.20**	**21,327.73**
TOTAL LIABILITIES	**(B) + (C)**	**27,425.91**	**27,147.05**	**24,175.37**
TOTAL EQUITY AND LIABILITIES	**(A) + (B) + (C)**	**98,900.72**	**82,790.23**	**87,366.02**
Summary of material accounting policy information	4			

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2025.10.14 15:19:14 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 14, 2025

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

Anand Deshpande
Anand Deshpande (Oct 14, 2025 13:47:43 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : October 14, 2025

Sandeep Kalra
Sandeep Kalra (Oct 14, 2025 13:53:50 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : October 14, 2025

Praveen Kadle
Praveen Kadle (Oct 14, 2025 14:03:44 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : October 14, 2025

Vinit Teredesai
Vinit Teredesai (Oct 14, 2025 14:44:22 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 14, 2025

Amit Atre
Amit Atre (Oct 14, 2025 14:01:49 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507

Place : Pune
Date : October 14, 2025

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2025

	Notes	For the quarter ended		For the six months ended		For the year ended
		September 30, 2025 In ₹ Million	September 30, 2024 In ₹ Million	September 30, 2025 In ₹ Million	September 30, 2024 In ₹ Million	March 31, 2025 In ₹ Million
Income						
Revenue from operations	26	35,807.20	28,971.51	69,143.07	56,343.21	119,387.17
Other income	27	517.76	465.20	1,064.38	771.60	1,381.54
Total income (A)		**36,324.96**	**29,436.71**	**70,207.45**	**57,114.81**	**120,768.71**
Expenses						
Employee benefit expense	28.1	19,460.96	17,252.67	37,722.33	32,987.71	68,737.17
Subcontracting costs	28.2	5,374.86	4,256.33	10,170.65	8,473.15	17,491.65
Finance costs		179.79	182.33	350.43	323.47	671.29
Depreciation and amortisation expense	5.5	1,000.47	744.96	1,938.31	1,456.93	3,069.10
Other expenses	29	4,140.56	2,655.22	8,303.34	5,522.93	12,576.42
Total expenses (B)		**30,156.64**	**25,091.51**	**58,485.06**	**48,764.19**	**102,545.63**
Profit before tax (A-B)		**6,168.32**	**4,345.20**	**11,722.39**	**8,350.62**	**18,223.08**
Tax expense						
Current tax		1,710.52	1,227.73	3,056.46	2,049.01	4,721.97
Deferred tax (credit) / charge		(256.90)	(132.50)	(298.13)	(12.51)	(500.50)
Total tax expense		**1,453.62**	**1,095.23**	**2,758.33**	**2,036.50**	**4,221.47**
Net profit for the period / year (C)		**4,714.70**	**3,249.97**	**8,964.06**	**6,314.12**	**14,001.61**
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities / (asset)		74.37	(6.62)	109.09	170.32	193.08
- Income tax effect on above		(17.21)	1.74	(25.95)	(42.87)	(49.81)
		57.16	**(4.88)**	**83.14**	**127.45**	**143.27**
Items that will be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		(931.43)	(115.61)	(767.59)	(46.04)	(34.97)
- Income tax effect on above		234.42	29.10	193.19	11.59	8.80
- Exchange differences in translating the financial statements of foreign operations		680.76	563.10	765.30	695.34	81.19
		(16.25)	**476.59**	**190.90**	**660.89**	**55.02**
Total other comprehensive income for the period / year (D) + (E)		**40.91**	**471.71**	**274.04**	**788.34**	**198.29**
Total comprehensive income for the period / year (C) + (D) + (E)		**4,755.61**	**3,721.68**	**9,238.10**	**7,102.46**	**14,199.90**
Earnings per equity share [Nominal value of share ₹5 (Corresponding period / Previous year: ₹5)]	30					
Basic (In ₹)		30.31	21.19	57.74	41.28	91.22
Diluted (In ₹)		30.15	20.98	57.36	40.87	90.24
Summary of material accounting policy information	4					

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2025.10.14 15:19:43 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 14, 2025

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

Anand Deshpande
Anand Deshpande (Oct 14, 2025 13:47:43 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
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Date : October 14, 2025

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Amit Atre (Oct 14, 2025 14:01:49 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507

Place : Pune
Date : October 14, 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

		For the six months ended		For the year ended
		September 30, 2025	September 30, 2024	March 31, 2025
		In ₹ Million	In ₹ Million	In ₹ Million
Cash flow from operating activities				
Profit before tax		**11,722.39**	**8,350.62**	**18,223.08**
Adjustments for:				
Interest income		(268.07)	(281.37)	(556.42)
Finance costs		195.86	192.64	417.06
Interest on lease liability		154.57	130.83	254.23
Depreciation and amortisation expense		1,938.31	1,456.93	3,069.10
Unrealised exchange (gain) / loss (net)		(456.68)	(37.06)	275.94
Change in foreign currency translation reserve		131.86	301.26	227.91
Exchange loss / (gain) on derivative contracts		148.35	(91.32)	44.12
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents		(8.68)	(22.90)	11.76
Bad debts		120.35	-	-
Allowance for expected credit loss (net)		102.31	77.08	422.18
Employee stock compensation expenses		902.48	1,246.77	3,095.27
Changes in contingent consideration payable on business combination		-	(1,097.05)	(1,461.82)
Loss / Impairment of non current investments		0.11	-	-
Remeasurement of the defined benefit liabilities / asset (before tax effects)		-	170.32	-
Excess provision in respect of earlier period / year written back		(10.28)	(3.42)	(29.37)
Profit on sale / fair valuation of financial assets designated as FVTPL		(297.36)	(271.10)	(470.40)
Provision towards employee benefits		-	(506.74)	(506.74)
Profit on sale of investment - Dx Now		-	-	(21.67)
Profit on sale of investment - PSG		-	-	(0.69)
Profit on sale of property, plant and equipment (net)		(3.16)	(91.42)	(76.84)
Operating profit before working capital changes		**14,372.36**	**9,524.07**	**22,916.70**
Movements in working capital :				
(Increase) / Decrease in other non-current assets		(218.82)	25.24	197.12
Decrease / (Increase) in other financial assets		1,268.98	(1,327.41)	(2,761.88)
(Increase) in other current assets		(2,217.07)	(1,266.55)	(3,659.19)
(Increase) in trade receivables		(609.17)	(4,394.63)	(2,394.69)
(Decrease) / Increase in trade payables, current liabilities and non-current liabilities		(767.20)	4,938.07	1,467.51
Increase / (Decrease) in provisions		408.16	(442.85)	917.69
Operating profit after working capital changes		**12,237.24**	**7,055.94**	**16,683.26**
Direct taxes paid (net of refunds)		(2,655.00)	(2,027.15)	(5,114.10)
Net cash generated from operating activities	**(A)**	**9,582.24**	**5,028.79**	**11,569.16**
Cash flows from investing activities				
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)		(1,033.57)	(4,000.52)	(2,366.91)
Proceeds from sale of property, plant and equipment		10.90	452.79	436.14
Payment for acquisition of financial instruments		(33,425.74)	(22,925.28)	(54,916.91)
Payment towards contingent consideration		(735.69)	(181.66)	(489.64)
Proceeds from sale of financial instruments		30,221.64	23,880.96	52,773.30
Investment in unquoted securities		-	(456.10)	(434.93)
Profit on sale of investment - Dx Now		-	-	21.67
Profit on sale of investment - PSG		-	-	0.69
Proceeds from maturity of bank deposits having original maturity over three months		1,317.95	(259.87)	62.21
Proceeds from sale of investment		-	21.67	-
Proceeds from maturity of in deposits with financial institutions		-	100.00	-
Interest received		251.81	254.82	570.04
Net cash (used in) investing activities	**(B)**	**(3,392.70)**	**(3,113.19)**	**(4,344.34)**
Cash flows from financing activities				
Repayment of long term borrowings		-	(1.85)	-
Proceeds from issue of share capital including securities premium		-	1,845.90	1,845.90
Proceeds from borrowings		-	1,675.75	-
Proceeds from issue of equity shares options		470.85	-	-
Repayment of foreign currency long term borrowings		-	(1,114.69)	(2,061.35)
Payment of principal portion of lease liabilities		(662.63)	(659.28)	(1,093.66)
Payment of interest portion of lease liabilities		(154.57)	-	-
Interest paid		(235.60)	(192.66)	(372.82)
Dividends paid		(2,352.32)	(1,518.36)	(4,600.06)
Net cash (used in)/ generated from financing activities	**(C)**	**(2,934.27)**	**34.81**	**(6,281.99)**

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

	For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	3,255.27	1,950.41	942.83
Cash and cash equivalents at the beginning of the period / year	6,744.06	6,625.15	6,625.15
Cash and cash equivalents acquired on acquisition	-	-	56.38
Effect of exchange difference on translation of foreign currency cash and cash equivalents	8.68	22.90	(11.76)
Impact of ESOP Trust & Persistent India Foundation consolidation	-	(2,598.82)	(868.54)
Cash and cash equivalents at the end of the period / year	**10,008.01**	**5,999.64**	**6,744.06**
Components of cash and cash equivalents			
Cash on hand (refer note 13)	0.13	0.18	0.20
Balances with banks			
On current accounts # (refer note 13)	6,087.14	3,957.85	4,392.63
On saving accounts (refer note 13)	40.94	26.63	27.50
On exchange earner's foreign currency accounts (refer note 13)	3,091.19	1,549.34	1,488.57
On deposit accounts with original maturity less than three months (refer note 13)	788.61	465.64	835.16
Cash and cash equivalents	**10,008.01**	**5,999.64**	**6,744.06**

Of the cash and cash equivalent balance as at September 30, 2025, the Group can utilise ₹ 0.02 Million (Corresponding period : ₹ 0.02 Million / Previous year : ₹ 0.02 Million) only towards certain predefined activities.

The above Statement of cash flow 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 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2025.10.14 15:20:05 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 14, 2025

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

Anand Deshpande
Anand Deshpande (Oct 14, 2025 13:47:43 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : October 14, 2025

Sandeep Kalra
Sandeep Kalra (Oct 14, 2025 13:53:50 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : October 14, 2025

Praveen Kadle
Praveen Kadle (Oct 14, 2025 14:03:44 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : October 14, 2025

Vinit Teredesai
Vinit Teredesai (Oct 14, 2025 14:44:22 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : October 14, 2025

Amit Atre
Amit Atre (Oct 14, 2025 14:01:49 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507

Place : Pune
Date : October 14, 2025

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

A. Share capital

(refer note 18(A))

(In ₹ Million)

Balance as at April 1, 2025	Changes in equity share capital during the period	Balance as at September 30, 2025
779.25	2.75	782.00

(In ₹ Million)

Balance as at April 1, 2024	Changes in equity share capital during the period	Balance as at September 30, 2024
770.25	9.00	779.25

(In ₹ Million)

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

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CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2025

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2025	3,438.70	27,730.15	3,432.38	65.19	35.75	28,833.47	(2,994.10)	180.77	(2.32)	1,691.41	62,411.40
Addition during the period	171.22	-	-	-	-	-	-	-	-	-	171.22
Net profit for the period	-	-	-	-	-	8,964.06	-	-	-	-	8,964.06
Items recognised in / from other comprehensive income for the period	-	-	-	-	-	109.09	-	-	(767.59)	765.30	106.80
Income tax effect on above	-	-	-	-	-	(25.95)	-	-	193.19	-	167.24
Dividend	-	-	-	-	-	(2,346.00)	-	-	-	-	(2,346.00)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	13.70	-	-	13.70
Shares held by ESOP trust	-	-	-	-	-	-	296.88	-	-	-	296.88
Employee stock compensation expenses	-	-	902.48	-	-	-	-	-	-	-	902.48
Other changes during the period	-	-	(1.39)	2.52	-	3.90	-	-	-	-	5.03
Balance at September 30, 2025	**3,609.92**	**27,730.15**	**4,333.47**	**67.71**	**35.75**	**35,538.57**	**(2,697.22)**	**194.47**	**(576.72)**	**2,456.71**	**70,692.81**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	1,601.80	25,842.99	2,227.71	63.61	35.75	19,346.09	(2,085.84)	140.64	23.85	1,610.22	48,806.82
Addition during the period	1,836.90	-	-	-	-	-	-	-	-	-	1,836.90
Net profit for the period	-	-	-	-	-	6,314.12	-	-	-	-	6,314.12
Items recognised in / from other comprehensive income for the period	-	-	-	-	-	170.32	-	-	(46.04)	695.34	819.62
Income tax effect on above	-	-	-	-	-	(42.87)	-	-	11.59	-	(31.28)
Dividend	-	-	-	-	-	(1,540.50)	-	-	-	-	(1,540.50)
Loss on account of merger	-	-	-	-	-	-	-	-	-	-	-
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	10.00	-	-	10.00
Shares held by ESOP trust	-	-	-	-	-	-	(2,598.82)	-	-	-	(2,598.82)
Employee stock compensation expenses	-	-	1,246.77	-	-	-	-	-	-	-	1,246.77
Other changes during the period	-	-	-	0.30	-	-	-	-	-	-	0.30
Balance at September 30, 2024	**3,438.70**	**25,842.99**	**3,474.48**	**63.91**	**35.75**	**24,247.16**	**(4,684.66)**	**150.64**	**(10.60)**	**2,305.56**	**54,863.93**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	1,601.80	25,842.99	2,227.71	63.61	35.75	19,346.09	(2,085.84)	140.64	23.85	1,610.22	48,806.82
Addition during the year	1,836.90	-	-	-	-	-	-	-	-	-	1,836.90
Profit for the year	-	-	-	-	-	14,001.61	-	-	-	-	14,001.61
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	193.08	-	-	(34.97)	81.19	239.30
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	-	-	3,095.27	-	-	-	-	-	-	-	3,095.27
Other changes during the year	-	-	(3.44)	1.58	-	-	-	-	-	-	(1.86)
Balance at March 31, 2025	**3,438.70**	**27,730.15**	**3,432.38**	**65.19**	**35.75**	**28,833.47**	**(2,994.10)**	**180.77**	**(2.32)**	**1,691.41**	**62,411.40**

Summary of material accounting policy information (refer note 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2025.10.14 15:21:07 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896
Place : Pune
Date : October 14, 2025

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

Anand Deshpande
Anand Deshpande (Oct 14, 2025 13:47:43 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721
Place : Pune
Date : October 14, 2025

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DIN: 02506494
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Independent Director

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Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917
Place : Pune
Date : October 14, 2025

Amit Atre
Amit Atre (Oct 14, 2025 14:01:49 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507
Place : Pune
Date : October 14, 2025

Condensed Interim Consolidated Statement of changes in equity for the six months ended September 30, 2025

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 upon which such amount is transferred to General reserve.

c) Gain on bargain purchase
The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements.

d) 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.

e) 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.

f) Foreign currency translation reserve
The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

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

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

h) Securities premium
Securities premium 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.

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

Notes forming part of condensed interim consolidated financial statements

1 Nature of operations

Persistent Systems Limited ("the Parent 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. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as 'the Group'. The Group offers complete product life cycle services.

The Board of Directors approved the condensed interim consolidated financial statements for the quarter and six months ended September 30, 2025 and authorised for issue on October 14, 2025.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation. Also, the Company is engaged in providing sales and marketing support and other allied services to its group entities.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. is engaged in software development and related services and also operates as the holding Company of Persistent Systems Lanka Ltd.

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Persistent Systems Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH (wholly owned subsidiary of PSL) operates as the holding Company of Persistent Systems Switzerland AG, Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada) and Persistent Systems S.r.l., Romania. Youperience GmbH and PARX Consulting GmbH have been merged with Persistent Systems Germany GmbH w.e.f August 21, 2023 and August 25, 2023 respectively.

Notes forming part of condensed interim consolidated financial statements

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in the business of software products, services and technology innovation in the digital practice.

Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada, a Costa Rica based wholly owned subsidiary of Persistent Systems Germany GmbH) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems S.R.L. Romania is a wholly owned subsidiary of Persistent Systems Germany GmbH is engaged in software development and services.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Software Corporation International LLC (a US based wholly owned subsidiary of Persistent Systems Inc) is specialized in payment solutions, integration, and support services for BFSI clients has been dissolved w.e.f. June 27, 2024.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of Media Agility Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Digitalagility S. DE R.L.de C.V. (a Mexico based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Persistent Systems Poland sp z.o.o. is a subsidiary of Persistent Systems Inc. and is engaged in providing software products, services and technology innovation.

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 for carrying out CSR activities.

Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc, USA (wholly owned subsidiary) effective from August 1, 2024. Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.

Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024. The subsidiary specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains.

The Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated.

Notes forming part of condensed interim consolidated financial statements

2 Basis of preparation

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

These condensed interim consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The functional currency of PSL, its Indian subsidiaries and its controlled trust is ₹ and the functional currencies of other subsidiaries are their respective local currencies. Consolidated financial statements are presented in ₹ Million unless otherwise specified.

3 Basis of consolidation

The condensed interim consolidated financial statements of the Parent Company, its subsidiaries and controlled trust ("the Group") for the quarter ended September 30, 2025 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The condensed interim consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The condensed interim standalone financial statements of the Parent Company, its subsidiary companies and its controlled trust have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealised profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the condensed interim consolidated financial statements . The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the condensed interim consolidated financial statements. Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off if found impaired.

The condensed interim consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the condensed interim consolidated financial statements. The condensed interim consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The condensed interim consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

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Notes forming part of condensed interim consolidated financial statements

The subsidiary companies and controlled trust considered in condensed interim consolidated financial statements are as follows:

Name of the subsidiary or controlled trust	Ownership Percentage as at			Country of incorporation
	September 30, 2025	September 30, 2024	March 31, 2025	
Persistent Systems, Inc.	100%	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	100%	France
Persistent Telecom Solutions Inc.	100%	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	100%	Malaysia
Aepona Group Limited	100%	100%	100%	Ireland
Persistent Systems UK Limited (formerly known as Aepona Limited)	100%	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	100%	Germany
Persistent Systems Switzerland AG (formerly known as PARX Werk AG)	100%	100%	100%	Switzerland
CAPIOT Software Private Limited (merged w.e.f. April 1, 2025)	-	100%	100%	India
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software	100%	100%	100%	Australia
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	100%	Costa Rica
MediaAgility India Private Limited	100%	100%	100%	India
MediaAgility Inc.	100%	100%	100%	USA
Digitalagility S. DE R.L.de C.V.	100%	100%	100%	Mexico
MediaAgility UK Limited	100%	100%	100%	UK
Media Agility Pte Ltd	100%	100%	100%	Singapore
Persistent Systems S.R.L. Romania	100%	100%	100%	Romania
Persistent Systems Poland sp z.o.o. (Incorporated on April 5, 2023)	100%	100%	100%	Poland
PSPL ESOP Management Trust	100%	100%	100%	India
Persistent India Foundation (Incorporated on May 1, 2024)	100%	100%	100%	India
Starfish Associates LLC, USA (acquired on August 1, 2024)	100%	100%	100%	USA
Arrka Infosec Private Limited (acquired on October 28, 2024)	100%	-	100%	India
Software Corporation International LLC (Dissolved w.e.f. June 27, 2024)	-	100%	-	USA

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Notes forming part of condensed interim consolidated financial statements

4 Material accounting policy information

4.1 Use of estimates and judgements

The preparation of the condensed interim consolidated 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 condensed interim consolidated financial statements and reported amounts of revenues and expenses during the period / year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these condensed interim consolidated financial statements have been disclosed appropriately. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the condensed interim consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the condensed interim consolidated financial statements.

4.2 Critical accounting estimates and judgements

a) Revenue recognition

The Group'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 Group 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 fixed-price project is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group'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.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group 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 Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

Notes forming part of condensed interim consolidated financial statements

The Group 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 Group and the customer at contract inception.

The Group 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 Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. 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 Group 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 Group. 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 Group'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.

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 Group 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 Group 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 Group'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 Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

Notes forming part of condensed interim consolidated financial statements

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group 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 Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

f) Provisions and contingent liabilities

The Group 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 Group uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

4.3 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 Group'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 their realisation in cash and cash equivalents and 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 Group 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 Group. 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 condensed interim consolidated financial statement of profit and loss for the period / year 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 condensed interim consolidated financial statement of profit and loss when the asset is disposed.

c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs 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 condensed interim consolidated financial 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 Group 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 capitalisation, 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 from the date the asset is made available for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The estimated useful lives for the property, plant and equipment, except for leasehold improvements, are 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

Notes forming part of condensed interim consolidated financial statements

*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.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

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 capitalised 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 Group 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 Group assesses whether:

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

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

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

Where the Group is a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group 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.

Notes forming part of condensed interim consolidated financial statements

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 condensed interim consolidated financial statement of profit and loss.

The Group 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 Group 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 Group 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 condensed interim consolidated statement of profit and loss if the right-of-use asset is already reduced to zero.

The Group 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 condensed interim consolidated statement of profit and loss on a straight line basis.

g) Impairment of non-financial assets

The Group 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 Group 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 Groups 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 groups or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Group 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 Group operates, or for the market in which the asset is used.

Notes forming part of condensed interim consolidated financial statements

Impairment losses of continuing operations are recognised in the condensed interim consolidated 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 Group 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 condensed interim consolidated 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 Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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 Group 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 Group's business model for managing them. The Group's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Notes forming part of condensed interim consolidated financial statements

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Group 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 condensed interim consolidated statement of profit and loss.

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

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

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 amortised 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 recognised in the condensed interim consolidated statement of profit and loss.

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 Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group 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 Group 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.

Notes forming part of condensed interim consolidated financial statements

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 condensed interim consolidated statement of profit and loss.

Amounts accumulated in equity are reclassified to condensed interim consolidated 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 as FVTPL.

Derecognition

The Group 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 ("Financial Instrument"). A financial liability (or a part of a financial liability) is derecognised from the Group'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 condensed interim consolidated statement of profit and loss, except in case of equity instruments classified as FVTOCI, where such cumulative gain or loss is not recycled to condensed interim consolidated statement of profit and loss.

The Group derecognises financial liabilities when the Group'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 condensed interim consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 ("Financial Instrument") and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 Group 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 Group 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 Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Group 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 Group 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 Group 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 Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group 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 Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group 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 licences

The Group 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.

Notes forming part of condensed interim consolidated financial statements

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.

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 Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. 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 Group's right to receive dividend is established. Dividend income is included under the head 'Other income' in the condensed interim consolidated statement of profit and loss.

Contract balances

Contract assets

Contract assets are recognised when there are excess of revenues 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 revenues.

j) Foreign currency translation

Foreign currency

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the entities, 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 condensed interim consolidated statement of profit and loss of the Group uses average rate if the average approximates the actual rate at the date of the transaction.

Notes forming part of condensed interim consolidated financial statements

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 Group presents the condensed interim consolidated financial statements in ₹. For the purpose of these consolidated financial statements, the assets and liabilities of the Group'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 Group 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 by the group are charged to the condensed interim consolidated statement of profit and loss for the period / year when the contributions are due. The Group 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 condensed interim consolidated 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 Group for its employees of Indian and Sri Lankan operations covered under respective Company's 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 consolidated 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 / year 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 Group 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 Group 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 condensed interim consolidated financial statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

Notes forming part of condensed interim consolidated financial statements

The Group 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.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per the Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the condensed interim consolidated statement of profit and loss.

During the year, the group has discontinued the said policy.

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 condensed interim consolidated statement of profit and loss during the period when the employee renders the service.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group 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 condensed interim consolidated 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 Group 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 Group'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.

Notes forming part of condensed interim consolidated financial statements

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 condensed interim consolidated statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker, are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the condensed interim consolidated financial statements of the Group as a whole.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the period / year attributable to equity shareholders of the parent company 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 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.

Notes forming part of condensed interim consolidated financial statements

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

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

o) Provision

A provision is recognised when the Group 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 Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in condensed interim consolidated financial statements.

q) Share based payments

Employees of the Group 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 Group's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the Group 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 condensed interim consolidated statement of profit and loss with a corresponding adjustment to equity.

The expense or credit recognised in the condensed interim 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.

Notes forming part of condensed interim consolidated financial statements

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) Treasury shares

The group has created a PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by 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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

t) Dividend

Final dividend on shares is 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 Board of Directors.

u) Business combination

The acquisition method of accounting is used to recognize 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 Group 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 including 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.

Notes forming part of condensed interim consolidated financial statements

v) Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group'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 other comprehensive income as gain on bargain purchase.

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 Group'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 Group 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.

w) 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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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Notes forming part of Condensed Interim Consolidated Financial Statements

5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings*	Computers #	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2025	1,007.69	2,893.57	5,225.16	87.65	2,382.46	73.82	1,180.81	15.39	12,866.55
Additions	-	30.20	175.88	2.12	44.08	0.03	7.94	-	260.25
Disposals	-	17.99	172.99	0.61	104.25	2.09	33.54	-	331.47
Effect of foreign currency translation from functional currency to reporting currency	2.06	9.20	68.54	0.74	10.32	4.46	17.20	-	112.52
As at September 30, 2025	**1,009.75**	**2,914.98**	**5,296.59**	**89.90**	**2,332.61**	**76.22**	**1,172.41**	**15.39**	**12,907.85**
Accumulated depreciation									
As at April 1, 2025	-	1,630.32	4,261.32	65.92	1,617.19	48.10	883.03	9.79	8,515.67
Charge for the period (refer note 38)	-	68.72	248.56	3.29	127.12	3.45	54.85	0.98	506.97
Disposals	-	14.26	172.99	0.58	100.27	2.09	33.54	-	323.73
Effect of foreign currency translation from functional currency to reporting currency	-	5.10	56.65	0.83	5.96	3.71	14.00	-	86.25
As at September 30, 2025	**-**	**1,689.88**	**4,393.54**	**69.46**	**1,650.00**	**53.17**	**918.34**	**10.77**	**8,785.16**
Net block as at September 30, 2025	**1,009.75**	**1,225.10**	**903.05**	**20.44**	**682.61**	**23.05**	**254.07**	**4.62**	**4,122.69**

* Note: Buildings include those constructed on leasehold land:

a) Gross block as on September 30, 2025 ₹ 1,460.20 Million (Corresponding period : ₹ 1460.40 Million / Previous year : ₹ 1,460.20 Million)

b) Depreciation charge for the period ₹ 28.91 Million (Corresponding period : ₹ 29.23 Million / Previous year ₹ 58.04 Million)

c) Accumulated depreciation as on September 30, 2025 ₹ 822.38 Million (Corresponding period : ₹ 764.75 Million / Previous year ₹ 793.47 Million)

d) Net block value as on September 30, 2025 ₹ 637.82 Million (Corresponding period : ₹ 695.65 Million / Previous year ₹ 666.73 Million)

The management has revised estimated useful life of computers and networking equipments prospectively (refer note 38 for details).

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Notes forming part of Condensed Interim Consolidated Financial Statements

5.1 Property, plant and equipment (continued)

(In ₹ Million)

	Land - Freehold	Buildings	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2024	1,007.27	2,896.21	4,861.81	242.25	2,074.95	85.57	1,171.16	14.84	12,354.06
Additions	-	4.50	429.04	31.84	132.83	5.23	35.27	0.87	639.58
Acquisition on account of asset transfer	-	-	17.48	-	4.22	-	3.16	-	24.86
Disposals	-	-	108.87	1.65	30.49	13.23	46.86	0.05	201.15
Effect of foreign currency translation from functional currency to reporting currency	0.61	2.74	17.06	0.50	0.24	(3.82)	3.38	(0.02)	20.69
As at September 30, 2024	**1,007.88**	**2,903.45**	**5,216.52**	**272.94**	**2,181.75**	**73.75**	**1,166.11**	**15.64**	**12,838.04**
Accumulated depreciation									
As at April 1, 2024	-	1,517.33	4,003.61	112.65	1,414.13	59.26	818.90	8.15	7,934.03
Charge for the period (refer note 38)	-	62.00	203.07	17.07	100.36	3.03	51.86	0.97	438.36
Additions on account of acquisition	-	-	17.48	-	4.22	-	3.16	-	24.86
Disposals	-	-	77.02	1.59	28.11	13.23	41.72	0.06	161.73
Effect of foreign currency translation from functional currency to reporting currency	-	1.42	39.93	(2.00)	3.18	(3.94)	10.15	0.02	48.76
As at September 30, 2024	**-**	**1,580.75**	**4,187.07**	**126.13**	**1,493.78**	**45.12**	**842.35**	**9.08**	**8,284.28**
Net block as at September 30, 2024	**1,007.88**	**1,322.70**	**1,029.45**	**146.81**	**687.97**	**28.63**	**323.76**	**6.56**	**4,553.76**

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Notes forming part of Condensed Interim Consolidated Financial Statements

5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings	Computers #	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2024	1,007.27	2,896.21	4,861.81	242.25	2,074.95	85.57	1,171.16	14.84	12,354.06
Additions	-	10.34	680.77	14.22	229.80	5.23	67.42	0.87	1,008.65
Additions on account of acquisition	-	-	20.37	0.01	4.22	-	4.15	-	28.75
Other adjustments	-	-	(1.07)	(159.76)	159.67	-	-	-	(1.16)
Disposals	-	14.90	366.57	6.71	92.05	13.23	68.50	0.33	562.29
Effect of foreign currency translation from functional currency to reporting currency	0.42	1.92	29.85	(2.36)	5.87	(3.75)	6.58	0.01	38.54
As at March 31, 2025	**1,007.69**	**2,893.57**	**5,225.16**	**87.65**	**2,382.46**	**73.82**	**1,180.81**	**15.39**	**12,866.55**
Accumulated depreciation									
As at April 1, 2024	-	1,517.33	4,003.61	112.65	1,414.13	59.26	818.90	8.15	7,934.03
Charge for the year (refer note 38)	-	123.61	434.41	6.48	239.50	6.43	108.30	1.92	920.65
Additions on account of acquisition	-	-	20.24	0.01	4.22	-	4.15	-	28.62
Other adjustments	-	-	-	(44.30)	44.45	-	-	-	0.15
Disposals	-	11.65	245.06	6.71	88.56	13.23	60.40	0.33	425.94
Effect of foreign currency translation from functional currency to reporting currency	-	1.03	48.12	(2.21)	3.45	(4.36)	12.08	0.05	58.16
As at March 31, 2025	**-**	**1,630.32**	**4,261.32**	**65.92**	**1,617.19**	**48.10**	**883.03**	**9.79**	**8,515.67**
Net block as at March 31, 2025	**1,007.69**	**1,263.25**	**963.84**	**21.73**	**765.27**	**25.72**	**297.78**	**5.60**	**4,350.88**

The management has revised estimated useful life of computers and networking equipments prospectively (refer note 38 for details).

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5.2 Right of use assets

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2025	973.36	4,440.34	276.80	5,690.50
Additions during the period	-	325.56	1,072.57	1,398.13
Disposals	-	92.87	-	92.87
Lease Modifications	-	11.30	-	11.30
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	102.21	-	102.21
As at September 30, 2025	**973.36**	**4,763.94**	**1,349.37**	**7,086.67**
Accumulated depreciation				
As at April 1, 2025	17.52	1,860.22	14.09	1,891.83
Charge for the period	6.12	469.89	218.74	694.75
Disposals	-	100.05	-	100.05
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	48.87	-	48.87
As at September 30, 2025	**23.64**	**2,278.93**	**232.83**	**2,535.40**
Net block as at September 30, 2025	**949.72**	**2,485.01**	**1,116.54**	**4,551.27**

(In ₹ Million)

	Leasehold Land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2024	131.97	3,640.10	-	3,772.07
Additions during the period	-	1,559.95	-	1,559.95
Disposals	-	788.76	-	788.76
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(7.18)	-	(7.18)
As at September 30, 2024	**131.97**	**4,404.11**	**-**	**4,536.08**
Accumulated depreciation				
As at April 1, 2024	4.76	1,460.13	-	1,464.89
Charge for the period	-	440.70	-	440.70
Disposals	-	375.39	-	375.39
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	(29.02)	-	(29.02)
As at September 30, 2024	**4.76**	**1,496.42**	**-**	**1,501.18**
Net block as at September 30, 2024	**127.21**	**2,907.69**	**-**	**3,034.90**

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2024	131.97	3,640.10	-	3,772.07
Additions during the year	835.59	1,503.26	276.80	2,615.65
Disposals	-	546.22	-	546.22
Lease Modifications	-	142.32	-	142.32
Other Adjustments	5.80	(49.54)	-	(43.74)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	35.06	-	35.06
As at March 31, 2025	**973.36**	**4,440.34**	**276.80**	**5,690.50**
Accumulated depreciation				
As at April 1, 2024	4.76	1,460.13	-	1,464.89
Charge for the year	12.76	894.30	14.09	921.15
Disposals	-	352.92	-	352.92
Lease Modifications	-	119.31	-	119.31
Other Adjustments	-	(39.71)	-	(39.71)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	17.73	-	17.73
As at March 31, 2025	**17.52**	**1,860.22**	**14.09**	**1,891.83**
Net block as at March 31, 2025	**955.84**	**2,580.12**	**262.71**	**3,798.67**

5.3 Goodwill

(In ₹ Million)

	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025
Cost			
Balance at beginning of the period / year	12,337.94	10,912.56	10,912.56
Addition on purchase price allocation of business combination	-	-	1,160.02
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	444.34	54.83	265.36
Balance at end of the period / year	**12,782.28**	**10,967.39**	**12,337.94**

5.4 Other Intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2025	3,332.78	14,218.61	17,551.39
Additions	46.01	-	46.01
Effect of foreign currency translation from functional currency to reporting currency	83.96	614.06	698.02
As at September 30, 2025	**3,462.75**	**14,832.67**	**18,295.42**
Accumulated amortisation			
As at April 1, 2025	3,043.21	9,584.85	12,628.06
Charge for the period	125.96	610.63	736.59
Effect of foreign currency translation from functional currency to reporting currency	85.66	469.52	555.18
As at September 30, 2025	**3,254.83**	**10,665.00**	**13,919.83**
Net block as at September 30, 2025	**207.92**	**4,167.67**	**4,375.59**

(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets *	Total
Gross block				
As at April 1, 2024	3,476.27	12,212.59	-	15,688.86
Additions	8.12	-	1,713.71	1,721.83
Effect of foreign currency translation from functional currency to reporting currency	17.58	60.92	-	78.50
As at September 30, 2024	**3,501.97**	**12,273.51**	**1,713.71**	**17,489.19**
Accumulated amortisation				
As at April 1, 2024	3,021.23	8,092.68	-	11,113.91
Charge for the period	125.90	451.96	-	577.86
Effect of foreign currency translation from functional currency to reporting currency	16.70	(29.35)	-	(12.65)
As at September 30, 2024	**3,163.83**	**8,515.29**	**-**	**11,679.12**
Net block as at September 30, 2024	**338.14**	**3,758.22**	**1,713.71**	**5,810.07**

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	3,476.27	12,212.59	15,688.86
Additions	323.38	1,560.86	1,884.24
Disposals	528.05	-	528.05
Effect of foreign currency translation from functional currency to reporting currency	61.18	445.16	506.34
As at March 31, 2025	**3,332.78**	**14,218.61**	**17,551.39**
Accumulated amortisation			
As at April 1, 2024	3,021.23	8,092.68	11,113.91
Charge for the year	270.97	956.33	1,227.30
Disposals	305.10	-	305.10
Effect of foreign currency translation from functional currency to reporting currency	56.11	535.84	591.95
As at March 31, 2025	**3,043.21**	**9,584.85**	**12,628.06**
Net block as at March 31, 2025	**289.57**	**4,633.76**	**4,923.33**

5.5 Depreciation and amortisation

(In ₹ Million)

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
On Property, plant and equipment	254.21	226.90	506.97	438.41	920.65
On Right of Use assets	375.21	239.54	694.75	440.67	921.15
On Other Intangible assets	371.05	278.52	736.59	577.85	1,227.30
	1,000.47	**744.96**	**1,938.31**	**1,456.93**	**3,069.10**

Notes forming part of Condensed Interim Consolidated Financial Statements

6. Non-current financial assets : Investments

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Investments carried at amortised cost			
Quoted Investments			
In bonds	2,581.54	2,916.91	2,916.91
Add: Interest accrued on bonds	114.93	116.23	78.66
Total investments carried at amortised cost (A)	**2,696.47**	**3,033.14**	**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 6a)	3,691.54	2,658.78	2,823.98
	3,691.54	**2,658.78**	**2,823.98**
Others*			
Investments in Common Stocks / Preferred Stocks			
Ciqual Limited [Holding 2.38% (Corresponding period 2.38% / Previous year 2.38%)]			
0.04 Million (Corresponding period : 0.04 Million / Previous year : 0.04 Million) shares of GBP 0.01 each, fully paid up	18.64	17.72	17.25
Less : Change in fair value of investment	(18.64)	(17.72)	(17.25)
	-	-	-
Altizon Systems Private Limited	6.00	6.00	6.00
0.004 Million equity shares (Corresponding period : 0.004 Million / Previous year : 0.004 Million equity shares) of ₹ 10 each, fully paid up			
	6.00	**6.00**	**6.00**
Hygenx Inc.	17.76	16.76	17.09
0.25 Million (Corresponding period : 0.25 Million / Previous year : 0.25 Million) Preferred stock of $ 0.001 each, fully paid up			
Less : Change in fair value of investment	(17.76)	(16.76)	(17.09)
	-	-	-
Trunomi Inc.	22.20	20.95	21.37
0.28 Million (Corresponding period : 0.28 Million / Previous year : 0.28 Million) Preferred stock of $ 0.0002 each, fully paid up			
Less : Change in fair value of investment	(22.20)	(20.95)	(21.37)
	-	-	-
Monument Bank	144.79	360.98	139.39
0.024 Million (Corresponding period : 0.024 Million / Previous year: 0.024 Million) Stock of GBP 50 each), fully paid up			
Monument Technology Ltd	238.48	-	221.26
1.33 Million (Corresponding period : Nil / Previous year: 1.33 Million) Ordinary Shares of GBP 0.000001 each), fully paid up			
	383.27	**360.98**	**360.65**
Akumina Inc.	15.76	14.87	15.17
0.40 Million Preference shares of $ 0.443 each (Corresponding period : 0.40 Million / Previous year: 0.40 Million Preference shares of $ 0.443 each)			
	15.76	**14.87**	**15.17**
SwanAI	221.95	209.47	213.67
0.08 Million (Corresponding period : Nil / Previous year : 0.08 Million) preferred shares of $ 0.00001 each, fully paid up			
Total Investments carried at Fair Value (B)	**4,318.52**	**3,250.10**	**3,419.47**
Total investments (A) + (B)	**7,014.99**	**6,283.24**	**6,415.04**
Aggregate amount of change in fair value of investments	58.60	55.43	55.71
Aggregate amount of quoted bonds	2,696.47	3,033.14	2,995.57
Aggregate amount of quoted mutual funds	3,691.54	2,658.78	2,823.98
Aggregate book value of quoted investments	6,388.01	5,691.92	5,819.55
Aggregate market value of quoted investments	6,054.46	5,575.69	5,527.70

* Investments, where the Group did not have joint-control or significant influence including situations where such joint-control or significant influence was intended to be temporary, were classified as "investments in others".

Notes forming part of Condensed Interim Consolidated Financial Statements

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

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	497.20	461.42	479.34
Axis Mutual Fund	698.16	547.88	672.09
Kotak Mutual Fund	560.65	159.52	208.87
Aditya Birla Sun Life Mutual Fund	171.69	159.15	165.55
HDFC Mutual Fund	208.98	193.56	201.26
DSP Mutual Fund	175.08	162.34	168.52
HSBC Mutual Fund	175.55	161.96	168.43
ICICI Prudential Mutual Fund	750.69	158.91	324.15
SBI Mutual Fund	172.61	159.36	166.05
Nippon Mutual Fund	280.93	159.60	269.72
UTI Mutual Fund	-	335.08	-
	3,691.54	**2,658.78**	**2,823.98**

7. Non-current financial assets : Loans

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Carried at amortised cost			
Other loans			
Unsecured, credit impaired	0.58	0.58	0.58
	0.58	**0.58**	**0.58**
Less: Impairment allowance	(0.58)	(0.58)	(0.58)
	-	**-**	**-**

8. Other non-current financial assets

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Considered good			
Carried at amortised cost			
Deposits with banks (refer note 14)*	169.65	4.15	48.29
Add: Interest accrued but not due on bank deposits (refer note 14)	6.86	0.12	0.70
Deposits with banks	**176.51**	**4.27**	**48.99**
Security deposits	433.00	449.76	392.07
Simple Agreement for Future Equity (SAFE)	332.75	332.75	332.75
Credit impaired			
Deposit with financial institutions-credit impaired	408.88	430.00	408.88
Add: Interest accrued but not due on deposit with financial institutions-credit impaired	0.30	0.98	0.30
Less: Credit impaired (refer note 35)	(409.18)	(430.98)	(409.18)
Deposits with financial institutions	-	-	-
	942.26	**786.78**	**773.81**

* Out of the balance :
i) Fixed deposits of ₹ 32.50 Million (Corresponding period : ₹ 4.15 Million / Previous year : ₹ 3.00 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.
ii) Fixed deposits of ₹ 91.10 Million (Corresponding period : ₹ Nil Million / Previous year : ₹ 91.10 Million) have been kept as earmarked funds in Persistent India Foundation.

Notes forming part of Condensed Interim Consolidated Financial Statements

9. Deferred tax asset / liabilities

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Deferred tax assets			
Provision for leave encashment	416.57	323.68	388.74
Provision for long service awards	-	64.23	-
Provision for bonus and commission	176.09	-	94.66
Allowance for expected credit loss	230.77	105.80	198.48
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	238.67	149.51	163.42
Brought forward and current year losses	455.28	294.60	245.01
Tax credits	153.01	81.34	163.91
ROU asset and lease liability	52.18	65.40	52.94
Provision for shared based payments to employees	598.22	293.23	590.07
Provisions for doubtful investment	113.28	125.91	113.33
Cashflow on Hedges	193.97	3.57	0.78
Others	8.65	1.42	12.90
	2,636.69	**1,508.69**	**2,024.24**
Deferred tax liabilities			
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	6.16	22.72	11.32
ROU asset and lease liability	-	0.04	-
Brought forward and current year losses	-	4.35	-
Capital gains	111.51	84.18	122.74
Unrealised exchange gain/loss	76.16	17.59	16.16
Unbilled revenue	-	3.42	-
Others	0.31	1.19	0.27
	194.14	**133.49**	**150.49**

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Deferred income tax assets after set-off	2,636.69	1,508.69	2,024.24
Deferred income tax liabilities after set-off	(194.14)	(133.49)	(150.49)
	2,442.55	**1,375.20**	**1,873.75**

Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Certain subsidiaries of the group have undistributed eamings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

10. Other non-current assets

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Capital advances (Unsecured, considered good)	215.81	817.86	33.53
Prepayments	442.31	395.37	223.49
	658.12	**1,213.23**	**257.02**

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Notes forming part of Condensed Interim Consolidated Financial Statements

11. Current financial assets : Investments

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Investments carried at fair value through profit and loss			
- Quoted investments			
Investments in mutual funds			
Fair value of current mutual funds (refer Note 11a)	6,109.55	1,758.24	3,388.17
Investments carried at amortised cost			
- Quoted investments			
In bonds	250.00	-	-
Add: Interest accrued on bonds	-		
Total investments	**6,359.55**	**1,758.24**	**3,388.17**
Total carrying amount of investments	**6,359.55**	**1,758.24**	**3,388.17**
Aggregate amount of quoted investments	**6,608.15**	**1,758.24**	**3,388.17**

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

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Aditya Birla Sun Life Mutual Fund	494.94	277.40	438.79
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	772.92	307.18	525.65
Bajaj Finserv Mutual Fund	195.26	-	-
UTI Mutual Fund	700.45	-	383.48
Axis Mutual Fund	515.39	175.55	275.99
Tata Mutual Fund	440.12	-	195.10
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	239.10	195.05	195.40
HDFC Mutual Fund	317.33	113.39	118.00
HSBC Mutual Fund	155.22	100.03	-
ICICI Prudential Mutual Fund	195.60	-	70.03
Mirae Asset Mutual Fund	491.61	195.62	195.64
SBI Mutual Fund	-	-	70.03
DSP Mutual Fund	341.74	-	-
Sundaram Mutual Fund	245.91	-	115.28
Kotak Mutual Fund	507.73	283.99	609.18
Invesco Mutual Fund	496.23	110.03	195.60
	6,109.55	**1,758.24**	**3,388.17**

12. Trade receivables

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
- Trade Receivables - Billed - Non current			
Unsecured, considered good	360.71	577.23	664.40
	360.71	**577.23**	**664.40**
- Trade Receivables - Billed - Current			
Unsecured, considered good	20,675.74	21,221.66	17,194.62
Unsecured, credit impaired	1,048.65	485.01	2,199.36
	21,724.39	**21,706.67**	**19,393.98**
Less : Allowance for expected credit loss	(1,048.65)	(485.01)	(916.03)
	20,675.74	**21,221.66**	**18,477.95**
Trade Receivable - Unbilled - Current	8,279.20	7,062.64	8,313.74
	29,315.65	**28,861.53**	**27,456.09**

Notes forming part of Condensed Interim Consolidated Financial Statements

13. Cash and cash equivalents

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Cash in hand	0.13	0.18	0.20
Balances with banks			
On current accounts #	6,087.14	3,957.85	4,392.63
On saving accounts	40.94	26.63	27.50
On exchange earner's foreign currency accounts	3,091.19	1,549.34	1,488.57
On deposit accounts with original maturity less than three months	788.61	465.64	835.16
	10,008.01	**5,999.64**	**6,744.06**

Of the cash and cash equivalent balance as at September 30, 2025, the Group can utilise ₹ 0.02 Million (Corresponding period : ₹ 0.02 Million / Previous year : ₹ 0.02 Million) only towards certain predefined activities.

14. Bank balances other than cash and cash equivalents

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Deposits with banks*	2,117.82	3,757.85	3,435.77
Add: Interest accrued but not due on deposits with banks	83.63	108.20	103.64
Deposits with banks (carried at amortised cost)	**2,201.45**	**3,866.05**	**3,539.41**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(169.65)	(4.15)	(48.29)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(6.86)	(0.12)	(0.70)
	2,024.94	**3,861.78**	**3,490.42**
Balances with banks on unpaid dividend accounts**	0.21	8.99	20.23
	2,025.15	**3,870.77**	**3,510.65**

* Out of the balance:
i) Fixed deposits of ₹ 1,207.54 Million (Corresponding period : ₹ 2,365.24 Million / Previous year : ₹ 2,367.54 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.
ii) Fixed deposits of ₹ 91.10 Million (Corresponding period : ₹ Nil Million / Previous year : ₹ 91.10 Million) have been kept as earmarked funds in Persistent India Foundation.
** The Group can utilise these balances only towards settlement of the respective unpaid dividend.

15. Current financial assets : Loans

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Loan to others (Unsecured, credit impaired)			
LHS Solution Inc.	28.70	27.09	25.61
Interest accrued but not due at amortised cost	-	-	2.02
Less: Impairment	(28.70)	(27.09)	(27.63)
	-	**-**	**-**

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Notes forming part of Condensed Interim Consolidated Financial Statements

16. Other current financial assets

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts (refer note 32)	-	8.65	-
Carried at amortised cost (considered good)			
Security deposits	135.55	30.57	116.44
Other receivables	137.18	-	-
Unbilled revenue	-	929.83	944.98
	272.73	**969.05**	**1,061.42**

17. Other current assets

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Unsecured, considered good			
Advances to suppliers			
Advances recoverable in cash or kind or for value to be received	379.40	951.56	1,152.83
Prepayments	2,508.81	2,293.55	2,609.16
Deferred finance costs	45.46	24.58	5.72
Excess fund balance with Life Insurance Corporation	-	29.24	-
Contract Assets	1,193.35	-	-
Other advances			
VAT receivable (net)	382.93	42.88	69.58
Service tax and GST receivable (net) (refer note 34)	6,745.60	3,155.23	4,926.25
	7,128.53	**3,198.11**	**4,995.83**
	11,255.55	**6,497.04**	**8,763.54**

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Notes forming part of Condensed Interim Consolidated Financial Statements

18 (A) Share capital

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Authorized shares (No. in million)			
400 (Corresponding period: 400 / Previous year: 400) equity shares of ₹ 5 each	2,000.00	2,000.00	2,000.00
	2,000.00	**2,000.00**	**2,000.00**
Issued, subscribed and fully paid-up shares (No. in million)			
156.40 (Corresponding period: 155.85 / Previous year: 155.85) equity shares of ₹ 5 each	782.00	779.25	779.25
Issued, subscribed and fully paid-up share capital	**782.00**	**779.25**	**779.25**

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

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

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

(In Million)

	As at September 30, 2025		As at September 30, 2024		As at March 31, 2025	
	No of shares	In ₹ Million	No of shares	In ₹ Million	No of shares	In ₹ Million
Number of shares at the beginning of the period / year	155.85	779.25	154.05	770.25	154.05	770.25
Add/ Less: Changes during the period / year	0.55	2.75	1.80	9.00	1.80	9.00
Number of shares at the beginning of the reporting period / year	**156.40**	**782.00**	**155.85**	**779.25**	**155.85**	**779.25**

b) Terms / rights attached to equity shares

The Parent 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 Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

In the period of five years immediately preceding September 30, 2025, the Parent Company has not done any buy-back of shares.

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

Name of the shareholder*	As at September 30, 2025		As at September 30, 2024		As at March 31, 2025	
	No. in Million	% Holding	No. in Million	% Holding	No. in Million	% Holding
Dr. Anand Deshpande	45.73	29.24	45.75	29.35	45.75	29.35
Motilal Oswal Midcap Fund	9.88	6.32	-	-	-	-

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

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Notes forming part of Condensed Interim Consolidated Financial Statements

18 (B) Other equity

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Reserves and Surplus			
Securities premium	3,609.92	3,438.70	3,438.70
General reserve	27,730.15	25,842.99	27,730.15
Share options outstanding reserve	4,333.47	3,474.48	3,432.38
Gain on bargain purchase	67.71	63.91	65.19
Capital redemption reserve	35.75	35.75	35.75
Retained earnings	35,538.57	24,247.16	28,833.47
Treasury shares	(2,697.22)	(4,684.66)	(2,994.10)
PSL ESOP Trust reserve	194.47	150.64	180.77
Items of other comprehensive income			
Effective portion of cash flow hedges	(576.72)	(10.60)	(2.32)
Exchange differences on translating the financial statements of foreign operations	2,456.71	2,305.56	1,691.41
	70,692.81	**54,863.93**	**62,411.40**

(i) Securities premium

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	3,438.70	1,601.80	1,601.80
Premium on fresh issue of equity shares	171.22	1,836.90	1,836.90
	3,609.92	**3,438.70**	**3,438.70**

(ii) General reserve

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	27,730.15	25,842.99	25,842.99
Adjustments towards employees stock options	-	-	1,887.16
	27,730.15	**25,842.99**	**27,730.15**

(iii) Share options outstanding reserve

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	3,432.38	2,227.71	2,227.71
Adjustments towards employees stock options	-	-	(1,887.16)
Employee stock compensation expenses	902.48	1,246.77	3,095.27
Other changes during the period / year	(1.39)	-	(3.44)
	4,333.47	**3,474.48**	**3,432.38**

Notes forming part of Condensed Interim Consolidated Financial Statements

(iv) Gain on bargain purchase

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	65.19	63.61	63.61
Other changes during the period / year	2.52	0.30	1.58
	67.71	**63.91**	**65.19**

(v) Capital redemption reserve

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	35.75	35.75	35.75
	35.75	**35.75**	**35.75**

(vi) Retained earnings

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	28,833.47	19,346.09	19,346.09
Profit for the period / year	8,964.06	6,314.12	14,001.61
Items recognised in / from other comprehensive income for the period / year	109.09	170.32	193.08
Income tax effect on above	(25.95)	(42.87)	(49.81)
Dividend	(2,342.10)	(1,540.50)	(4,657.50)
	35,538.57	**24,247.16**	**28,833.47**

(vii) Treasury shares

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	(2,994.10)	(2,085.84)	(2,085.84)
Shares held by ESOP trust	296.88	(2,598.82)	(908.26)
	(2,697.22)	**(4,684.66)**	**(2,994.10)**

(viii) PSL ESOP Trust reserve

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	180.77	140.64	140.64
Dividend Paid to ESOP trust	13.70	10.00	40.13
	194.47	**150.64**	**180.77**

Notes forming part of Condensed Interim Consolidated Financial Statements

(ix) Effective portion of cash flow hedges

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	(2.32)	23.85	23.85
Items recognised in / from other comprehensive income for the period / year (net of tax)	(574.40)	(34.45)	(26.17)
	(576.72)	**(10.60)**	**(2.32)**

(x) Exchange differences on translating the financial statements of foreign operations

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	1,691.41	1,610.22	1,610.22
Items recognised in / from other comprehensive income for the period / year	765.30	695.34	81.19
	2,456.71	**2,305.56**	**1,691.41**

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Notes forming part of Condensed Interim Consolidated Financial Statements

19. Financial liabilities : Borrowings

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Unsecured Borrowings carried at amortised cost			
-Non Current			
-Term Loan			
Indian rupee loan from others (refer note 1)	-	-	-
Interest accrued but not due on above loan	-	18.68	-
Foreign currency loan from bank (refer note 2)	-	937.95	-
Less: Current maturity of long-term borrowings	-	(956.63)	-
	-	**0.00**	**-**
-Current			
Short-term borrowings	-	1,675.75	-
Current maturity of long-term borrowings	-	937.95	-
Current maturity of interest accrued but not due on term loan	-	18.68	-
	-	**2,632.38**	**-**
	-	**2,632.38**	**-**

1) Indian rupee loan from Government department ₹ Nil (Corresponding period : ₹ Nil / Previous year : ₹ Nil million) having interest @ 3% p.a. which was repayable in ten equal annual installments over a period of ten years commencing from October 2015 has been repaid.

2) Foreign currency loan ₹ Nil (Corresponding period: ₹ 937.95 million / Previous year: ₹ Nil million). The Parent Company has provided the Letters of Comfort to the Lender.

Key terms of loan are as below:

(In ₹ Million)

Repayment terms	As at September 30, 2025	As at September 30, 2024	As at March 31, 2025
Loan 1: Repayable over a period of 3 years in equal monthly instalments commencing from November 2021 (SOFR + 155 bps)	-	58.19	-
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022 (SOFR + 155 bps)	-	488.73	-
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022 (SOFR + 155 bps)	-	391.03	-
	-	**937.95**	**-**

20. Financial liabilities : Lease Liabilities

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
-Non-Current			
Lease Liabilities	4,039.38	3,133.45	3,108.97
Less: Current portion of lease liabilities	(1,546.66)	(975.42)	(952.30)
	2,492.72	**2,158.03**	**2,156.67**
-Current			
Lease Liabilities	1,546.66	975.42	952.30
	1,546.66	**975.42**	**952.30**

Notes forming part of Condensed Interim Consolidated Financial Statements

The table below shows change in the Group's lease liability including both cash and non-cash changes:

	For the six months ended		For year ended
	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million
Opening balance	3,108.97	2,438.10	2,438.10
Additions	1,550.10	1,300.41	1,775.80
Deletions	(13.61)	(228.17)	(255.63)
Lease Modification	(9.34)	-	(45.32)
Add: Interest recognised during the period / year	154.57	130.83	254.23
Less: Payments made during the period / year	(817.20)	(528.45)	(1,093.66)
Translation differences	65.89	20.73	35.45
Closing balance	**4,039.38**	**3,133.45**	**3,108.97**

21. Non-current liabilities : Provisions

	As at	As at	As at
	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million
Provision for employee benefits			
- Gratuity	176.45	-	66.95
- Other Provisions	35.00	2.18	-
	211.45	**2.18**	**66.95**

22. Trade payables

	As at	As at	As at
	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million
Trade payables			
- Total outstanding dues of small enterprises and micro enterprises *	19.19	61.58	40.77
- Total outstanding dues of creditors other than small enterprises and micro enterprises	9,074.99	10,308.80	8,845.40
	9,094.18	**10,370.38**	**8,886.17**

* Disclosure of trade payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Parent 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 Parent Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

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Notes forming part of Condensed Interim Consolidated Financial Statements

23. Other financial liabilities

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
- Non-current			
Carried at amortised cost			
Security Deposits	-	-	15.70
At fair value through profit & loss			
Liability towards contingent consideration	413.21	541.06	410.20
	413.21	**541.06**	**425.90**
- Current			
Carried at amortised cost			
Capital creditors	87.44	79.01	59.66
Accrued employee liabilities	2,738.21	1,895.67	3,287.01
Unpaid dividend*	0.21	8.99	20.23
Other liabilities	37.69	156.19	38.99
Payable to selling shareholders	117.43	-	283.71
At fair value through profit & loss			
Liability towards contingent consideration	929.62	1,734.21	1,409.82
Less: Non-current portion of liability towards contingent consideration	(413.21)	(541.06)	(410.20)
	516.41	**1,193.15**	**999.62**
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts (refer note 32)	952.76	-	36.82
	4,450.15	**3,333.01**	**4,726.04**

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

24.Other liabilities

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
- Non-current			
Unearned revenue	-	11.44	-
Other Liabilities	119.71	51.65	47.63
	119.71	63.09	47.63
- Current			
Unearned revenue	3,420.92	2,273.07	2,777.08
Advance from customers	136.10	1,303.21	492.04
Other payables			
- Statutory liabilities	1,087.24	1,362.15	977.49
- Other Liabilities	1,153.23	103.79	269.86
	5,797.49	5,042.22	4,516.47
	5,917.20	**5,105.31**	**4,564.10**

25. Current liabilities : Provisions

	As at September 30, 2025 In ₹ Million	As at September 30, 2024 In ₹ Million	As at March 31, 2025 In ₹ Million
Provision for employee benefits			
- Gratuity	0.08	15.81	24.78
- Leave encashment	1,895.39	1,548.17	1,716.12
	1,895.47	**1,563.98**	**1,740.90**

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Notes forming part of Condensed Interim Consolidated Financial Statements

26. Revenue from operations

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software services	34,453.15	28,122.92	66,118.91	54,334.63	115,433.57
Software licenses	1,354.05	848.59	3,024.16	2,008.58	3,953.60
	35,807.20	**28,971.51**	**69,143.07**	**56,343.21**	**119,387.17**

27. Other income

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
- On deposits carried at amortised cost	60.96	70.19	129.18	139.91	274.81
- On Others	69.36	72.18	138.89	141.46	281.61
Other non operating income					
Foreign exchange (loss) / gain (net)	271.97	105.97	460.67	98.71	89.18
Profit on sale of property, plant and equipment (net)	3.16	91.90	3.16	91.42	76.84
Profit on account of lease modification	-	-	-	-	28.15
Net profit on sale / fair valuation of financial assets designated as FVTPL	96.05	117.07	297.36	271.10	492.76
Excess provision in respect of earlier period / year written back	6.38	0.06	10.28	3.42	29.37
Miscellaneous income	9.88	7.83	24.84	25.58	108.82
	517.76	**465.20**	**1,064.38**	**771.60**	**1,381.54**

28. Personnel expenses

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
28.1 Employee benefits expense					
Salaries, wages and bonus	17,388.58	15,156.13	33,630.72	28,959.99	59,665.42
Contribution to provident and other funds*	1,178.97	1,057.29	2,443.41	2,127.43	4,308.74
Staff welfare expenses	409.70	332.37	745.72	653.52	1,667.74
Share based payments to employees	483.71	706.88	902.48	1,246.77	3,095.27
	19,460.96	**17,252.67**	**37,722.33**	**32,987.71**	**68,737.17**
28.2 Subcontracting costs	**5,374.86**	**4,256.33**	10,170.65	8,473.15	17,491.65
	24,835.82	**21,509.00**	**47,892.98**	**41,460.86**	**86,228.82**

* Includes contribution towards gratuity.

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Notes forming part of Condensed Interim Consolidated Financial Statements

29. Other expenses

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	502.63	313.30	1,066.60	790.64	1,710.77
Electricity expenses (net)	32.27	29.55	67.10	68.13	131.47
Internet link expenses	33.36	47.71	76.81	83.63	152.98
Communication expenses	14.78	12.22	24.95	26.44	46.82
Recruitment expenses	69.57	33.49	143.08	89.53	210.86
Training and seminars	35.30	30.08	78.05	65.54	158.20
Royalty expenses	28.72	13.44	52.82	35.94	71.32
Purchase of software licenses	2,155.22	1,718.76	4,452.69	3,644.26	7,479.33
Bad debts	120.35	-	120.35	-	-
Allowance for expected credit loss (net)	77.49	49.88	102.31	77.08	422.18
Rent	11.45	30.20	49.38	66.40	143.41
Insurance	51.49	35.33	76.57	76.00	146.44
Rates and taxes	57.25	55.81	102.23	95.96	205.91
Legal and professional fees	502.82	353.98	1,105.97	747.53	1,647.81
Repairs and maintenance					
- Plant and Machinery	47.37	42.65	99.47	92.57	185.94
- Buildings	12.23	7.39	23.37	16.69	46.18
- Others	11.52	9.90	21.00	19.87	43.90
Selling and marketing expenses	8.09	0.10	20.35	2.30	13.67
Changes in contingent consideration payable on business combination (refer note 39)	-	(460.87)	-	(1,097.05)	(1,461.82)
Advertisement, conference and sponsorship fees	44.70	27.60	81.69	115.37	194.61
Computer consumables	10.63	4.14	19.17	8.41	18.69
Auditors' remuneration	3.75	3.00	7.50	6.92	15.89
Corporate social responsibility expenditure	62.32	71.11	114.60	106.40	223.78
Books, memberships, subscriptions	10.46	10.03	20.66	14.14	32.25
Loss on sale of Property, Plant and Equipment	(3.31)	-	-	-	-
Directors' sitting fees	1.43	2.22	4.38	4.95	9.10
Directors' commission	17.50	9.01	26.25	18.05	35.55
Loss / Impairment of non current investments	-	-	0.11	-	-
Miscellaneous expenses	221.17	205.19	345.88	347.23	691.18
	4,140.56	**2,655.22**	**8,303.34**	**5,522.93**	**12,576.42**

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Notes forming part of Condensed Interim Consolidated Financial Statements

30. Earnings per share

		For the quarter ended		For the six months ended		For the year ended
		September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
Numerator for Basic and Diluted EPS						
Net Profit after tax (In ₹ Million)	(A)	4,714.70	3,249.97	8,964.06	6,314.12	14,001.61
Denominator for basic EPS						
Weighted average number of equity shares	(B)	155,564,072	153,373,408	155,253,233	152,966,212	153,487,571
Denominator for diluted EPS						
Number of equity shares	(C)	156,400,000	154,897,826	156,285,792	154,476,230	155,166,164
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**30.31**	**21.19**	**57.74**	**41.28**	**91.22**
Diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/C)	**30.15**	**20.98**	**57.36**	**40.87**	**90.24**

	For the quarter ended		For the six months ended		For the year ended
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024	March 31, 2025
Outstanding weighted average number of equity shares considered for diluted EPS	156,400,000	154,897,826	156,285,792	154,476,230	155,166,164
Less: Weighted average number of treasury shares	835,928	1,524,418	1,032,559	1,510,018	1,678,593
Outstanding weighted average number of equity shares considered for basic EPS	**155,564,072**	**153,373,408**	**155,253,233**	**152,966,212**	**153,487,571**

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Notes forming part of Condensed Interim Consolidated Financial Statements

31. Segment information

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

The operating segments of the Group are:

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

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Revenue						
	Quarter ended	September 30, 2025	12,455.60	9,027.32	14,324.28	35,807.20
	Quarter ended	September 30, 2024	9,117.37	8,065.27	11,788.87	28,971.51
	Six months ended	September 30, 2025	23,757.04	17,454.22	27,931.81	69,143.07
	Six months ended	September 30, 2024	17,548.96	15,376.24	23,418.01	56,343.21
	Year ended	March 31, 2025	37,709.68	32,551.45	49,126.04	119,387.17
Identifiable expense *						
	Quarter ended	September 30, 2025	8,107.31	5,567.22	9,079.95	22,754.48
	Quarter ended	September 30, 2024	5,729.74	4,956.61	8,554.92	19,241.27
	Six months ended	September 30, 2025	15,523.56	10,952.63	17,787.11	44,263.30
	Six months ended	September 30, 2024	11,380.55	9,568.99	17,395.37	38,344.91
	Year ended	March 31, 2025	24,223.22	19,783.06	34,805.51	78,811.79
Segmental result						
	Quarter ended	September 30, 2025	4,348.29	3,460.10	5,244.33	13,052.72
	Quarter ended	September 30, 2024	3,387.63	3,108.66	3,233.95	9,730.24
	Six months ended	September 30, 2025	8,233.48	6,501.59	10,144.70	24,879.77
	Six months ended	September 30, 2024	6,168.41	5,807.25	6,022.64	17,998.30
	Year ended	March 31, 2025	13,486.46	12,768.39	14,320.53	40,575.38
Unallocable expenses						
	Quarter ended	September 30, 2025				7,402.16
	Quarter ended	September 30, 2024				5,850.24
	Six months ended	September 30, 2025				14,221.76
	Six months ended	September 30, 2024				10,419.28
	Year ended	March 31, 2025				23,733.84
Operating income						
	Quarter ended	September 30, 2025				5,650.56
	Quarter ended	September 30, 2024				3,880.00
	Six months ended	September 30, 2025				10,658.01
	Six months ended	September 30, 2024				7,579.02
	Year ended	March 31, 2025				16,841.54
Other income (net of expenses)						
	Quarter ended	September 30, 2025				517.76
	Quarter ended	September 30, 2024				465.20
	Six months ended	September 30, 2025				1,064.38
	Six months ended	September 30, 2024				771.60
	Year ended	March 31, 2025				1,381.54
Profit before taxes						
	Quarter ended	September 30, 2025				6,168.32
	Quarter ended	September 30, 2024				4,345.20
	Six months ended	September 30, 2025				11,722.39
	Six months ended	September 30, 2024				8,350.62
	Year ended	March 31, 2025				18,223.08
Tax expense						
	Quarter ended	September 30, 2025				1,453.62
	Quarter ended	September 30, 2024				1,095.23
	Six months ended	September 30, 2025				2,758.33
	Six months ended	September 30, 2024				2,036.50
	Year ended	March 31, 2025				4,221.47
Profit after tax						
	Quarter ended	September 30, 2025				4,714.70
	Quarter ended	September 30, 2024				3,249.97
	Six months ended	September 30, 2025				8,964.06
	Six months ended	September 30, 2024				6,314.12
	Year ended	March 31, 2025				14,001.61

* This balance includes material items in the nature of cost of professionals and employee benefit expenses. Segregation of such expenses into various reportable segments have not been presented as it is not practically possible to allocate such expenses to individual segments.

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Notes forming part of Condensed Interim Consolidated Financial Statements

(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	September 30, 2025	6,824.48	5,607.02	8,604.95	21,036.45
	As at	September 30, 2024	5,842.24	5,082.34	10,874.31	21,798.89
	As at	March 31, 2025	5,354.72	4,859.65	8,927.98	19,142.35
Segmental Unbilled revenue						
	As at	September 30, 2025	2,067.46	2,016.58	5,388.51	9,472.55
	As at	September 30, 2024	1,839.96	1,413.99	4,738.52	7,992.47
	As at	March 31, 2025	1,652.47	2,303.61	5,302.64	9,258.72
Unallocated assets						
	As at	September 30, 2025				68,391.72
	As at	September 30, 2024				52,969.79
	As at	March 31, 2025				58,964.95
Unallocated liabilities						
	As at	September 30, 2025				27,425.91
	As at	September 30, 2024				27,147.05
	As at	March 31, 2025				24,175.37

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

Geographical Information

The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Revenue	Quarter ended	September 30, 2025	3,313.27	28,581.21	3,912.72	35,807.20
	Quarter ended	September 30, 2024	2,648.24	23,562.59	2,760.68	28,971.51
	Six months ended	September 30, 2025	6,579.45	55,176.66	7,386.96	69,143.07
	Six months ended	September 30, 2024	5,341.47	45,645.58	5,356.16	56,343.21
	Year ended	March 31, 2025	11,201.08	96,317.16	11,868.93	119,387.17

The revenue from an individual customer in excess of ten percent of total revenue of the Group is ₹ Nil for the quarter ended September 30, 2025 (Corresponding period : ₹ 5,744.79 Million / Previous year : ₹ 12,593.77 Million). The customer belongs to Healthcare and Life Sciences segment (Corresponding period / Previous year : Software, Hi-Tech and Emerging Industries)

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Notes forming part of Condensed Interim Consolidated Financial Statements

32. Financial assets and liabilities

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

(In ₹ Million)

Financial assets / Financial liabilities	September 30, 2025			September 30, 2024			March 31, 2025			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:										
Investments in equity instruments, preferred stock and convertible notes	626.98	-	-	591.32	-	-	595.49	-	-	Level 3
Investments in bonds #	-	-	2,696.47	-	-	3,033.14	-	-	2,995.57	
Investments in mutual funds	10,051.09	-	-	4,417.02	-	-	6,212.15	-	-	Level 2
Deposit with banks and financial institutions (net)	-	-	2,201.45	-	-	3,866.05	-	-	3,539.41	
Cash and cash equivalents (including unpaid dividend)	-	-	10,008.22	-	-	6,008.63	-	-	6,764.29	
Trade receivables (net)	-	-	21,036.45	-	-	21,798.89	-	-	19,142.35	
Foreign exchange forward contracts	-	-	-	-	8.65	-	-	-	-	Level 2
Unbilled revenue	-	-	8,279.20	-	-	7,992.47	-	-	9,258.72	
Other financial assets	-	-	1,038.48	-	-	813.08	-	-	841.26	
Total Financial Assets	**10,678.07**	**-**	**45,260.27**	**5,008.34**	**8.65**	**43,512.26**	**6,807.64**	**-**	**42,541.60**	
Financial Liabilities:										
Borrowings (including accrued interest)	-	-	-	-	-	2,632.38	-	-	-	
Trade payables	-	-	9,094.18	-	-	10,370.38	-	-	8,886.17	
Lease liabilities	-	-	4,039.38	-	-	3,133.45	-	-	3,108.97	
Forward contracts payable	-	952.76	-	-	-	-	-	36.82	-	Level 2
Payable to selling shareholders	-	-	117.43	-	-	-	-	-	283.71	Level 3
Liability towards contingent consideration	929.62	-	-	1,734.21	-	-	1,409.82	-	-	
Other financial liabilities (excluding borrowings)	-	-	2,863.55	-	-	2,139.86	-	-	3,421.59	
Total Financial Liabilities	**929.62**	**952.76**	**16,114.54**	**1,734.21**	**-**	**18,276.07**	**1,409.82**	**36.82**	**15,700.44**	

***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 Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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

Particulars	September 30, 2025		September 30, 2024		March 31, 2025	
	Carried Value	Fair Value	Carried Value	Fair Value	Carried Value	Fair Value
Bonds carried at amortised cost	2,581.54	2,362.92	2,916.91	2,916.91	2,916.91	2,703.72
Interest accrued on Bonds	114.93	-	116.23	-	78.66	-
Total investments carried at amortised cost	**2,696.47**	**2,362.92**	**3,033.14**	**2,916.91**	**2,995.57**	**2,703.72**

33 Related Party Disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director Mr Sandeep Kalra, Executive Director and Chief Executive Officer Mr. Sunil Sapre, Executive Director (Retired w.e.f. December 31, 2024) and Chief Financial Officer (Retired w.e.f. May 15, 2024) Mr. Vinit Teredesai, Chief Financial Officer (w.e.f May 15, 2024) and Executive Director (w.e.f. April 23, 2025) Mr. Amit Atre, Company Secretary Ms. Roshini Bakshi, Independent Director (retired w.e.f. July 16, 2024) Ms. Anjali Joshi, Independent Director (w.e.f June 12, 2024) Dr. Deepak Phatak, Independent Director (retired w.e.f April 2, 2023) Ms. Avani Davda, Independent Director Mr. Praveen Kadle, Independent Director Mr. Arvind Goel, Independent Director Mr. Ambuj Goel, Independent Director Mr. Dan'l Lewin, Independent Director Mr Ajit Ranade, Independent Director (w.e.f. June 6, 2023)
Relatives of Key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director) Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director) Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director) Dr. Mukund Deshpande (Brother of the Chairman and Managing Director) Mrs. Chitra Buzruk (Sister of the Chairman and Managing Director) Mr. Arul Deshpande (Son of the Chairman and Managing Director) Dr. Asha Sapre (upto December 31, 2024) (Wife of Executive Director) Mr. Hemant Bakshi (Husband of Independent Director) Ms. Alpana Ajit Ranade (Wife of Independent Director) Ms. Ria Anand Deshpande (Daughter of Chairman and Managing Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Persistent India Foundation Persistent Systems Foundation Inc.
Controlled Trust	PSPL ESOP Management Trust

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the period ended		For the year ended
		September 30, 2025	**September 30, 2024**	**March 31, 2025**
Remuneration #	**Key Management Personnel**			
(Salaries, bonus and contribution to PF)	Dr. Anand Deshpande	20.80	25.91	39.78
	Mr. Sunil Sapre (including fair value of perquisites for stock options exercised ₹ Nil million (Corresponding period ₹ Nil million / Previous year: ₹ Nil million)	-	11.46	20.18
	Mr Vinit Teredesai (including fair value of perquisites for stock options exercised ₹ 66.22 million (Corresponding period ₹ Nil million / Previous year: ₹ Nil million)	78.58	6.47	23.74
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ Nil million (Corresponding period ₹ Nil million / Previous year: ₹ 19.44 million)	3.70	3.43	25.94
	Mr Sandeep Kalra (including fair value of perquisites for stock options exercised ₹ 3,661.45 million (Corresponding period: ₹ 866.44 million / Previous year: ₹ 1,356.46 million)	3,842.31	941.94	1,502.02
	Independent directors:			
	Ms. Roshini Bakshi	-	1.98	2.15
	Mr. Praveen Kadle	4.53	3.40	6.70
	Dr. Deepak Phatak	-	-	0.03
	Ms. Avani Davda	4.48	3.35	6.55
	Mr. Arvind Goel	4.38	3.15	6.15
	Dr. Ambuj Goyal	4.33	3.13	6.30
	Mr. Dan'l Lewin	4.20	3.03	5.90
	Dr. Ajit Ranade	4.55	3.23	6.45
	Ms. Anjali Joshi	4.18	1.80	4.64
	Total	**3,976.04**	**1,012.28**	**1,656.53**
Dividend paid	**Key Management Personnel**			
	Dr. Anand Deshpande	685.92	457.46	1,372.41
	Mr. Sunil Sapre	-	1.44	1.44
	Mr Sandeep Kalra	9.75	2.50	3.60
	Mr. Amit Atre	0.09	0.07	0.19
	Mr Vinit Teredesai	0.12	-	-
	Relatives of Key Management Personnel			
	Mr. Suresh Deshpande	0.02	0.01	0.03
	Mrs. Chitra Buzruk	14.08	9.39	28.16
	Mrs. Sonali Anand Deshpande	3.36	2.24	6.72
	Mrs. Sulabha Suresh Deshpande	0.02	0.01	0.03
	Mr. Arul Deshpande	0.30	-	0.60
	Mr. Mukund Deshpande	12.00	-	-
	Mr. Hemant Bakshi	0.30	-	-
	Ms. Ria Anand Deshpande	0.01	-	0.01
	Mr. Arvind Goel	-	-	0.02
	Total	**725.97**	**473.12**	**1,413.21**
Other payments	**Key Management Personnel**			
	Sunil Sapre	-	0.16	0.26
	Relatives of Key Management Personnel			
	Asha Sapre	-	0.16	0.26
	Total	**-**	**0.32**	**0.52**
CSR Expenditure	**Entity over which a key management personnel has significant influence**			
	Persistent India Foundation	103.67	-	-
	Subsidiary			
	Persistent India Foundation Inc.	10.97	104.31	217.78
		114.64	**104.31**	**217.78**

Notes:
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.

Notes forming part of Condensed Interim Consolidated Financial Statements

34. Contingent liabilities **(In ₹ Million)**

Sr. No		As at September 30, 2025	As at September 30, 2024	As at March 31, 2025
a)	**Claims against the Group 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 Parent 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 Parent 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 Parent Company will be eligible to claim credit / refund for the amount paid.	173.78	173.78	173.78
	(ii) Other Pending litigations in respect of Indirect taxes.	723.33	265.16	723.33
2	**Income tax demands disputed in appellate proceedings**	1,015.51	1,197.57	1,041.74
b)	**Letter of Comfort on behalf of Subsidiaries**			
1	Guarantee given on behalf of subsidiaries	902.89	1,103.55	1,125.64
	Letters of comfort on behalf of subsidiary USD Nil (Corresponding period : USD 11.19 Million / Previous year : USD Nil)	-	937.64	-
c)	Performance Guarantee given by a Subsidiary of USD 3 Million (Corresponding period : USD Nil / Previous year : USD 3 Million) to USCC Services and its affiliates towards trade payable of Aepona Limited (step down subsidiary)	266.34	-	256.41
d)	**Capital Commitments**			
	Estimated amount of contracts remaining to be executed on capital account and not provided for	276.41	132.93	326.88

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier periods / 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 financial statements.

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Notes forming part of Condensed Interim Consolidated Financial Statements

35 The Parent Company has deposits of ₹ 430.00 Million (Corresponding period : ₹ 430.00 Million / Previous year: ₹ 430.00 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 Parent 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 Parent 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 Parent 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.

36 Finance costs include interest on lease liability of ₹ 154.57 Million under finance costs (Corresponding period : ₹ 130.83 Million / Previous year : ₹ 254.23 Million) and notional interest on amounts due to selling shareholders ₹ 43.27 Million (Corresponding period :₹ 57.93 Million / Previous year : ₹ 15.27 Million).

37 The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") has sanctioned the merger of M/s. CAPIOT Software Private Limited (the Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (the Holding Company – Transferee Company) through absorption, as per its order dated April 9, 2025. This merger has no impact on the consolidated financial results.

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

(In ₹ Million)

Particulars	For the quarter ended				FY 2024-25	FY 2025-26
	June 30, 2024	Sept 30, 2024	Dec 31, 2024	March 31, 2025		
Decrease in depreciation expense	91.62	62.54	42.10	19.04	215.30	44.84

39 During the corresponding period ended, the Group has recognised a gain on remeasurement of earnout payable towards acquisition of business to the erstwhile shareholders of MediaAgility Inc., Data Glove Incorporated and Software Corporation International & SCI Fusion 360, LLC amounting to ₹ Nil (Corresponding period : ₹ 1,097.05 Million / Previous year : ₹ 1,461.82 Million) based on a settlement agreement and expected payout assessed by management.

40 The members at the 35th Annual General Meeting held on July 21, 2025, approved the payment of a final dividend of ₹ 15 per equity share for the Financial Year 2024-25. Accordingly, an amount of ₹ 2,345.79 Million was paid towards the Final Dividend as of September 30, 2025, out of the total dividend amount of ₹ 2,346.00 Million. The remaining amount of ₹ 0.21 Million was unclaimed, and the Company has issued Demand Drafts to shareholders against this amount. The Company will make additional due efforts to pay the same to the respective Shareholders.

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

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

43 During the six months ended September 30, 2025, the Company has re-classified the following comparatives which are primarily to conform to the current year's classification. This reclassification does not have material impact on the condensed interim consolidated financial statements and has been done for the better presentation and to enhance the understanding of the users of the consolidated financial statements.

In ₹ Million

Financial Statements Caption	As at September 30, 2024			As at March 31, 2025		
	Previously reported amounts	Change in Amounts	Revised Amounts	Previously reported amounts	Change in Amounts	Revised Amounts
Balance Sheet						
Current financial assets - Trade receivables	21,221.66	7,062.64	28,284.30	18,477.95	8,313.74	26,791.69
Current Assets - Other financial assets	8,031.69	(7,062.64)	969.05	9,375.16	(8,313.74)	1,061.42
Current Liabilities - Other financial liabilities	1,984.28	1,348.73	3,333.01	2,438.40	2,287.64	4,726.04
Current Liabilities - Provisions	2,912.71	(1,348.73)	1,563.98	4,028.54	(2,287.64)	1,740.90

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2025.10.14 15:22:06 +05'30'

Swapnil Dakshindas
Partner

Membership No: 113896

Place : Pune
Date : October 14, 2025

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

Anand Deshpande (Oct 14, 2025 13:47:43 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : Pune
Date : October 14, 2025

Sandeep Kalra (Oct 14, 2025 13:53:50 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : Pune
Date : October 14, 2025

Praveen Kadle (Oct 14, 2025 14:03:44 GMT+5.5)

Praveen Kadle
Independent Director
DIN: 00016814

Place : Pune
Date : October 14, 2025

Vinit Teredesai (Oct 14, 2025 14:44:22 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917

Place : Pune
Date : October 14, 2025

Amit Atre (Oct 14, 2025 14:01:49 GMT+5.5)

Amit Atre
Company Secretary

Membership No. :A20507

Place : Pune
Date : October 14, 2025

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Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of such subsidiary as were audited by the other auditor, the aforesaid consolidated 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 consolidated state of affairs of the Group as at 31 March 2026, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (b) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, and based on the consideration of report of other auditor on separate financial statements of component audited by them were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition on fixed price contracts, wherein revenue is recognised using percentage of completion method
See Note 25 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
The Group 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 Group'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 Group; and • at year-end, significant amount of contract assets and; unearned revenue balances related to these contracts are recognised on the balance sheet.	In view of the significance of the matter, we applied 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 Group'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 Group'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 cost; • 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.

Impairment of Goodwill	
See Note 5.4 to consolidated financial statements	
The key audit matter	**How the matter was addressed in our audit**
The Group is required to test goodwill for impairment every year or more frequently when there is an indication of impairment. The impairment charge is determined by comparing the carrying value of goodwill with its recoverable amount. Recoverable amount is defined as the higher of value in use and fair value less cost of disposal. We consider the impairment testing of goodwill by the Group allocated to Cloud, Infrastructure and Security (CIS) and Customer experience (CXCI) cash generating units (CGUs) to involve significant estimates and judgment with a potential range of reasonable outcomes greater than our materiality for the consolidated financial statements as a whole. There is inherent uncertainty involved in forecasting and discounting future cashflows, which are the basis of the assessment of recoverability. Considering the significant judgement involved, impairment of goodwill allocated to above mentioned CGUs are identified as key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence: • Obtained an understanding of Group's evaluation of identification of cash generating units and allocation of goodwill to the respective CGUs. • Obtained management's assessment of recoverable amount and impairment assessment for goodwill. • Tested the design, implementation and operating effectiveness of controls in respect of the Group's impairment assessment process, including the periodic review of cashflow forecasts and valuation assumptions. • Where management has used an independent valuer, evaluated the independent valuer's competence, capabilities and objectivity, and assessing the valuation methodology used by the independent valuer to estimate the value in use. • Evaluated the reasonableness of the cash flow projections and assessed the underlying key assumptions like revenue growth rate, projected margins, discount rates and terminal growth rate used in management's valuation working to determine recoverable amount by considering recent financial performance and externally derived data. • Engaged independent valuation specialists to assist in the evaluation of assumptions and methodologies used by the Group and its experts. • Assessed the impact of sensitivity over assumptions used by the management in determining the value in use. • Assessed the appropriateness of the related disclosures in the consolidated financial

	statements.

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

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 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 Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group 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 companies included in the Group and 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 the assets of each company/ESOP trust and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies included in the Group and Board of Trustees of the ESOP trust are responsible for overseeing the financial reporting process of each company/ESOP trust.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. 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 consolidated 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 appropriateness of this assumption. 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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 such entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. 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 of the Holding Company and such other entity included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 consolidated 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 consolidated financial statements of the Group for the year ended 31 March 2025 were audited by the predecessor auditor who had expressed an unmodified opinion on 23 April 2025.

b. We did not audit the financial statements of 21 subsidiaries and one ESOP trust, whose financial statements reflect total assets (before consolidation adjustments) of Rs. 17,398 million as at 31 March 2026, total revenues (before consolidation adjustments) of Rs. 12,463 million and net cash flows (before consolidation adjustments) amounting to Rs. 540 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

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, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

   a. 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 of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 01 April 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.

   f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India 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 and based on the consideration of the reports of the other

auditors on separate financial statements of the ESOP trust and subsidiaries, as noted in the "Other Matters" paragraph:

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2026 on the consolidated financial position of the Group. Refer Note 43 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2026.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2026.

d (i) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 51 to the consolidated 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 Holding 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 Holding Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company represented to us that, to the best of their knowledge and belief, as disclosed in the Note 52 to the consolidated financial statements, no funds have been received by the Holding Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding 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 Holding 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 Holding 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 consolidated financial statements, the Board of Directors of the Holding 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 in test checks, the Holding Company and its subsidiary companies incorporated in India, whose financial statements have been audited under the Act, have 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 and respective auditors of such subsidiary companies, did not come across any instance of audit trail feature being tampered with. Additionally, the audit trail has been preserved by the Company and its subsidiaries as per the statutory requirements for record retention.

Independent Auditor's Report *(Continued)*

Persistent Systems Limited

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 during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies 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 SATISH DAKSHINDAS

Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:50:23 +05'30'

Swapnil Dakshindas

Partner

Membership No.: 113896

ICAI UDIN:26113896ZBHEIM9420

Place: Pune

Date: 21 April 2026

Annexure A to the Independent Auditor's Report on the Consolidated 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)

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

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

Chartered Accountants

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

SWAPNIL SATISH DAKSHINDAS

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Date: 2026.04.21 15:50:44 +05'30'

Swapnil Dakshindas

Partner

Membership No.: 113896

ICAI UDIN:26113896ZBHEIM9420

Place: Pune

Date: 21 April 2026

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

Report on the internal financial controls with reference to the aforesaid consolidated 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

In conjunction with our audit of the consolidated financial statements of Persistent Systems Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, 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 such companies 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 Holding 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 Holding 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 Holding 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 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 consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements.

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

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 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.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to two subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of this matter.

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

Chartered Accountants

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

SWAPNIL SATISH DAKSHINDAS

Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:51:05 +05'30'

Swapnil Dakshindas

Partner

Membership No.: 113896

ICAI UDIN:26113896ZBHEIM9420

Place: Pune

Date: 21 April 2026

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2026

	Notes	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	3,968.88	4,350.88
Capital work-in-progress	5.2	106.85	41.84
Right of use assets	5.3	5,471.81	3,798.67
Goodwill	5.4	13,596.88	12,337.94
Other Intangible assets	5.5	5,522.25	4,923.33
Intangible assets under development	5.6	268.95	731.77
		28,935.62	**26,184.43**
Financial assets			
- Loans	7	-	-
- Trade receivables	12	-	
- Billed		899.36	664.40
- Unbilled		-	-
- Investments	6	7,001.38	6,415.04
- Other financial assets	8	1,012.99	773.81
Deferred tax assets	9	3,459.97	2,024.24
Income tax assets		1,032.97	787.55
Other non-current assets	10	450.32	257.02
		13,856.99	**10,922.06**
	(A)	**42,792.61**	**37,106.49**
Current assets			
Financial assets			
- Loans	15	-	-
- Investments	11	9,146.28	3,388.17
- Trade receivables	12		
- Billed		21,331.89	18,477.95
- Unbilled		12,011.98	8,313.74
- Cash and cash equivalents	13	10,749.15	6,744.06
- Bank balances other than cash and cash equivalents	14	1,433.36	3,510.65
- Other financial assets	16	73.45	116.44
Other current assets	17	16,226.72	9,708.52
	(B)	**70,972.83**	**50,259.53**
TOTAL ASSETS	**(A) + (B)**	**113,765.44**	**87,366.02**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18(A)	788.75	779.25
Other equity	18(B)	77,589.80	62,411.40
	(A)	**78,378.55**	**63,190.65**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Lease liabilities	19	2,996.70	2,156.67
- Other financial liabilities	22	157.14	425.90
Other non-current liabilities	23	31.44	47.63
Deferred tax liabilities	9	326.28	150.49
Provisions	20	2,632.77	66.95
	(B)	**6,144.33**	**2,847.64**
Current liabilities			
Financial liabilities			
- Lease liabilities	19	1,777.78	952.30
- Trade payables	21		
- Total outstanding dues of micro and small enterprises		58.10	40.77
- Total outstanding dues of creditors other than micro and small enterprises		11,283.78	8,845.40
- Other financial liabilities	22	8,272.69	4,726.04
Other current liabilities	23	6,805.36	4,516.47
Provisions	24	570.25	1,740.90
Income tax liabilities		474.60	505.85
	(C)	**29,242.56**	**21,327.73**
TOTAL LIABILITIES	**(B) + (C)**	**35,386.89**	**24,175.37**
TOTAL EQUITY AND LIABILITIES	**(A) + (B) + (C)**	**113,765.44**	**87,366.02**
Summary of material accounting policy information	4		

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:51:48 +05'30'

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 14:44:54 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : April 21, 2026

Sandeep Kalra
Sandeep Kalra (Apr 21, 2026 14:15:58 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : April 21, 2026

Praveen Kadle
Praveen Kadle (Apr 21, 2026 14:14:15 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : April 21, 2026

Vinit Teredesai
Vinit Teredesai (Apr 21, 2026 15:02:43 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : April 21, 2026

Amit Atre
Amit Atre (Apr 21, 2026 14:08:07 GMT+5.5)

Amit Atre
Company Secretary

Membership No: A20507

Place : Pune
Date : April 21, 2026

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2026

	Notes	For the year ended March 31, 2026 In ₹ Million	For the year ended March 31, 2025 In ₹ Million
Income			
Revenue from operations	25	147,484.49	119,387.17
Other income	26	1,804.26	1,381.54
Total income (A)		**149,288.75**	**120,768.71**
Expenses			
Employee benefits expense	27.1	79,495.42	68,737.17
Subcontracting costs	27.2	21,986.14	17,491.65
Finance costs	28	726.82	671.29
Depreciation and amortisation expense	5.7	4,029.50	3,069.10
Other expenses	29	18,048.50	12,576.42
Total expenses (B)		**124,286.38**	**102,545.63**
Profit before exceptional item and tax (A - B)		**25,002.37**	**18,223.08**
Exceptional item (C)			
Statutory Impact of new Labour Code (refer note 56)		890.25	-
Profit before tax (A-B-C)		**24,112.12**	**18,223.08**
Tax expense			
Current tax		5,972.45	4,721.97
Deferred tax credit		(511.53)	(500.50)
Total tax expense		**5,460.92**	**4,221.47**
Net profit for the year (D)		**18,651.20**	**14,001.61**
Other comprehensive income			
Items that will not be reclassified to profit or loss (E)			
- Remeasurements of the defined benefit liabilities / (asset)		211.83	193.08
- Income tax effect on above		(53.34)	(49.81)
		158.49	**143.27**
Items that will be reclassified to profit or loss (F)			
- Effective portion of cash flow hedge		(2,236.60)	(34.97)
- Income tax effect on above		562.91	8.80
- Exchange differences in translating the financial statements of foreign operations		1,666.92	81.19
		(6.77)	**55.02**
Total other comprehensive income for the year (E) + (F)		**151.72**	**198.29**
Total comprehensive income for the year (D) + (E) + (F)		**18,802.92**	**14,199.90**
Earnings per equity share [Nominal value of share ₹5 (Previous year: ₹5)]	30		
Basic (In ₹)		119.74	91.22
Diluted (In ₹)		118.87	90.24
Summary of material accounting policy information	4		

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:52:08 +05'30'

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 (Apr 21, 2026 14:44:54 GMT+5,5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : April 21, 2026

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Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : April 21, 2026

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Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : April 21, 2026

Amit Atre (Apr 21, 2026 14:08:07 GMT+5,5)

Amit Atre
Company Secretary

Membership No: A20507

Place : Pune
Date : April 21, 2026

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

		For the year ended	
		March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million
Cash flow from operating activities			
Profit before tax		**24,112.12**	**18,223.08**
Adjustments for:			
Interest income		(501.87)	(556.42)
Finance costs		396.48	417.06
Interest on lease liability		330.34	254.23
Depreciation and amortisation expense		4,029.50	3,069.10
Unrealised exchange (gain) / loss (net)		(463.97)	503.85
Exchange loss / (gain) on derivative contracts		518.23	44.12
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents		85.42	11.76
Bad debts		189.27	-
Allowance for expected credit loss (net)		285.27	422.18
Employee stock compensation expenses		1,577.79	3,095.27
Loss / Impairment of non-current investments		4.31	-
Changes in contingent consideration payable on business combination		(139.59)	(1,461.82)
Excess provision in respect of earlier period / year written back		(21.26)	(29.37)
Profit on sale / fair valuation of financial assets designated as FVTPL		(632.50)	(470.40)
Provision towards employee benefits		-	(506.74)
Profit on sale of investment - Dx Now		-	(21.67)
Profit on sale of investment - PSG		-	(0.69)
Profit on sale of property, plant and equipment (net)		(60.96)	(76.84)
Operating profit before working capital changes		**29,708.58**	**22,916.70**
Movements in working capital :			
(Increase) / Decrease in other non-current assets		(198.76)	197.12
Decrease / (Increase) in other financial assets		(135.63)	(2,761.88)
(Increase) in other current assets		(6,038.66)	(3,659.19)
Decrease / (Increase) in trade receivables		154.48	(2,394.69)
(Decrease) / Increase in trade payables, current liabilities and non-current liabilities		(1,176.58)	1,467.51
Increase in provisions		1,607.00	917.69
Operating profit after working capital changes		**23,920.43**	**16,683.26**
Direct taxes paid (net of refunds)		(6,249.13)	(5,114.10)
Net cash generated from operating activities	**(A)**	**17,671.30**	**11,569.16**
Cash flows from investing activities			
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)		(2,085.81)	(2,366.91)
Proceeds from sale of property, plant and equipment		133.97	436.14
Payment for acquisition of financial instruments		(76,938.70)	(54,916.91)
Payment towards contingent consideration		(1,065.13)	(489.64)
Proceeds from sale of financial instruments		72,074.20	52,773.30
Investment in unquoted securities		(739.27)	(434.93)
Profit on sale of investment - Dx Now		-	21.67
Profit on sale of investment - PSG		-	0.69
Proceeds from maturity of bank deposits having original maturity over three months		2,023.68	62.21
Interest received		498.03	570.04
Net cash used in investing activities	**(B)**	**(6,099.03)**	**(4,344.34)**
Cash flows from financing activities			
Proceeds from issue of share capital including securities premium		-	1,845.90
Purchase of treasury shares for stock options		(2,048.57)	-
Proceeds from issue of equity shares options		2,547.77	-
Repayment of foreign currency long term borrowings		-	(2,061.35)
Payment of principal portion of lease liabilities		(1,467.34)	(1,347.89)
Payment of interest portion of lease liabilities		(330.34)	254.23
Interest paid		(392.87)	(372.82)
Dividends paid		(5,790.41)	(4,600.06)
Net cash used in financing activities	**(C)**	**(7,481.76)**	**(6,281.99)**

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Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2026

	For the year ended	
	March 31, 2026	March 31, 2025
	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	4,090.51	942.83
Cash and cash equivalents at the beginning of the year	6,744.06	6,625.15
Cash and cash equivalents acquired on acquisition	-	56.38
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(85.42)	(11.76)
Impact of ESOP Trust & Persistent India Foundation consolidation	-	(868.54)
Cash and cash equivalents at the end of the year	**10,749.15**	**6,744.06**
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.10	0.20
Balances with banks		
On current accounts # (refer note 13)	6,575.53	4,392.63
On saving accounts (refer note 13)	26.26	27.50
On exchange earner's foreign currency accounts (refer note 13)	3,762.96	1,488.57
On deposit accounts with original maturity less than three months (refer note 13)	384.30	835.16
Cash and cash equivalents	**10,749.15**	**6,744.06**
	-	

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

The above Statement of cash flow 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 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:52:47 +05'30'

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 14:44:54 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : April 21, 2026

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Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : April 21, 2026

Praveen Kadle
Praveen Kadle (Apr 21, 2026 14:14:15 GMT+5.5)

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : April 21, 2026

Vinit Teredesai
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Vinit Teredesai
Executive Director and Chief Financial Officer

DIN: 03293917

Place : Pune
Date : April 21, 2026

Amit Atre
Amit Atre (Apr 21, 2026 14:08:07 GMT+5.5)

Amit Atre
Company Secretary

Membership No.:A20507

Place : Pune
Date : April 21, 2026

Persistent Systems Limited

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

A. Share capital

(refer note 18 (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
770.25	9.00	779.25

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Persistent Systems Limited

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

B. Other equity

(refer note 18 (B))

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Capital Reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2025	3,438.70	27,730.15	3,432.38	65.19	35.75	28,833.47	(2,994.10)	180.77	(2.32)	1,691.41	62,411.40
Addition during the year	171.22	-	-	-	-		-	-	-	-	171.22
Net profit for the year	-	-	-	-	-	18,651.20	-	-	-	-	18,651.20
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	211.83	-	-	(2,236.60)	1,666.92	(357.85)
Income tax effect on above	-	-	-	-	-	(53.34)	-	-	562.91	-	509.57
Dividend	-	-	-	-	-	(5,816.50)	-	-	-	-	(5,816.50)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	41.71	-	-	41.71
Exercise of stock options							1,954.76	633.15	-	-	2,587.91
Purchase of treasury shares	-	-	-	-	-	-	(2,229.29)	-	-	-	(2,229.29)
Adjustments towards employees stock options	-	3,963.73	(3,963.73)	-	-	-	1,114.99	(1,114.99)	-	-	-
Employee stock compensation expenses	-	-	1,577.79	-	-	-	-	-	-	-	1,577.79
Other changes during the year	-	-	35.55	7.09	-	-	-	-	-		42.64
Balance at March 31, 2026	**3,609.92**	**31,693.88**	**1,081.99**	**72.28**	**35.75**	**41,826.66**	**(2,153.64)**	**(259.36)**	**(1,676.01)**	**3,358.33**	**77,589.80**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Capital Reserve	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	1,601.80	25,842.99	2,227.71	63.61	35.75	19,346.09	(2,085.84)	140.64	23.85	1,610.22	48,806.82
Addition during the year	1,836.90	-	-	-	-	-	-	-	-	-	1,836.90
Profit for the year	-	-	-	-	-	14,001.61	-	-	-	-	14,001.61
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	193.08	-	-	(34.97)	81.19	239.30
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	-	-	3,095.27	-	-	-	-	-	-	-	3,095.27
Other changes during the year	-	-	(3.44)	1.58	-	-	-	-	-		(1.86)
Balance at March 31, 2025	**3,438.70**	**27,730.15**	**3,432.38**	**65.19**	**35.75**	**28,833.47**	**(2,994.10)**	**180.77**	**(2.32)**	**1,691.41**	**62,411.40**

Summary of material accounting policy information (refer note 4)

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

As per our report of even date

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:53:48 +05'30'

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 (Apr 21, 2026 14:44:54 GMT+5,5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : Pune
Date : April 21, 2026

Sandeep Kalra (Apr 21, 2026 14:15:58 GMT+5,5)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : Pune
Date : April 21, 2026

Praveen Kadle (Apr 21, 2026 14:14:15 GMT+5,5)

Praveen Kadle
Independent Director

DIN: 00016814

Place : Pune
Date : April 21, 2026

Vinit Teredesai (Apr 21, 2026 15:02:43 GMT+5,5)

Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917
Place : Pune
Date : April 21, 2026

Amit Atre (Apr 21, 2026 14:08:07 GMT+5,5)

Amit Atre
Company Secretary
Membership No. A20507
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 upon which such amount is transferred to General reserve.

c) Capital reserve
The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase and disclosed under Capital Reserve in the financial statements.

d) 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.

e) 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.

f) Foreign currency translation reserve
The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

g) PSPL ESOP Trust reserve and Treasury shares
The Group has created an Employee Stock Options Trust (ESOP Trust) for providing share-based payment to its employees. The Group 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 Group'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.

h) Securities premium
Securities premium 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.

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

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1 Group Overview

Persistent Systems Limited ("the Parent 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. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as 'the Group'. The Group offers complete product life cycle services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2026 and authorised for issue on April 21, 2026.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation. Also, the Company is engaged in providing sales and marketing support and other allied services to its group entities.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, is a wholly owned subsidiary of Aepona Group Limited (AGL) w.e.f. March 25, 2026 and is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc.(PSI), is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains. PTSI has been merged into PSI w.e.f. February 28, 2026

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems Limited (PSL), is engaged in software development and related services and also operates as the Holding Company of Persistent Systems Lanka (Private) Limited, Persistent Systems France SAS (PSFS), Persistent Systems Switzerland AG (PSS), Persistent Systems S.R.L. Romania, Persistent Systems Germany GmbH and Persistent Systems Poland sp z.o.o.

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Persistent Systems Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Limited (PSL). Sale of services are then contracted between Persistent Systems Limited and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH is a wholly owned subsidiary of Aepona Group Limited w.e.f March 31, 2026 is engaged in software development.

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Aepona Group Limited w.e.f December 24, 2025) is engaged in the business of software products, services and technology innovation in the digital practice.

Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada, a Costa Rica based wholly owned subsidiary of Persistent Systems Inc .w.e.f December 24, 2025) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems S.R.L. Romania is a wholly owned subsidiary of Aepona Group Limited (AGL) w.e.f February 24, 2026 is engaged in software development and services.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Digitalagility S. DE R.L.de C.V. (a Mexico based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of MediaAgility, Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Persistent Systems Poland sp z.o.o. is a subsidiary of Aepona Group Limited w.e.f March 4, 2026 and is engaged in providing software products, services and technology innovation.

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 for carrying out CSR activities.

Starfish Associates, LLC, USA (Starfish) has become a wholly owned subsidiary of Persistent Systems Inc, USA (PSI) (wholly owned subsidiary) effective from August 1, 2024. Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.Starfish has now merged into PSI w.e.f March 2, 2026.

Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024. The subsidiary specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains.

Persistent Systems Pte. Ltd., Singapore (Wholly Owned Subsidiary of the Company) has established its Wholly Owned Subsidiary, Baixinteng System Service (Shanghai) Co. Ltd. in China on February 27, 2026 and is engaged in providing software products, services and technology innovation. As at the reporting date, no capital has been infused into the said subsidiary. Accordingly, no investment has been recognised under non-current investments in the financial statements.

The Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated.

2 Basis of preparation

The consolidated 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
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.

3 Basis of consolidation

The consolidated financial statements of the Parent Company, its subsidiaries and the controlled trust ("the Group") for the year ended March 31, 2025 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The standalone financial statements of the Parent Company, its subsidiary companies and its controlled trust have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealised profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the consolidated financial statements. Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

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The subsidiary companies and controlled trust considered in the consolidated financial statements are as follows:

Name of the subsidiary or controlled trust	Ownership Percentage as at		Country of incorporation
	March 31, 2026	March 31, 2025	
Persistent Systems, Inc.	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	France
Persistent Telecom Solutions Inc. (merged w.e.f. February, 28, 2026)	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	Malaysia
Aepona Group Limited	100%	100%	Ireland
Persistent Systems UK Limited (formerly known as Aepona Limited)	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	Germany
Persistent Systems Switzerland AG (formerly known as PARX Werk AG)	100%	100%	Switzerland
CAPIOT Software Private Limited (merged w.e.f. April 1, 2025)	100%	100%	India
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd)	100%	100%	Australia
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	Costa Rica
MediaAgility India Private Limited	100%	100%	India
MediaAgility Inc.	100%	100%	USA
Digitalagility S. DE R.L.de C.V.	100%	100%	Mexico
MediaAgility UK Limited	100%	100%	UK
Media Agility Pte Ltd	100%	100%	Singapore
Persistent Systems S.R.L. Romania	100%	100%	Romania
Persistent Systems Poland sp z.o.o.	100%	100%	Poland
PSPL ESOP Management Trust	100%	100%	India
Persistent India Foundation	100%	100%	India
Starfish Associates LLC, USA (merged w.e.f. March, 2, 2026)	100%	100%	USA
Arrka Infosec Private Limited	100%	100%	India
Baixinteng System Service (Shanghai) Co. Ltd. (incorporated w.e.f February 27, 2026)	100%	100%	China

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2025-26:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (In ₹ Million)	As a % of consolidated profit	Amount (In ₹ Million)	As a % of consolidated OCI	Amount (In ₹ Million)	As a % of consolidated Total Comprehensive Income	Amount (In ₹ Million)
Parent Company:								
Persistent Systems Limited	74.27%	67,103.28	72.43%	16,348.65	100.00%	(1,515.20)	70.45%	14,833.45
Subsidiaries:								
Persistent Systems, Inc.	18.32%	16,557.11	24.15%	5,451.22	0.00%	-	25.89%	5,451.22
Persistent Systems Pte. Ltd.	0.06%	51.47	0.01%	2.98	0.00%	-	0.01%	2.98
Persistent Systems France SAS	-0.20%	(184.64)	-0.26%	(57.96)	0.00%	-	-0.28%	(57.96)
Persistent Systems Malaysia Sdn. Bhd.	0.35%	312.47	-0.06%	(12.70)	0.00%	-	-0.06%	(12.70)
Aepona Group Limited	4.29%	3,877.67	0.04%	9.07	0.00%	-	0.04%	9.07
Persistent Systems UK Limited	0.35%	316.91	1.98%	447.91	0.00%	-	2.13%	447.91
Persistent Systems Lanka (Private) Limited	0.34%	304.16	0.02%	3.71	0.00%	-	0.02%	3.71
Persistent Systems Israel Ltd.	0.24%	214.92	-0.05%	(11.39)	0.00%	-	-0.05%	(11.39)
Persistent Systems Mexico, S.A. de C.V.	0.20%	183.72	0.10%	22.18	0.00%	-	0.11%	22.18
Persistent Systems Germany GmbH	0.41%	373.16	0.95%	214.30	0.00%	-	1.02%	214.30
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.25%	225.27	-0.02%	(4.87)	0.00%	-	-0.02%	(4.87)
Persistent Systems Australia Pty Ltd	-0.15%	(132.19)	-0.22%	(49.74)	0.00%	-	-0.24%	(49.74)
Persistent Systems Costa Rica Limitada	0.31%	279.63	0.12%	26.39	0.00%	-	0.13%	26.39
MediaAgility India Private Limited	0.74%	672.86	0.73%	165.77	0.00%	-	0.79%	165.77
MediaAgility Inc.	0.23%	207.15	0.12%	27.26	0.00%	-	0.13%	27.26
MediaAgility UK LTD	-0.02%	(22.47)	0.00%	(0.81)	0.00%	-	0.00%	(0.81)
DIGITALAGILITY S DE RL DE CV	-0.09%	(79.18)	0.03%	6.67	0.00%	-	0.03%	6.67
MediaAgility Pte Ltd	0.02%	15.96	0.02%	3.87	0.00%	-	0.02%	3.87
Persistent Systems S.R.L.- Romania	0.08%	75.94	0.06%	13.75	0.00%	-	0.07%	13.75
Persistent Systems Poland sp z.o.o.	0.00%	3.90	-0.14%	(31.41)	0.00%	-	-0.15%	(31.41)
PSPL ESOP Management Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent India Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Arrka Infosec Private Limited	0.00%	(4.51)	-0.01%	(2.90)	0.00%	-	-0.01%	(2.90)
Baixinteng System Service (Shanghai) Co. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Subtotal	**100.00%**	**90,352.59**	**100.00%**	**22,571.95**	**100.00%**	**(1,515.20)**	**100.00%**	**21,056.75**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	1,666.92	-	1,666.92
Consolidation adjustments	-	(11,974.04)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	-	-	-	-	-
DTA on items recognised on consolidation	-	-	-	23.55	-	-	-	23.55
Dividend from subsidiaries	-	-	-	(803.61)	-	-	-	(803.61)
Others	-	-	-	(3,140.69)	-	-	-	(3,140.69)
Total		**78,378.55**		**18,651.20**		**151.72**		**18,802.92**

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2024-25:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (In ₹ Million)	As a % of consolidated profit	Amount (In ₹ Million)	As a % of consolidated OCI	Amount (In ₹ Million)	As a % of consolidated Total Comprehensive Income	Amount (In ₹ Million)
Parent Company:								
Persistent Systems Limited	81.38%	59,740.08	90.57%	11,551.41	104.12%	121.93	90.69%	11,673.34
Subsidiaries:								
Persistent Systems, Inc.	13.01%	9,548.85	4.68%	597.32	0.00%	-	4.64%	597.32
Persistent Systems Pte. Ltd.	0.06%	41.89	0.02%	3.12	0.00%	-	0.02%	3.12
Persistent Systems France SAS	-0.14%	(103.62)	-0.72%	(91.23)	0.00%	-	-0.71%	-91.23
Persistent Telecom Solutions Inc.	0.39%	289.60	0.00%	(0.55)	0.00%	-	0.00%	-0.55
Persistent Systems Malaysia Sdn. Bhd.	0.36%	266.71	-0.04%	(5.01)	0.00%	-	-0.04%	-5.01
Aepona Group Limited	1.70%	1,246.70	3.14%	401.05	0.00%	-	3.12%	401.05
Persistent Systems UK Limited	-0.16%	(115.76)	1.38%	176.54	0.00%	-	1.37%	176.54
Persistent Systems Lanka (Private) Limited	0.41%	301.12	0.04%	5.61	-4.12%	(4.83)	0.01%	0.78
Persistent Systems Israel Ltd.	0.24%	174.23	0.08%	10.63	0.00%	-	0.08%	10.63
Persistent Systems Mexico, S.A. de C.V.	0.17%	127.73	0.23%	29.44	0.00%	-	0.23%	29.44
Persistent Systems Germany GmbH	0.18%	133.06	-1.09%	(138.80)	0.00%	-	-1.08%	-138.80
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.26%	189.17	-0.09%	(11.50)	0.00%	-	-0.09%	-11.50
CAPIOT Software Private Limited	0.07%	51.21	-0.04%	(4.64)	0.00%	-	-0.04%	-4.64
Persistent Systems Australia Pty Ltd	-0.09%	(68.48)	0.21%	27.31	0.00%	-	0.21%	27.31
Persistent Systems Costa Rica Limitada	0.28%	203.67	0.57%	72.27	0.00%	-	0.56%	72.27
MediaAgility India Private Limited	0.69%	507.10	0.89%	113.82	0.00%	-	0.88%	113.82
MediaAgility Inc.	1.21%	886.76	-0.17%	(22.02)	0.00%	-	-0.17%	-22.02
MediaAgility UK LTD	-0.03%	(19.05)	-0.03%	(3.91)	0.00%	-	-0.03%	-3.91
DIGITALAGILITY S DE RL DE CV	-0.09%	(69.55)	-0.08%	(9.86)	0.00%	-	-0.08%	-9.86
MediaAgility Pte Ltd	0.01%	10.14	-0.05%	(6.89)	0.00%	-	-0.05%	-6.89
Persistent Systems S.R.L.- Romania	0.07%	53.56	0.10%	12.91	0.00%	-	0.10%	12.91
Persistent Systems Poland sp z.o.o.	0.04%	30.98	0.13%	16.54	0.00%	-	0.13%	16.54
PSPL ESOP Management Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent India Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Starfish Associates LLC, USA	-0.02%	(15.11)	0.30%	38.17	0.00%	-	0.30%	38.17
Arrka Infosec Private Limited	0.00%	(1.62)	-0.06%	(7.53)	0.00%	-	-0.06%	-7.53
Subtotal	**100.00%**	**73,409.37**	**100.00%**	**12,754.19**	**100.00%**	**117.10**	**100.00%**	**12,871.29**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	81.19	-	81.19
Consolidation adjustments	-	(10,218.72)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(525.83)	-	-	-	(525.83)
DTA on items recognised on consolidation	-	-	-	(4.77)	-	-	-	(4.77)
Dividend from subsidiaries	-	-	-	(111.37)	-	-	-	(111.37)
Others	-	-	-	1,889.39	-	-	-	1,889.39
Total		**63,190.65**		**14,001.61**		**198.29**		**14,199.90**

4 Material accounting policy information

4.1 Use of estimates and judgements

The preparation of the consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the period / year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

4.2 Critical accounting estimates and judgements

a) Revenue recognition

The Group'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 Group 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 fixed-price project is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group'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.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group 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 Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

The Group 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 Group and the customer at contract inception.

The Group 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 Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. 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 Group 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 Group. 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 Group'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.

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 Group 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 Group 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 Group'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 Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group 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 Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

f) Provisions and contingent liabilities

The Group 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 Group uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

4.3 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 Group'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 their realisation in cash and cash equivalents and 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 Group 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 Group. 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 consolidated financial statement of profit and loss for the period / year 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 consolidated financial statement of profit and loss when the asset is disposed.

c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs 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 consolidated financial 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 Group 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 capitalisation, 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 from the date the asset is made available for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The estimated useful lives for the property, plant and equipment, except for leasehold improvements, are 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.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

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. The estimated useful lives of Intangible assets are as below -

1. Software - 3 years from the day the asset is made available for use
2. Acquired Contractual Rights - 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 capitalised 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 Group 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 Group assesses whether:

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

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

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

Where the Group is a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group 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 consolidated financial statement of profit and loss.

The Group 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 Group 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 Group 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 consolidated statement of profit and loss if the right-of-use asset is already reduced to zero.

The Group 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 consolidated statement of profit and loss on a straight line basis.

g) Impairment of non-financial assets

The Group 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 Group 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 Groups 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 groups or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Group 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 Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the consolidated 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 Group 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 consolidated 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 Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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 Group 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 Group's business model for managing them. The Group's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Group 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 consolidated 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 amortised 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 recognised in the consolidated statement of profit and loss.

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 Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group 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 Group 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 consolidated statement of profit and loss.

Amounts accumulated in equity are reclassified to consolidated 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 as FVTPL.

Derecognition

The Group 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 ("Financial Instrument"). A financial liability (or a part of a financial liability) is derecognised from the Group'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 the consolidated statement of profit and loss, except in case of equity instruments classified as FVTOCI, where such cumulative gain or loss is not recycled to the consolidated statement of profit and loss.

The Group derecognises financial liabilities when the Group'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 the consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 ("Financial Instrument") and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 Group 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.

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Impairment of financial assets

The Group 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 Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Group 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 Group 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 Group 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 Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group 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 Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group’s contracts may include variable consideration including rebates, volume discounts and penalties. The Group 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 licences

The Group 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.

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 Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. 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 Group's right to receive dividend is established. Dividend income is included under the head 'Other income' in the consolidated statement of profit and loss.

Contract balances

Contract assets

Contract assets are recognised when there are excess of revenues 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 revenues.

j) Foreign currency translation

Foreign currency

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the entities, 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 the consolidated statement of profit and loss of the Group 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 Group presents the consolidated financial statements in ₹. For the purpose of these consolidated financial statements, the assets and liabilities of the Group'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 Group 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 by the group are charged to the consolidated statement of profit and loss for the period / year when the contributions are due. The Group 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 consolidated 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 Group for its employees of Indian operations covered under respective Company's 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 consolidated 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 / year 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 Group 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 Group 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 consolidated financial statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

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.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per the Group’s policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the consolidated statement of profit and loss.

During the year, the group has discontinued the said policy.

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 consolidated statement of profit and loss during the period when the employee renders the service.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group 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 the consolidated 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 Group 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 Group'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 consolidated statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker, are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the consolidated financial statements of the Group as a whole.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period 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 earnings per share, the net profit for the year attributable to the equity shareholders of parent company and the weighted average number of equity shares outstanding during the 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 consolidated financial statements by the Board of Directors.

o) Provision

A provision is recognised when the Group 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 Group 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 the consolidated financial statements.

q) Share based payments

Employees of the Group 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 Group's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the Group 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 the consolidated statement of profit and loss with a corresponding adjustment to equity.

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

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) Treasury shares

The group has created a PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by 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 Group’s own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

t) Dividend

Final dividend on shares is 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 Board of Directors.

u) Business combination

The acquisition method of accounting is used to recognize 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. When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with IND AS 109 Financial Instruments or IND AS 37 Provisions, Contingent Liabilities and Contingent Assets, with the corresponding gain or loss being recognised in Consolidated Financial Statements of profit and loss.

The Group 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 including 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.

v) Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group'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 other comprehensive income as gain on bargain purchase.

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 Group’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 Group 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.

w) 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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

4.4 Recent accounting pronouncements

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 Group has reviewed the amendment and based on its evaluation has determined that it does not have any impact in 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 non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date, and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Group 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 to inform users of financial statements of the existence of 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 Group has reviewed the amendment and based on its evaluation has determined that it does not have any 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 33).

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5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers (refer note 2)	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2025	1,007.69	2,893.57	5,225.16	87.65	2,382.46	73.82	1,180.81	15.39	12,866.55
Additions	-	45.20	312.94	12.24	163.87	29.64	59.16	-	623.05
Disposals		57.12	804.31	3.12	168.79	2.76	63.10	-	1,099.20
Effect of foreign currency translation from functional currency to reporting currency	2.88	12.87	130.79	1.52	20.94	10.19	31.03	0.02	210.24
As at March 31, 2026	**1,010.57**	**2,894.52**	**4,864.58**	**98.29**	**2,398.48**	**110.89**	**1,207.90**	**15.41**	**12,600.64**
Accumulated depreciation									
As at April 1, 2025	-	1,630.32	4,261.32	65.92	1,617.19	48.10	883.03	9.79	8,515.67
Charge for the year	-	129.21	485.25	8.20	245.78	8.72	110.89	1.95	990.00
Disposals	-	40.09	753.62	3.12	163.57	2.76	63.03	-	1,026.19
Effect of foreign currency translation from functional currency to reporting currency	-	7.23	106.03	1.18	8.43	7.24	22.17	-	152.28
As at March 31, 2026	**-**	**1,726.67**	**4,098.98**	**72.18**	**1,707.83**	**61.30**	**953.06**	**11.74**	**8,631.76**
	-								
Net block as at March 31, 2026	**1,010.57**	**1,167.85**	**765.60**	**26.11**	**690.65**	**49.59**	**254.84**	**3.67**	**3,968.88**

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5.1 Property, plant and equipment (continued)

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers (refer note 2)	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2024	1,007.27	2,896.21	4,861.81	242.25	2,074.95	85.57	1,171.16	14.84	12,354.06
Additions	-	10.34	680.77	14.22	229.80	5.23	67.42	0.87	1,008.65
Additions on account of acquisition (refer note 45)	-	-	20.37	0.01	4.22	-	4.15	-	28.75
Disposals	-	14.90	366.57	6.71	92.05	13.23	68.50	0.33	562.29
Other adjustments	-	-	(1.07)	(159.76)	159.67	-	-	-	(1.16)
Effect of foreign currency translation from functional currency to reporting currency	0.42	1.92	29.85	(2.36)	5.87	(3.75)	6.58	0.01	38.54
As at March 31, 2025	**1,007.69**	**2,893.57**	**5,225.16**	**87.65**	**2,382.46**	**73.82**	**1,180.81**	**15.39**	**12,866.55**
Accumulated depreciation									
As at April 1, 2024	-	1,517.33	4,003.61	112.65	1,414.13	59.26	818.90	8.15	7,934.03
Charge for the year	-	123.61	434.41	6.48	239.50	6.43	108.30	1.92	920.65
Additions on account of acquisition (refer note 45)	-	-	20.24	0.01	4.22	-	4.15	-	28.62
Disposals	-	11.65	245.06	6.71	88.56	13.23	60.40	0.33	425.94
Other adjustments	-	-	-	(44.30)	44.45	-	-	-	0.15
Effect of foreign currency translation from functional currency to reporting currency	-	1.03	48.12	(2.21)	3.45	(4.36)	12.08	0.05	58.16
As at March 31, 2025	**-**	**1,630.32**	**4,261.32**	**65.92**	**1,617.19**	**48.10**	**883.03**	**9.79**	**8,515.67**
Net block as at March 31, 2025	**1,007.69**	**1,263.25**	**963.84**	**21.73**	**765.27**	**25.72**	**297.78**	**5.60**	**4,350.88**

Note 1: Buildings include those constructed on leasehold land:

a) Gross block as on March 31, 2026 ₹ 1,446.20 Million (Previous year : ₹ 1,460.20 Million)

b) Depreciation charge for the year ₹ 57.46 Million (Previous year ₹ 58.04 Million)

c) Accumulated depreciation as on March 31, 2026 ₹ 844.80 Million (Previous year ₹ 793.47 Million)

d) Net block value as on March 31, 2026 ₹ 601.40 Million (Previous year ₹ 666.73 Million)

Note 2: The management has revised estimated useful life of computers and networking equipments prospectively in the year ended 31st March, 2025. (refer note 50 for details).

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5.2 Capital work in progress

(In ₹ Million)

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Balance at beginning of year	41.84	218.73
Additions	688.06	831.76
Capitalised during the year	623.05	1,008.65
Balance at end of year	**106.85**	**41.84**

5.2 Capital work in progress (CWIP) ageing schedule

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	68.73	38.12	-	-	106.85
As at March 31, 2026	**68.73**	**38.12**	**-**	**-**	**106.85**

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	41.84	-	-	-	41.84
As at March 31, 2025	**41.84**	**-**	**-**	**-**	**41.84**

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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5.3 Right of use assets

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2025	973.36	4,440.34	276.80	5,690.50
Additions during the year	-	1,200.00	2,001.65	3,201.65
Disposals	-	464.35	-	464.35
Lease Modifications	-	11.30	-	11.30
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	161.72	0.01	161.73
As at March 31, 2026	**973.36**	**5,326.41**	**2,278.46**	**8,578.23**
Accumulated depreciation				
As at April 1, 2025	17.52	1,860.22	14.09	1,891.83
Charge for the year	12.21	1,043.38	477.21	1,532.80
Disposals	-	421.04	-	421.04
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	55.86	46.97	102.83
As at March 31, 2026	**29.73**	**2,538.42**	**538.27**	**3,106.42**
Net block as at March 31, 2026	**943.63**	**2,787.99**	**1,740.19**	**5,471.81**

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2024	131.97	3,640.10	-	3,772.07
Additions during the year	835.59	1,503.26	276.80	2,615.65
Disposals	-	546.22	-	546.22
Lease Modifications	-	142.32		142.32
Other Adjustments	5.80	(49.54)	-	(43.74)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	35.06	-	35.06
As at March 31, 2025	**973.36**	**4,440.34**	**276.80**	**5,690.50**
Accumulated depreciation				
As at April 1, 2024	4.76	1,460.13	-	1,464.89
Charge for the year	12.76	894.30	14.09	921.15
Disposals		352.92	-	352.92
Lease Modifications	-	119.31	-	119.31
Other Adjustments	-	(39.71)	-	(39.71)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	17.73	-	17.73
As at March 31, 2025	**17.52**	**1,860.22**	**14.09**	**1,891.83**
Net block as at March 31, 2025	**955.84**	**2,580.12**	**262.71**	**3,798.67**

5.4 Goodwill

(In ₹ Million)

	As at March 31, 2026	As at March 31, 2025
Cost		
Balance at beginning of the year	12,337.94	10,912.56
Addition on purchase price allocation of business combination (refer note 45)	-	1,160.02
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	1,258.94	265.36
Balance at end of the year	**13,596.88**	**12,337.94**

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs or group of CGU's that are expected to benefit from the synergies of the acquisition. The carrying value of goodwill has been allocated to the underlying CGUs identified as follows:

(In ₹ Million)

	As at March 31, 2026	As at March 31, 2025
Cash Generating Unit (CGU)		
a. Banking, Financial Services and Insurance (BFSI)	2,770.35	2,498.48
b. Cloud Infra & Security	9,027.99	8,161.49
c. Customer Experience & Customer Intelligence	1,166.85	1,052.35
d. Data & Privacy	107.68	107.68
e. Integration practice	524.01	517.95
Total	**13,596.88**	**12,337.95**

The recoverable amount of a CGU is determined based on its value-in-use. Estimates of future cash flows used in the value in use calculation are specific to the entity based on latest business plan approved and need not be the same as those of market participants. The future cash flows consider potential risks given the current economic environment and key assumptions, such as volume forecasts and margins. The discount rate used in the calculation reflects market's assessment of the risks specific to the asset as well as time value of money.

The key assumptions used for the calculations are as follows :

	As at March 31, 2026	As at March 31, 2025
Long-term growth rate	4.79%	4.86%
Operating margins	8% to 22%	13% to 23%
Discount rate	18% to 21%	15% to 19%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. 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.

Notes forming part of the Consolidated Financial Statements

5.5 Other Intangible assets

(In ₹ Million)

	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2025	3,156.08	176.70	14,218.61	17,551.39
Additions	324.82	1,584.69	-	1,909.51
Disposals	10.58	-	-	10.58
Effect of foreign currency translation from functional currency to reporting currency	226.36	-	1,090.20	1,316.56
As at March 31, 2026	**3,696.68**	**1,761.39**	**15,308.81**	**20,766.88**
Accumulated amortisation				
As at April 1, 2025	2,976.58	66.63	9,584.85	12,628.06
Charge for the year	194.55	70.86	1,241.29	1,506.70
Disposals	10.58	-	-	10.58
Effect of foreign currency translation from functional currency to reporting currency	227.76	-	892.69	1,120.45
As at March 31, 2026	**3,388.31**	**137.49**	**11,718.83**	**15,244.63**
Net block as at March 31, 2026	**308.37**	**1,623.90**	**3,589.98**	**5,522.25**

(In ₹ Million)

	Software	Internally Generated Software	Acquired contractual rights	Total
Gross block				
As at April 1, 2024	3,388.29	87.98	12,212.59	15,688.86
Additions	234.66	88.72	1,560.86	1,884.24
Disposals	528.05	-	-	528.05
Effect of foreign currency translation from functional currency to reporting currency	61.18	-	445.16	506.34
As at March 31, 2025	**3,156.08**	**176.70**	**14,218.61**	**17,551.39**
Accumulated amortisation				
As at April 1, 2024	3,006.06	15.17	8,092.68	11,113.91
Charge for the year	219.51	51.46	956.33	1,227.30
Disposals	305.10	-	-	305.10
Effect of foreign currency translation from functional currency to reporting currency	56.11	-	535.84	591.95
As at March 31, 2025	**2,976.58**	**66.63**	**9,584.85**	**12,628.06**
Net block as at March 31, 2025	**179.50**	**110.07**	**4,633.76**	**4,923.33**

Acquired contractual rights having carrying amount of ₹ 3,756.14 million have remaining amortisation period between 4-7 years.

5.6 Intangible Assets under Development

(In ₹ Million)

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Balance at beginning of year	731.77	116.53
Additions	1,121.87	703.96
Capitalised during the year	1,584.69	88.72
Balance at end of year	**268.95**	**731.77**

Intangible Assets under Development Ageing Schedule

(In ₹ Million)

	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	
Projects in progress	268.95	-	-	-	268.95
As at March 31, 2026	**268.95**	**-**	**-**	**-**	**268.95**

(In ₹ Million)

	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	
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 year

5.7 Depreciation and amortisation

(In ₹ Million)

	For the year ended March 31, 2026	For the year ended March 31, 2025
On Property, plant and equipment	990.00	920.65
On Right of Use assets	1,532.80	921.15
On Other Intangible assets	1,506.70	1,227.30
	4,029.50	**3,069.10**

6. Non-current financial assets : Investments

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,368.97	2,916.91
Add: Interest accrued on bonds	165.26	78.66
Total investments carried at amortised cost (A)	**2,534.23**	**2,995.57**
Investments carried at fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 6a)	3,754.41	2,823.98
	3,754.41	**2,823.98**
Others*		
Investments in Common Stocks / Preferred Stocks		
Ciqual Limited [Holding 2.38% (Previous year 2.38%)]		
0.04 Million (Previous year : 0.04 Million) shares of GBP 0.01 each, fully paid up	19.90	17.25
Less : Change in fair value of investment	(19.90)	(17.25)
	-	-
Altizon Systems Private Limited	6.00	6.00
0.004 Million equity shares (Previous year : 0.004 Million equity shares) of ₹ 10 each, fully paid up		
	6.00	**6.00**
Hygenx Inc.	18.95	17.09
0.25 Million (Previous year : 0.25 Million) Preferred stock of $ 0.001 each, fully paid up		
Less : Change in fair value of investment	(18.95)	(17.09)
	-	**-**
Trunomi Inc.	-	21.37
0.28 Million (Previous year : 0.28 Million) Preferred stock of $ 0.0002 each, fully paid up		
Less : Change in fair value of investment	-	(21.37)
	-	**-**

6. Non-current financial assets : Investments

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Monument Bank 0.024 Million (Previous year: 0.024 Million) Stock of GBP 50 each), fully paid up	154.56	139.39
Monument Technology Ltd 1.33 Million (Previous year: 1.33 Million) Ordinary Shares of GBP 0.000001 each), fully paid up	251.05	221.26
Akumina Inc. 0.40 Million Preference shares of $ 0.443 each (Previous year: 0.40 Million Preference shares of $ 0.443 each)	16.82	15.17
SwanAI 0.08 Million (Previous year - 0.08 Million) preferred shares of $ 0.00001 each, fully paid	236.92	213.67
Less : Change in fair value of investment	(236.92)	-
	-	**213.67**
Mila Health 0.23 Million (Previous year - Nil) preferred shares of $ 0.0001 each, fully paid up	284.31	-
Total Investments carried at Fair Value (B)	**4,467.15**	**3,419.47**
Total investments (A) + (B)	**7,001.38**	**6,415.04**
Aggregate amount of change in fair value of investments	38.85	55.71
Aggregate amount of quoted bonds	2,534.23	2,995.57
Aggregate amount of quoted mutual funds	3,754.41	2,823.98
Aggregate book value of quoted investments	6,288.64	5,819.55
Aggregate market value of quoted investments	5,893.87	5,527.70

* Investments, where the Group did not have joint-control or significant influence including situations where such joint-control or significant influence was intended to be temporary, were classified as "investments in others".

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

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	564.63	479.34
Axis Mutual Fund	713.62	672.09
Kotak Mutual Fund	617.99	208.87
Aditya Birla Sun Life Mutual Fund	174.74	165.55
HDFC Mutual Fund	212.97	201.26
DSP Mutual Fund	178.59	168.52
HSBC Mutual Fund	178.71	168.43
ICICI Prudential Mutual Fund	1,002.23	324.15
SBI Mutual Fund	-	166.05
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	110.93	269.72
	3,754.41	**2,823.98**

7. Non-current financial assets : Loans

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Carried at amortised cost		
Other loans		
Unsecured, credit impaired	0.58	0.58
	0.58	**0.58**
Less: Impairment allowance	(0.58)	(0.58)
	-	**-**

The Group has not granted any loans repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties as at 31 March 2026 and 31 March 2025.

8. Other non-current financial assets

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Considered good		
Carried at amortised cost		
Deposits with banks (refer note 14)*	4.39	48.29
Add: Interest accrued but not due on bank deposits (refer note 14)	0.23	0.70
Deposits with banks	**4.62**	**48.99**
Security deposits	616.91	392.07
Simple Agreement for Future Equity (SAFE)	391.46	332.75
Credit impaired		
Deposit with financial institutions-credit impaired	408.88	408.88
Add: Interest accrued but not due on deposit with financial institutions-credit impaired	0.30	0.30
Less: Credit impaired (refer note 32b)	(409.18)	(409.18)
Deposits with financial institutions	-	-
	1,012.99	**773.81**

* 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 Group.

9. Deferred tax asset / liabilities

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Deferred tax assets		
Provision for leave encashment	533.29	388.74
Provision for bonus and commission	17.98	94.66
Allowance for expected credit loss	221.93	198.48
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	194.58	163.42
Brought forward and current year losses	1,084.00	245.01
Tax credits	104.68	163.91
ROU asset and lease liability	58.89	52.94
Provision for shared based payments to employees	548.96	590.07
Provisions for doubtful investment	113.28	113.33
Cashflow on Hedges	563.69	0.78
Others	18.69	12.90
	3,459.97	**2,024.24**
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	30.25	11.32
Capital gains	126.07	122.74
Unrealised exchange gain/loss	157.96	16.16
Others	12.00	0.27
	326.28	**150.49**

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Deferred income tax assets after set-off	3,459.97	2,024.24
Deferred income tax liabilities after set-off	(326.28)	(150.49)
	3,133.69	**1,873.75**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Certain subsidiaries of the group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

10. Other non-current assets

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Capital advances (Unsecured, considered good)	28.07	33.53
Prepayments	422.25	223.49
	450.32	**257.02**

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	As at March 31, 2026
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	11.32	18.93	-	30.25
Gain on fair valuation of financial assets	122.74	3.33	-	126.07
Unrealised exchange gain/loss	16.17	141.79	-	157.96
Right of use liability	667.41	361.07	-	1,028.48
Others	0.26	11.74	-	12.00
	817.90	**536.86**	**-**	**1,354.76**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	163.42	31.16	-	194.58
Provision for leave encashment	388.74	144.55	-	533.29
Provision for Bonus and Commision	94.66	(76.68)	-	17.98
Allowance for expected credit loss	198.48	23.45	-	221.93
Tax credit	163.91	(59.23)	-	104.68
Right of use asset	720.35	367.02	-	1,087.37
Brought forward and current year losses	245.01	838.99	-	1,084.00
Provision for shared based payments to employees	590.07	(41.11)	-	548.96
Cashflow on Hedges	0.78	-	562.91	563.69
Provisions for doubtful investment	113.33	(0.04)	-	113.29
Unbilled /Deferred Revenue	6.16	9.94	-	16.10
Others	6.74	(4.16)	-	2.58
	2,691.65	**1,233.89**	**562.91**	**4,488.45**
Effect of foreign currency translation of foreign operations from functional currency to reporting currency		185.50		
	1,873.75	**697.03**	**562.91**	**3,133.69**

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	As at March 31, 2025
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	27.33	(16.01)	-	11.32
Gain on fair valuation of financial assets	44.14	78.60	-	122.74
Cash flow hedges	8.02	-	(8.02)	-
Brought forward and current year losses	26.26	(26.26)	-	-
Unrealised exchange gain/loss	8.17	8.00	-	16.17
Unbilled Revenue	5.92	(5.92)	-	-
Others	1.40	(1.14)	-	0.26
	121.24	**37.27**	**(8.02)**	**150.49**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	147.61	15.81	-	163.42
Provision for leave encashment	386.00	2.74	-	388.74
Provision for Bonus and Commision	-	94.66	-	94.66
Provision for long service awards	189.18	(189.18)	-	-
Provision for Gratuity	14.72	(14.72)	-	-
Allowance for expected credit loss	93.21	105.27	-	198.48
Tax credit	80.94	82.97	-	163.91
Right of use asset and lease liability	60.90	(7.96)	-	52.94
Brought forward and current year losses	226.71	18.30	-	245.01
Provision for shared based payments to employees	144.01	446.06	-	590.07
Cashflow on Hedges	-	-	0.78	0.78
Provisions for doubtful investment	117.28	(3.95)	-	113.33
Unbilled /Deferred Revenue	-	6.16	-	6.16
Others	1.56	5.18	-	6.74
	1,462.12	**561.34**	**0.78**	**2,024.24**
Effect of foreign currency translation of foreign operations from functional currency to reporting currency		23.56		
	1,340.88	**500.51**	**8.80**	**1,873.75**

11. Current financial assets : Investments

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Investments carried at fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds (A)		
Fair value of current mutual funds (refer Note 11a)	5,954.41	3,388.17
	5,954.41	**3,388.17**
Investments carried at amortised cost (B)		
- Quoted investments		
In bonds	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 carrying amount of investments	**9,146.28**	**3,388.17**
Aggregate amount of quoted investments	**8,403.30**	**3,388.17**
Aggregate amount of unquoted investments	**739.27**	**-**

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

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Aditya Birla Sun Life Mutual Fund	375.78	438.79
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	1,056.97	525.65
UTI Mutual Fund	812.44	383.48
Axis Mutual Fund	739.80	275.99
Tata Mutual Fund	823.35	195.10
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	230.93	195.40
HDFC Mutual Fund	253.93	118.00
HSBC Mutual Fund	60.03	-
ICICI Prudential Mutual Fund	30.02	70.03
Mirae Asset Mutual Fund	148.22	195.64
SBI Mutual Fund	80.03	70.03
DSP Mutual Fund	272.82	-
Sundaram Mutual Fund	60.48	115.28
Kotak Mutual Fund	476.54	609.18
Invesco Mutual Fund	344.87	195.60
Bajaj Finserv Mutual Fund	158.18	-
Baroda BNP Mutual Fund	30.02	-
	5,954.41	**3,388.17**

12. Trade receivables

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
- Trade Receivables - Billed - Non current		
Unsecured, considered good	899.36	664.40
	899.36	**664.40**
- Trade Receivables - Billed - Current		
Unsecured, considered good	22,048.18	19,075.85
Unsecured, credit impaired	566.81	318.13
	22,614.99	**19,393.98**
Less : Allowance for expected credit loss	(1,283.10)	(916.03)
	21,331.89	**18,477.95**
Trade Receivable - Unbilled - Current	12,011.98	8,313.74
	34,243.23	**27,456.09**

Trade receivables Ageing Schedule **(In ₹ Million)**

	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
	Not Due		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	12,011.98	14,883.34	6,134.01	651.54	833.93	235.73	208.99	34,959.52
Undisputed Trade receivable – credit impaired	-	-	-	192.48	233.26	141.07	-	566.81
	12,011.98	**14,883.34**	**6,134.01**	**844.02**	**1,067.19**	**376.80**	**208.99**	**35,526.33**
Less : Allowance for expected credit loss	(0.60)	(9.43)	(8.00)	(677.30)	(360.35)	(150.97)	(76.45)	(1,283.10)
As at March 31, 2026	**12,011.38**	**14,873.91**	**6,126.01**	**166.72**	**706.84**	**225.83**	**132.54**	**34,243.23**
Expected loss rate (Refer note 32 b)		**0.06%**	**0.13%**	**80.25%**	**33.77%**	**40.07%**	**36.58%**	

In ₹ Million

	Unbilled Revenue	Not due	Outstanding for following periods from due date of payment					Total
	Not Due		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables – considered good	8,313.74	14,493.86	3,662.89	333.83	770.77	243.43	235.47	28,053.99
Undisputed Trade receivable – credit impaired	-	-	-	63.28	135.25	115.19	4.41	318.13
	8,313.74	**14,493.86**	**3,662.89**	**397.11**	**906.02**	**358.62**	**239.88**	**28,372.12**
Less : Allowance for expected credit loss	(0.43)	(7.16)	(5.71)	(483.22)	(257.14)	(107.73)	(54.64)	(916.03)
As at March 31, 2025	**8,313.31**	**14,486.70**	**3,657.18**	**(86.11)**	**648.88**	**250.89**	**185.24**	**27,456.09**
Expected loss rate (Refer note 32 b)		**0.05%**	**0.16%**	**121.68%**	**28.38%**	**30.04%**	**22.78%**	

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13. Cash and cash equivalents

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Cash in hand	0.10	0.20
Balances with banks		
On current accounts #	6,575.53	4,392.63
On saving accounts	26.26	27.50
On exchange earner's foreign currency accounts	3,762.96	1,488.57
On deposit accounts with original maturity less than three months	384.30	835.16
	10,749.15	**6,744.06**

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

14. Bank balances other than cash and cash equivalents

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Deposits with banks*	1,412.09	3,435.77
Add: Interest accrued but not due on deposits with banks	21.35	103.64
Deposits with banks (carried at amortised cost)	**1,433.44**	**3,539.41**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(4.39)	(48.29)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.23)	(0.70)
	1,428.82	**3,490.42**
Balances with banks on unpaid dividend accounts**	4.54	20.23
	1,433.36	**3,510.65**

* Out of the balance:
i) Fixed deposits of ₹ 866.71 Million (Previous year : ₹ 2,367.54 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.
ii) Fixed deposits of ₹ 182.00 Million (Previous year : ₹ 91.10 Million) have been kept as earmarked funds in Persistent India Foundation.

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

15. Current financial assets : Loans

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	-	25.61
Interest accrued but not due at amortised cost	-	2.02
Less: Impairment	-	(27.63)
	-	-

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16. Other current financial assets

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Carried at amortised cost (considered good)		
Security deposits	49.06	116.44
Other receivables	24.39	-
	73.45	**116.44**

17. Other current assets

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	1,698.63	1,152.83
Prepayments	1,586.88	2,609.16
Deferred finance costs	2.11	5.72
Contract Assets	1,992.51	944.98
Other advances		
VAT receivable (net)	2,429.90	69.58
Service tax and GST receivable (net) (refer note 43)	8,516.69	4,926.25
	10,946.59	**4,995.83**
	16,226.72	**9,708.52**

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18 (A) Share capital

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
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 Group's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Group. The Group determines the capital requirement based on annual operating plans and long term and other strategic investment plans. The funding requirements are met through operating cash flows generated and equity. The Group 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 ₹ Million	No of shares	In ₹ Million
Number of shares at the beginning of the year	155.85	779.25	154.05	770.25
Add/ Less: Changes during the year	1.90	9.50	1.80	9.00
Number of shares at the beginning of the year	**157.75**	**788.75**	**155.85**	**779.25**

b) Terms / rights attached to equity shares

The Parent 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 Parent Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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.

Dividend distribution made and proposed:

	For the year ended March 31, 2026 In ₹ Million	For the year ended March 31, 2025 In ₹ Million
Final dividend for the year ended on 31 March 2025: ₹ 15 per share (31 March 2024: ₹ 10 per share)	2,337.75	1,540.50
Interim dividend for the year ended on 31 March 2026: ₹ 22 per share (31 March 2025: ₹ 20 per share)	3,478.75	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	2,337.75
	2,839.50	**2,337.75**

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 Parent Company has not done any buy-back of shares.

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

Name of the shareholder*	As at March 31, 2026		As at March 31, 2025	
	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 Parentt 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%	-
Ms Ria Anand Deshpande *	-	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%	-

* Note:

1. Dr. Anand Deshpande, Promoter and CMD of the Group 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 December2025 (December 10 and 17, 2025) to Dr. Anand Deshpande, Promoter and CMD of the Group 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	45,745,680	2,000	45,747,680	29.35%	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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18 (B) Other equity

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Reserves and Surplus		
Securities premium	3,609.92	3,438.70
General reserve	31,693.88	27,730.15
Share options outstanding reserve	1,081.99	3,432.38
Capital reserve	72.28	65.19
Capital redemption reserve	35.75	35.75
Retained earnings	41,826.66	28,833.47
Treasury shares	(2,153.64)	(2,994.10)
PSL ESOP Trust reserve	(259.36)	180.77
Items of other comprehensive income		
Effective portion of cash flow hedges (net of tax)	(1,676.01)	(2.32)
Exchange differences on translating the financial statements of foreign operations	3,358.33	1,691.41
	77,589.80	**62,411.40**

(i) Securities premium

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
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**

(ii) General reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	27,730.15	25,842.99
Adjustments towards employees stock options	3,963.73	1,887.16
	31,693.88	**27,730.15**

(iii) Share options outstanding reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	3,432.38	2,227.71
Adjustments towards employees stock options	(3,963.73)	(1,887.16)
Employee stock compensation expenses	1,577.79	3,095.27
Other changes during the year	35.55	(3.44)
	1,081.99	**3,432.38**

(iv) Capital Reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	65.19	63.61
Other changes during the year	7.09	1.58
	72.28	**65.19**

(v) Capital redemption reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	35.75	35.75
Other changes during the year	-	-
	35.75	**35.75**

(vi) Retained earnings

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	28,833.47	19,346.09
Profit for the year	18,651.20	14,001.61
Items recognised in / from other comprehensive income for the year	211.83	193.08
Income tax effect on above	(53.34)	(49.81)
Dividend	(5,816.50)	(4,657.50)
	41,826.66	**28,833.47**

(vii) Treasury shares

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	(2,994.10)	(2,085.84)
Exercise of stock options	1,954.76	-
Purchase of treasury shares	(2,229.29)	(908.26)
Adjustments towards employees stock options	1,114.99	-
	(2,153.64)	**(2,994.10)**

(viii) PSL ESOP Trust reserve

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	180.77	140.64
Dividend Paid to ESOP trust	41.71	40.13
Exercise of stock options	633.15	-
Adjustments towards employees stock options	(1,114.99)	-
	(259.36)	**180.77**

(ix) Effective portion of cash flow hedges

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	(2.32)	23.85
Items recognised in / from other comprehensive income for the year (net of tax)	(1,673.69)	(26.17)
	(1,676.01)	**(2.32)**

(x) Exchange differences on translating the financial statements of foreign operations

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Opening Balance	1,691.41	1,610.22
Items recognised in / from other comprehensive income for the year	1,666.92	81.19
	3,358.33	**1,691.41**

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19. Financial liabilities : Lease Liabilities

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
-Non-Current		
Lease Liabilities (refer note 36)	4,774.48	3,108.97
Less: Current portion of lease liabilities	(1,777.78)	(952.30)
	2,996.70	**2,156.67**
-Current		
Lease Liabilities (refer note 36)	1,777.78	952.30
	1,777.78	**952.30**

The table below shows change in the Group's lease liability including both cash and non-cash changes:

	For year ended March 31, 2026 In ₹ Million	March 31, 2025 In ₹ Million
Opening balance	3,108.97	2,438.10
Additions	3,065.76	1,775.80
Deletions	(34.18)	(255.63)
Lease Modification	(9.34)	(45.32)
Add: Interest recognised during the year	330.34	254.23
Less: Payments made during the year	(1,797.68)	(1,093.66)
Translation differences	110.61	35.45
Closing balance	**4,774.48**	**3,108.97**

20. Non-current liabilities : Provisions

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Provision for employee benefits		
- Gratuity (refer note 56)	889.07	66.95
- Leave Encashment (refer note 56)	1,743.70	-
	2,632.77	**66.95**

21. Trade payables

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Trade payables		
- Total outstanding dues of small enterprises and micro enterprises *	58.10	40.77
- Total outstanding dues of creditors other than small enterprises and micro enterprises	11,283.78	8,845.40
	11,341.88	**8,886.17**

* Disclosure of trade payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Parent 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 Parent 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 Parent Company.

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Amount remaining unpaid:		
-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 Secton 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 appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	2.16	-
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	3.31	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actualty 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	-

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).

22. Other financial liabilities

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
- Non-current		
Carried at amortised cost		
Security Deposits	4.75	15.70
At fair value through profit & loss		
Liability towards contingent consideration	152.39	410.20
	157.14	**425.90**
- Current		
Carried at amortised cost		
Capital creditors	100.77	59.66
Accrued employee liabilities	4,838.19	3,287.01
Unpaid dividend*	4.61	20.23
Other liabilities	5.12	38.99
Payable to selling shareholders	54.23	283.71
At fair value through profit & loss		
Liability towards contingent consideration	630.51	1,409.82
Less: Non-current portion of liability towards contingent consideration	(152.39)	(410.20)
	478.12	**999.62**
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts (refer note 32)	2,791.65	36.82
	8,272.69	**4,726.04**

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

23.Other liabilities

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
- Non-current		
Other Liabilities	31.44	47.63
	31.44	47.63
- Current		
Unearned revenue	3,985.09	2,777.08
Advance from customers	209.57	492.04
Other payables		
- Statutory liabilities	1,327.49	977.49
- Other Liabilities *	1,283.21	269.86
	6,805.36	4,516.47
	6,836.80	**4,564.10**

*Includes balance of ₹ 0.02 Million (Previous year: ₹ 0.02 million) to be utilised against certain predefined activities.

24. Current liabilities : Provisions

	As at March 31, 2026 In ₹ Million	As at March 31, 2025 In ₹ Million
Provision for employee benefits (refer note 56)		
- Gratuity	-	24.78
- Leave encashment	570.25	1,716.12
	570.25	**1,740.90**

Trade payables ageing schedule **(In ₹ Million)**

			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	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	18.17	-	-	-	58.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,387.11	2,144.01	1,538.13	157.83	56.70	-	11,283.78
As at March 31, 2026	**7,387.11**	**2,183.94**	**1,556.30**	**157.83**	**56.70**	**-**	**11,341.88**

In ₹ Million

			Outstanding for following periods from due date of payment				Total
	Unbilled	Not Due	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	3,473.80	2,995.33	2,078.95	121.73	82.36	93.24	8,845.41
As at March 31, 2025	**3,473.80**	**3,029.65**	**2,085.40**	**121.73**	**82.36**	**93.24**	**8,886.18**

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25. Revenue from operations

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Software services	139,881.37	115,433.57
Software licenses	7,603.12	3,953.60
	147,484.49	**119,387.17**

Software service revenue is recognized as and when the related services are performed i.e. over the time basis. 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 Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Revenue by industry segments		
BFSI	50,932.99	37,709.68
Healthcare & Life Sciences	37,721.65	32,551.45
Technology Companies and Emerging Verticals	58,829.85	49,126.04
Total	**147,484.49**	**119,387.17**
Geographical disclosure		
India	12,915.48	11,201.08
North America	118,935.49	96,317.16
Rest of the World	15,633.52	11,868.93
Total	**147,484.49**	**119,387.17**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value transferred 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.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

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

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Revenue as per contract price	147,484.49	119,387.17
Revenue from contract with customers	**147,484.49**	**119,387.17**

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

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	9,258.72	6,521.34
Invoices raised that were included in the contract assets balance at the beginning of the year	(8,638.61)	(6,538.00)
Increase due to revenue recognised during the year, excluding amounts billed during the year	12,123.33	9,258.72
Translation exchange difference	1,261.05	16.66
Balance at the end of the year	**14,004.49**	**9,258.72**

Changes in unearned revenue are as follows:

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	2,777.08	1,935.26
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(5,239.66)	(1,978.01)
Increase due to revenue recognised during the year, excluding amounts billed during the year	6,086.72	2,777.08
Translation exchange difference	360.95	42.75
Balance at the end of the year	**3,985.09**	**2,777.08**

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26. Other income

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Interest income		
- On deposits carried at amortised cost	182.84	274.81
- On Others	319.03	281.61
Other non operating income		
Foreign exchange gain/(loss) (net)	394.35	89.18
Profit on sale of property, plant and equipment (net)	60.96	76.84
Profit on account of lease modification	-	28.15
Net profit on sale / fair valuation of financial assets designated as FVTPL	632.50	492.76
Excess provision in respect of earlier years written back	21.26	29.37
Miscellaneous income (refer note 54)	193.32	108.82
	1,804.26	**1,381.54**

27. Personnel expenses

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
27.1 Employee benefits expense		
Salaries, wages and bonus (refer note 56)	72,093.83	59,665.42
Contribution to provident and other funds* (refer note 31)	4,290.36	4,308.74
Staff welfare expenses	1,533.44	1,667.74
Share based payments to employees (refer note 35)	1,577.79	3,095.27
	79,495.42	**68,737.17**
27.2 Cost of professionals	21,986.14	17,491.65
	101,481.56	**86,228.82**

* Includes contribution towards gratuity.

28. Finance Costs

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Interest on Lease	330.35	253.05
Interest Others - Expenses	396.47	418.24
	726.82	**671.29**

29. Other expenses

	For the year ended	
	March 31, 2026	**March 31, 2025**
	In ₹ Million	**In ₹ Million**
Travelling and conveyance	2,299.43	1,710.77
Electricity expenses (net)	137.23	131.47
Internet link expenses	151.81	152.98
Communication expenses	54.94	46.82
Recruitment expenses	306.17	210.86
Training and seminars	196.82	158.20
Royalty expenses	80.98	71.32
Purchase of software licenses	10,080.39	7,479.33
Bad debts	189.27	-
Allowance for expected credit loss (net)	285.27	422.18
Rent (refer note 36)	136.67	143.41
Insurance	149.28	146.44
Rates and taxes	225.22	205.91
Legal and professional fees	2,032.78	1,647.81
Repairs and maintenance		
- Plant and Machinery	195.43	185.94
- Buildings	57.40	46.18
- Others	51.01	43.90
Selling and marketing expenses	28.74	13.67
Changes in contingent consideration payable on business combination (refer note 54)	-	(1,461.82)
Advertisement, conference and sponsorship fees	203.45	194.61
Computer consumables	34.46	18.69
Auditor's remuneration (refer note 39)	17.45	15.89
Corporate social responsibility expenditure (refer note 44)	254.00	223.78
Books, memberships, subscriptions	44.30	32.25
Directors' sitting fees	8.03	9.10
Directors' commission	52.50	35.55
Loss / Impairment of non current investments	4.31	-
Miscellaneous expenses	771.16	691.18
	18,048.50	**12,576.42**

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30. Earnings per share

		For the year ended	
		March 31, 2026	**March 31, 2025**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	18,651.20	14,001.61
Denominator for basic EPS			
Weighted average number of equity shares	(B)	155,758,626	153,487,571
Denominator for diluted EPS			
Number of equity shares	(C)	156,901,233	155,166,164
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**119.74**	**91.22**
Diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/C)	**118.87**	**90.24**

	For the year ended	
	March 31, 2026	**March 31, 2025**
Outstanding weighted average number of equity shares considered for diluted EPS	156,901,233	155,166,164
Less: Weighted average number of treasury shares	1,142,607	1,678,593
Outstanding weighted average number of equity shares considered for basic EPS	**155,758,626**	**153,487,571**

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31. Defined benefits and contribution obligation

a) Defined benefits Plan - Gratuity

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit (gratuity) plans. Each employee in these companies is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. In Persistent Systems Limited 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**
Current service cost	449.76	487.06
Interest cost on benefit obligation	141.06	115.28
Expected return on plan assets	(120.44)	(111.43)
Total Expense	**470.38**	**490.91**

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**
Net actuarial loss :		
Due to changes in financial assumptions	(234.77)	(70.03)
Due to Experience assumptions	70.59	(102.91)
Return on Plan Assets	(36.13)	(20.14)
Total (Income)/ Expense	**(200.31)**	**(193.08)**

Balance sheet

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

(In ₹ Million)

	At at	
	March 31, 2026	**March 31, 2025**
Opening fair value of plan assets	1,765.99	1,543.32
Expected return	120.44	111.43
Return on Plan Assets	36.13	20.17
Contribution by employer	265.72	281.04
Benefits paid	(144.06)	(221.06)
p	-	31.09
Others	1.68	-
Closing fair value of plan assets	**2,045.90**	**1,765.99**
Actual return on plan assets - Persistent Systems Limited	**158,25**	**162.69**

*An amount of Nil (previous year : ₹ 31.09 million) has been shown as a transfer-in in liability and asset towards acquisition of an entity during the year.

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

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Opening defined benefit obligation	1,857.72	1,617.69
Current service cost	1,325.83	486.86
Interest cost	141.06	115.06
Benefits paid	(144.06)	(221.06)
Benefit payments directly by employer	(48.80)	-
Acquisitions (refer note above)	-	31.09
Actuarial losses on obligation	(175.80)	(172.54)
Exchange difference	(22.66)	0.62
Others	1.68	-
Closing defined benefit obligation	**2,934.97**	**1,857.72**

Net Defined Benefit Asset / (Liability)

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Fair value of plan assets	2,045.90	1,765.99
Less: Defined benefit obligations	(2,934.97)	(1,857.72)
Total	**(889.07)**	**(91.73)**
Below is the entity wise breakup-		
Net Defined Benefit Asset / (Liability)* - Persistent Systems Limited (Funded)	(889.07)	(69.06)
Net Defined Benefit Asset / (Liability) - Persistent Systems Lanka (Private) Limited (Unfunded)	-	(22.69)

*This has been classified as non-current in the balancesheet

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

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Investments with insurer including accrued interest	100%	100%

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

Persistent Systems Limited

	As at	
	March 31, 2026	**March 31, 2025**
Discount rate	7.46%	6.82%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
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%	5.00%
Weighted average duration of the defined benefit obligation (Years)	13.64	13.74

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2026	**March 31, 2025**
Discount rate	-	11.83%
Mortality	-	IALM (2012-14) Ultimate
Attrition rate	-	Service Based: Below 1 year: 17% 1 to 3 years: 15% 3 to 4 years: 10% 4 to 5 years: 5% 5 to 7 years: 6 7 to 10 years: 4% Above 10 years: 2%
Increment rate	-	7.00%
Weighted average duration of the defined benefit obligation (Years)	-	20.75

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.

As at March 31, 2026, every percentage point increase / decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 2,617.13 million / ₹ 3,314.19 million (previous year: ₹ 1,640.87 million / ₹ 2,073.06 million) respectively.

As at March 31, 2026, every percentage point increase / decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 3,233.77 million / ₹ 2,659.82 million (previous year: ₹ 2,001.13 million / ₹ 1,698.76 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.

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Amounts for the current and previous year are as follows:

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Plan assets	2,045.90	1,765.99
Defined benefit obligation	(2,934.97)	(1,857.72)
Deficit	(889.07)	(91.73)
Experience adjustments on plan liabilities - loss/ (gain)	70.59	(102.91)

Maturity Profile of defined benefit obligations:

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Within 1 year	106.94	72.04
1-2 years	175.63	80.59
2-3 years	166.90	130.92
3-4 years	175.71	108.49
4-5 years	170.74	113.71
5-10 years	973.90	612.68
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 Group contributed ₹ 92.78 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

c) Defined contribution plan - Provident Fund
The Parent Company has certain defined contribution plans. Contributions are made to provident fund for its employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Parent 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 ₹ 1,528.17 million (Previous year ₹ 1,418.48 million).

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32. Financial assets and liabilities

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

(In ₹ Million)

Financial assets / Financial liabilities	March 31, 2026			March 31, 2025			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	949.66	-	-	595.49	-	-	Level 3
Investments in bonds #	-	-	2,534.23	-	-	2,995.57	
Investments in mutual funds	9,708.82	-	-	6,212.15	-	-	Level 2
Deposit with banks and financial institutions (net)	-	-	1,433.44	-	-	3,539.41	
Cash and cash equivalents (including unpaid dividend)	-	-	10,753.69	-	-	6,764.29	
Trade receivables (net)	-	-	22,231.25	-	-	19,142.35	
Unbilled revenue	-	-	12,011.98	-	-	8,313.74	
Other financial assets	-	-	1,057.43	-	-	841.26	
Total Financial Assets	**10,658.48**	**-**	**50,022.02**	**6,807.64**	**-**	**41,596.62**	
Financial Liabilities:							
Trade payables	-	-	11,341.88	-	-	8,886.17	
Lease liabilities	-	-	4,774.48	-	-	3,108.97	
Forward contracts payable	-	2,791.65	-	-	36.82	-	Level 2
Payable to selling shareholders	-	-	54.23	-	-	283.71	
Liability towards contingent consideration	684.74	-	-	1,693.53	-	-	Level 3
Other financial liabilities (excluding borrowings)	-	-	4,899.21	-	-	3,137.88	
Total Financial Liabilities	**684.74**	**2,791.65**	**21,069.80**	**1,693.53**	**36.82**	**15,416.73**	

***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 Group 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 Group 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.	• 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:

(In ₹ Million)

Particulars	March 31, 2026		March 31, 2025	
	Carried Value	Fair Value	Carried Value	Fair Value
Bonds carried at amortised cost	4,821.57	4,588.35	2,916.91	2,703.72
Interest accrued on Bonds	165.26	-	78.66	-
Total investments carried at amortised cost	**4,986.83**	**4,588.35**	**2,995.57**	**2,703.72**

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 Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

Level 3 fair value measurements

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

(In ₹ Million)

	Investments in other equity instruments	Liability towards contingent consideration
Balance at April 1, 2024	156.82	2,464.55
Acquired during the year	434.93	1,165.77
Disposed during the year	-	(489.64)
Gain/ (loss) recognised in profit and loss in other income *	-	(1,461.82)
Effect of foreign currency translation from functional currency to reporting currency	3.74	14.67
Balance at March 31, 2025	**595.49**	**1,693.53**
Balance at April 1, 2025	595.49	1,693.53
Acquired during the year	284.31	99.02
Disposed during the year	(213.67)	(1,065.13)
Gain/ (loss) recognised in profit and loss in other income *	-	(139.59)
Effect of foreign currency translation from functional currency to reporting currency	46.61	96.90
Balance at 31 March 2026	**712.74**	**684.73**

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

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32 (b) Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Group'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 Group. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group operates globally with its operations spread across various geographies and consequently the Group is exposed to foreign exchange risk. Around 80% to 90% of the Group's foreign currency exposure is in USD. The Group holds plain vanilla forward contracts against expected future receivables in USD to mitigate the risk of changes in exchange rates.

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

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	17,277.50	1,073.34	1,233.86	522.71	20,107.41
Cash and cash equivalents and bank balances	5,377.93	119.84	99.16	258.06	5,854.99
Trade and other payables	118.03	1.12	2.51	8.35	130.01

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

(In ₹ Million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	17,184.60	577.88	783.28	418.05	18,963.81
Cash and cash equivalents and bank balances	2,297.61	108.39	128.97	163.63	2,698.60
Trade and other payables	5,217.08	245.26	255.73	606.61	6,324.68

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, would affect the Group's profit before tax margin (PBT) by approximately -0.35%/ +0.18% and 0.13% 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 year and the current reporting year.

Derivative financial instruments

The Group 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 Group 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	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	500.00	90.73	45,366.58	300.00	86.33	25,899.47

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	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	131.00	87.93	11,519.27	75.00	80.82	6,371.15
Later than 3 months and not later than 6 months	126.00	89.38	11,262.49	76.00	82.60	6,497.96
Later than 6 months and not later than 9 months	124.00	91.43	11,337.64	75.00	83.95	6,478.19
Later than 9 months and not later than 12 months	119.00	94.51	11,247.18	74.00	83.96	6,552.17
Total	**500.00**		**45,366.58**	**300.00**		**25,899.47**

Price Risk

The Group exposure to price risk arises for investment in mutual funds held by the Group. To manage its price risk arising from investments in mutual funds, the Group 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	As at March 31, 2026	As at March 31, 2025
NAV increase by 5%	485.44	310.61
NAV decrease by 5%	(485.44)	(310.61)

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Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risk. Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom the credit has been granted after obtaining necessary approvals for credit.

Financial instruments that are subject to concentration of credit risk principally consist of trade receivables, investments, loans, cash and cash equivalents, other balances with banks and other financial assets. None of the financial instruments of the Company result in material concentration of credit risk.

Credit risk on cash and cash equivalents is limited as the Group generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted bonds issued by organizations with high credit ratings.

The gross carrying amount of a financial asset is written off where the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Group's procedures for recovery of amounts due.

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 51,647.86 million and ₹ 40,090.52 million as of March 31, 2026 and March 31, 2025 respectively, being the total of the carrying amount of trade receivables, investments, cash and cash equivalents, other balance with banks, loans and other financial assets.

In addition, the Group is exposed to credit risk in relation to financial guarantees given to banks provided by the Group. The Group's maximum exposure in this respect is the maximum amount the Group would have to pay if the guarantee is called on.

The maximum exposure to the credit risk at the reporting date from trade receivables amounting to ₹ 22,231.25 million and ₹ 19,142.35 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 Group by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group 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 Group'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:

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Receivables overdue for more than 180 days *	2,497.00	1,901.65
Total receivables (gross)	23,514.35	20,058.38
Overdue for more than 180 days as a % of total receivables	10.6%	9.5%

* Out of this amount, ₹ 1,283.10 million (March 31, 2025: ₹ 916.03 million) have been provided for.

Segment wise segregation of trade receivables is disclosed in Note 34 – Segment Information. Ageing bucket wise expected credit loss (ECL) on trade receivables is disclosed in Note 12 – Trade Receivables.

Ageing of trade receivables

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Within the credit period	14,883.34	14,493.86
1 to 30 days past due	3,002.21	1,944.82
31 to 60 days past due	1,840.28	770.67
61 to 90 days past due	446.17	363.82
91 to 120 days past due	288.91	226.18
121 to 180 days past due	556.44	357.38
180 and above past due	2,497.00	1,901.65
Less: Expected credit loss	(1,283.10)	(916.03)
Net trade receivables	**22,231.25**	**19,142.35**

Movement in expected credit loss allowance

(In ₹ Million)

	As at	
	March 31, 2026	**March 31, 2025**
Opening balance	916.03	398.64
Movement in expected credit loss allowance	474.54	422.18
Pre-acquistion ECL adjusted against contingent consideration	-	84.20
Translation differences	(107.47)	11.01
Closing balance	**1,283.10**	**916.03**

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

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus funds is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current fund requirements including repayment of borrowings. Accordingly, no liquidity risk is perceived.
As at March 31, 2026, the Group had a working capital of ₹ 42,102.17 million including cash and cash equivalents and current fixed deposits of ₹ 12,161.24 million and current investments of ₹ 9,146.28 million.
As at March 31, 2025, the Group had a working capital of ₹ 28,931.80 million including cash and cash equivalents and current fixed deposits of ₹ 10,179.73 million and current investments of ₹ 3,388.17 million.

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

(In ₹ Million)

	As at			
	March 31, 2026		March 31, 2025	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Trade Payables	11,341.88	-	8,886.17	-
Lease Liabilities	1,777.78	2,996.70	952.30	2,156.67
Other financial liabilities (excluding borrowings)	8,272.69	152.39	4,726.04	410.20

Capital management risk

The Groups'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 Groups'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 Group 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 **(In ₹ Million)**

Particulars	As at March 31, 2026	As at March 31, 2025
Other financial liabilities	8,429.83	5,151.94
Total Debt:	**8,429.83**	**5,151.94**
Less : Cash and cash equivalents and bank balances	12,182.51	10,254.71
Net Debt #	**(3,752.68)**	**(5,102.77)**
Total equity	78,378.55	63,190.65
Total Capital	**78,378.55**	**63,190.65**
Gearing Ratio (in %)	**-4.79%**	**-8.08%**

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.

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32 (c) Derivative instruments and un-hedged foreign currency exposures

(i) Forward contracts outstanding at the end of the year:

		(In ₹ Million)
	As at March 31, 2026	As at March 31, 2025
Forward contracts to sell USD: Hedging of expected receivables of USD 500 million (Previous year USD 300 million)	45,366.58	25,899.47

(ii) Details of un-hedged foreign currency exposures at the end of the year:

	March 31, 2026			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
	5,377.93	USD 56.39	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
	119.84	EUR 1.1	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	-	-	-
Trade and other payables	118.03	USD 1.25	94.77	5,217.08	USD 61.04	85.47
	2.51	GBP 0.02	125.52	255.73	GBP 2.31	110.63
	1.12	EUR 0.010	108.93	245.26	EUR 2.65	92.46
	0.05	SGD 0.00	73.49	12.74	SGD 0.2	63.69
	1.36	CAD 0.02	68.10	88.43	CAD 1.48	59.56
	0.65	AUD 0.01	65.03	141.58	AUD 2.65	53.43
	-	-	-	80.08	MXN 19.15	4.18
	-	-	-	135.11	MYR 7.01	19.27
	-	-	-	57.18	LKR 197.65	0.29
	-	-	-	31.33	CRC 182.88	0.17
	-	-	-	32.80	PLN 1.48	22.16
	-	-	-	13.78	RON 0.74	18.62
	6.29	ILS 0.21	29.96	4.85	ILS 0.21	23.10
	-	-	-	8.73	CHF 0.09	97.00
Trade receivables	1,073.34	EUR 9.85	108.93	577.88	EUR 6.25	92.46
	17,277.50	USD 182.31	94.77	17,184.60	USD 201.06	85.47
	1,233.86	GBP 9.83	125.52	783.28	GBP 7.08	110.63
	61.97	CAD 0.91	68.10	84.57	CAD 1.42	59.56
	392.13	AUD 6.03	65.03	242.03	AUD 4.53	53.43
	12.75	ZAR 2.31	5.52	12.90	ZAR 2.78	4.64
	13.23	SGD 0.18	73.49	10.19	SGD 0.16	63.69
	35.57	CHF 0.3	118.57	61.11	CHF 0.63	97.00
	-	-	-	0.12	JPY 0.21	0.57
	7.06	MYR 0.3	23.53	7.13	MYR 0.37	19.27

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33. 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
	In ₹ Million	In ₹ Million
Profit before tax	24,112.12	18,223.08
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	6,068.54	4,586.38
Income exempt from tax	(73.74)	(355.69)
Non-deductible expenses	93.85	624.24
Deferred tax assets recognised on tax losses	(667.38)	-
Different tax rates of subsidiaries/branches operating in other jurisdictions (Net)	210.76	(228.31)
Diffferent tax rates for different heads of income	(35.95)	55.07
Short Tax Provision of earlier years(Net)	(95.44)	(20.62)
Reversal of Deferred tax asset created in earlier years	4.40	(10.75)
Unused tax losses not recognised as deferred tax assets	216.75	-
Excess tax benefits on stock-based compensation	(877.73)	(441.51)
Others (Net)	616.86	12.67
Income tax expense	**5,460.92**	**4,221.48**

The Organisation for Economic Co operation and Development (OECD) has issued the Model Rules under the Global Anti Base Erosion (GloBE) framework ("Pillar Two"). The Group's Ultimate Parent Entity (UPE) has consolidated revenues exceeding the threshold prescribed under the OECD framework and, accordingly, the Group is within the scope of the Pillar Two legislation. Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions in which the Group operates. Based on the current assessment, the Group does not expect a material financial impact from the application of the Pillar Two rules on its consolidated financial statements. The evaluation of the potential exposure is based on the most recent financial statements for the constituent entities in the Group. In accordance with Amendments to Ind AS-12, the Group has applied temporary mandatory relief from accounting for deferred tax that arises from implementing Pillar Two legislation.

Unrecognized Deferred Tax on Accumulated Losses :

Following subsidiary Companies have cumulative unutilized corporate income tax losses as of March 2026. These tax losses are available for future utilization to offset future taxable profits of these Companies, subject to the applicable tax laws and regulations. As at the balance sheet date, these Companies have not recognized deferred tax asset with respect to the aforesaid unutilized corporate income tax losses. The details are provided in below table:

Entity Name	Category	Country	Currency	Carry forward losses		Unrecognized Deferred Tax	
				March 31, 2026 In Million	March 31, 2026 In ₹ Million	March 31, 2026 In Million	March 31, 2026 In ₹ Million
Persistent Systems Inc	-	USA	USD	16.40	1,452.16	3.44	304.95
Persistent Systems UK Ltd.	Pre April 1, 2017	UK	GBP	22.71	2,695.07	1.43	169.46
Persistent Systems Germany GmbH	-	Germany	EURO	11.10	1,139.24	2.36	242.56

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34. Segment information

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

The operating segments of the Group are:

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

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Revenue						
	Year ended	March 31, 2026	50,932.99	37,721.65	58,829.85	147,484.49
	Year ended	March 31, 2025	37,709.68	32,551.45	49,126.04	119,387.17
Identifiable expense *						
	Year ended	March 31, 2026	33,247.07	23,692.07	38,237.18	95,176.32
	Year ended	March 31, 2025	24,223.22	19,783.06	34,805.51	78,811.79
Segmental result						
	Year ended	March 31, 2026	17,685.92	14,029.58	20,592.67	52,308.17
	Year ended	March 31, 2025	13,486.46	12,768.39	14,320.53	40,575.38
Unallocable expenses						
	Year ended	March 31, 2026				30,000.31
	Year ended	March 31, 2025				23,733.84
Operating income						
	Year ended	March 31, 2026				22,307.86
	Year ended	March 31, 2025				16,841.54
Other income (net of expenses)						
	Year ended	March 31, 2026				1,804.26
	Year ended	March 31, 2025				1,381.54
Profit before taxes						
	Year ended	March 31, 2026				24,112.12
	Year ended	March 31, 2025				18,223.08
Tax expense						
	Year ended	March 31, 2026				5,460.92
	Year ended	March 31, 2025				4,221.47
Profit after tax						
	Year ended	March 31, 2026				18,651.20
	Year ended	March 31, 2025				14,001.61

* This balance includes material items in the nature of subcontracting costs and employee benefit expenses. Segregation of such expenses into various reportable segments have not been presented as it is not practically possible to allocate such expenses to individual segments.

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(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	March 31, 2026	3,864.97	5,480.75	12,885.53	22,231.25
	As at	March 31, 2025	5,354.72	4,859.65	8,927.98	19,142.35
Segmental Unbilled revenue						
	As at	March 31, 2026	2,877.71	2,296.30	8,830.48	14,004.49
	As at	March 31, 2025	1,652.47	2,303.61	5,302.64	9,258.72
Unallocated assets						
	As at	March 31, 2026	-	-	-	77,529.70
	As at	March 31, 2025	-	-	-	58,964.95
Unallocated liabilities						
	As at	March 31, 2026	-	-	-	35,386.89
	As at	March 31, 2025	-	-	-	24,175.37

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

Geographical Information
The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Revenue	Year ended	March 31, 2026	12,915.48	118,935.49	15,633.52	147,484.49
	Year ended	March 31, 2025	11,201.08	96,317.16	11,868.93	119,387.17

The revenue from an individual customer in excess of ten percent of total revenue of the Group is ₹ Nil for the year ended March 31, 2026 (Previous year : ₹ 12,593.77 Million) (Previous year : Software, Hi-Tech and Emerging Industries)

The following table shows the information regarding geographical non-current assets.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Non-current assets	As at	March 31, 2026	31,673.41	8,821.22	2,297.98	42,792.61
	As at	March 31, 2025	27,789.81	5,486.62	1,018.27	34,294.70

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35. 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 Group 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%

(v) 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

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 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).

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	-	-	-	Note (i)
Scheme III	0.00 - 24.105	-	-	-	-
Scheme IV	11.115 - 30.56	-	-	-	-
Scheme V	11.115 - 22.07	-	-	-	-
Scheme XI	5	1,366,392.00	3.20	2,224,180	4.02
Scheme XIII	221.24 - 5580	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 ₹ 416.10 million for PSL India and ₹ 1,161.02 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, 2026 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 financial year 2025-26:

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.

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 Group'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 .

36 Leases

The Group 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 Group 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 Group'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
- Less than one year	1,777.78	952.30
- One to five years	3,694.76	1,833.51
- More than five years	-	-

The Group 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 ₹ 136.76 million for the year ended March 31, 2026 (Previous year ₹ 143.41 million).

The Group has has recognized interest on lease liabilities of ₹ 330.34 million under finance costs (Previous year ₹ 254.23 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.7).

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37 (i) Related Party Disclosures

(i) Names of related parties and related party relationship

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

(ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the year ended March 31, 2026	For the year ended March 31, 2025
Remuneration (Salaries, bonus and contribution to PF)	**Key Management Personnel**		
	Dr. Anand Deshpande	42.43	39.78
	Mr. Sunil Sapre (including fair value of perquisites for stock options exercised ₹ Nil million (Corresponding period ₹ Nil million / Previous year: ₹ Nil million)	-	20.18
	Mr Vinit Teredesai (including fair value of perquisites for stock options exercised ₹ 66.22 million (Previous year: ₹ Nil million)	95.22	23.74
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ Nil million (Previous year: ₹ 19.44 million)	7.60	25.94
	Mr Sandeep Kalra (including fair value of perquisites for stock options exercised ₹ 3,848.22 million (Previous year: ₹ 1,356.46 million)	4,029.90	1,502.02
	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	**4,235.68**	**1,656.53**
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. Alpana Ajit Ranade	0.01	0.01
	Mr. 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**
Sale of Software Services	ICGA Foundation	128,000.00	-
CSR Expenditure	**Subsidiaries**		
	Persistent India Foundation	254.00	-
	Persistent Systems Foundation Inc.	10.97	217.78
		264.97	**217.78**

Letters of comfort

Letters of comfort issued by the Parent Company of USD 20 Million : ₹ 1,895.40 Million (March 31, 2025: USD Nil: ₹ Nil) to bank for loans availed by Persistent Systems Inc.

38 Capital and other commitments

	As at	
	March 31, 2026	March 31, 2025
	In ₹ Million	In ₹ Million
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	502.01	326.88

For commitments relating to lease agreements, please refer note 36.

39 Auditors' remuneration

	For the year ended	
	March 31, 2026	March 31, 2025
	In ₹ Million	In ₹ Million
Audit fee	15.25	14.25
Certifications	1.00	0.45
Reimbursement of expenses	1.20	1.19
	17.45	**15.89**

40 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	March 31, 2025
	In ₹ Million	In ₹ Million
Revenue	249.55	214.70
	249.55	**214.70**

41 Net dividend remitted in foreign exchange

(In ₹ Million)

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	March 31, 2025
Interim dividend	24	25	0.05	0.07	0.58	1.42
Final dividend	25	11	0.06	0.03	1.09	0.3

42 Other statutory information

a. The Parent Company has not been declared a willful defaulter by any bank or financial institution or other lender.

b. The Parent Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

c. The Parent Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

d. The Parent 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

e. The Parent 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).

f. The Parent Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

g. There are no proceeding initiated or pending against the Parent Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

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43 Contingent liabilities **(In ₹ Million)**

Sr. No		As at March 31, 2026	As at March 31, 2025
a)	**Claims against the Group 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 Parent 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 Parent 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 Parent 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**	1,566.51	1,041.74
b)	**Letter of Comfort on behalf of Subsidiaries**		
	Guarantee given on behalf of subsidiaries	16.11	1,125.64
c)	Performance Guarantee given by a Subsidiary of USD 3 Million (Previous year : USD 3 Million) to USCC Services and its affiliates towards trade payable of Aepona Limited (step down subsidiary)	284.31	256.41

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier periods / 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 financial statements.

44 Details of Corporate Social Responsibility expenditure

(In ₹ Million)

		For the year ended March 31, 2026	For the year ended March 31, 2025
a)	Gross amount required to be spent by the Group during the year	243.03	218.67
b)	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	243.03	221.70
c)	Shortfall / Excess at the end of year *	-	-
d)	Total of previous year shortfall	-	-
e)	Reason for shortfall	-	-
f)	Nature of CSR Activity	1. Community Development 2. Health Care 3. Education	1. Community Development 2. Health Care 3. Education
g)	Details of related party transactions	-	-
h)	Details of provision made for liability incurred by entering into a contractual obligation	-	-
i)	CSR Expenditure outside India	10.97	2.08

* Pursuant to Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Group was required to spend ₹ 243.03 million as its CSR expenditure during FY 2025–26. The Group has spent ₹ 243.03 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 Group 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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45 (A) Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions - There are no business acquisitions in the year ended 31st March, 2026. Business Acquisitions held in the year ended 31st March, 2025 are as below -

Arrka Infosec Private Limited

Arrka Infosec Private Limited was acquired by Persistent Systems Limited (PSL) through a Share Purchase Agreement (SPA). The acquisition aligns strategically with PSL's goal of expanding its cybersecurity and data privacy capabilities. Arrka specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains.

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	103.04
Contingent consideration	30.90
Total purchase consideration	**133.94**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	0.08
Other current assets	4.07
Non-current assets	
Property, plant and equipment	0.14
Deferred tax assets (net)	1.63
Subtotal	**5.92**
Liabilities	
Current liabilities	
Trade payables	-
Other current liabilities	-
Subtotal	**-**
Net assets taken over	**5.92**

The goodwill of ₹ 107.68 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is separable and it meets the criteria for recognition as an intangible asset under Ind AS 38. The identified intangible assets of ₹ 19.72 million has been recognised and amortised. Goodwill recognised is not expected to be deductible for income tax purposes.

Transaction costs of ₹ 1.14 Million have been expensed and are included in other expenses for the year ended March 31, 2025.

Revenue of ₹ 11.98 Million for the year ended March 31, 2025 is included in the financial statements. The loss after tax included for the year ended March 31, 2025 is ₹ 7.53 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million [#]
Transaction costs of the acquisition (included in cash flows from operating activities)*	(1.14)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	0.08
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax)	(98.04)

* Represents the expenditure incurred over the period of time on acquisition.

[#] Negative amount represents cash outflows

Contingent consideration

As part of the purchase agreement with the selling shareholders of Arrka Infosec Private Limited, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a) ₹ 20.52 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 4 Million of target net revenue in a 12-month period within 90 days from the end of first earnout period,

b) ₹ 20.52 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 6 Million of target net revenue in a 12-month period within 90 days from the end of second earnout period,

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 30.90 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90.00%
Discount rate	9.37%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2025, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised.

45 (B) Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

Starfish Associates, LLC, USA

Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc. effective from August 1,2024, upon completion of the necessary customary closing condition. Post acquisition, Persistent Systems USA is 100% owner of equity interest amounting to USD 26,658.68. Starfish Associates, LLC provides communication management automation solution for multi-vendor unified communications (UC) and contact centers(CC) systems.Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	1,287.80
Contingent consideration	372.91
Total purchase consideration	**1,660.71**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	56.30
Trade receivables	1.24
Other current assets	90.27
Other current financial assets	8.84
Current tax assets (net)	15.05
Subtotal	**171.70**
Liabilities	
Current liabilities	
Trade payables	8.66
Other current liabilities	216.60
Subtotal	**225.26**
Net assets taken over	**(53.56)**

The goodwill of ₹ 1,052.35 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is separable and it meets the criteria for recognition as an intangible asset under Ind AS 38. The identified intangible assets of ₹ 638.17 million has been recognised and amortised. Goodwill recognised is not expected to be deductible for income tax purposes.

Transaction costs of ₹ 7.22 Million have been expensed and are included in other expenses for the year ended March 31, 2025.

Revenue of ₹ 470.50 Million for the year ended March 31, 2025 is included in the financial statements. The profit included for the year ended March 31, 2025 is ₹ 38.17 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million [#]
Transaction costs of the acquisition (included in cash flows from operating activities)*	(7.22)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	56.30
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax) [##]	(1,095.38)

* Represents the expenditure incurred over the period of time on acquisition.

[#] Negative amount represents cash outflows

[##] Net of retention bonus payable and working capital adjustment

Contingent consideration

As part of the purchase agreement with the selling shareholders of Starfish Associates LLC, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a) ₹ 219.02 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 11 Million of target net revenue in a 12-month period after the acquisition date,

b) ₹ 219.02 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 16 Million of target net revenue in a 12-month period after the end of Year 1 from the acquisition date,

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 372.91 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90.00%
Discount rate	5.60%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2025, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised.

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46 Ratio Analysis and its elements

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 Liabilties	2.43	2.36	2.97%	
(b) Debt-Equity ratio	%	Debt	Shareholder's Equity	NA	NA	0.00%	Refer Note 1
(c) Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	NA	NA	0.00%	Refer Note 1
(d) Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	26.64%	25.18%	5.82%	
(e) Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	4.31	4.35	-0.95%	
(f) Trade payables turnover ratio	Number	Cost of professionals and other expenses ± non-cash adjustments	Average Trade payables	3.46	3.47	-0.31%	
(g) Net capital turnover ratio	Number	Revenue from operations	Working capital	3.53	4.13	-14.35%	
(h) Net profit ratio	%	Net Profit after tax	Revenue from operations	12.65%	11.73%	7.83%	
(i) Return on Capital employed	%	Profit before interest and tax	Capital employed	29.27%	27.65%	5.85%	
(j) Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	5.18%	5.74%	-9.73%	

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

Note 1 : The Group has repaid the outstanding borrowings during the last year.

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47 The Parent 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 Parent Company has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery.

During the year, the Parent 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 Parent 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.

48 The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") has sanctioned the merger of M/s. CAPIOT Software Private Limited (the Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (the Holding Company – Transferee Company) through absorption, as per its order dated April 9, 2025. This merger has no impact on the consolidated financial results.

49 Persistent Systems (Lanka) Private Limited, wholly owned subsidiary of Aepona Group Limited is currently involved in certain legal proceedings and disputes initiated by former employees regarding termination benefits. These matters are currently pending before Assistant Labour Commissioner-Colombo, South District Labour Office, Address: 6th Floor, Department of Labour, Colombo 05. Based on the current stage of the proceedings, the management believes that the claims are not sustainable and that it is not probable that an outflow of resources embodying economic benefits will be required to settle these obligations. Accordingly, no provision has been recognised in the financial statements in respect of these matters. The estimated financial effect of these claims, excluding interest and penalties which may be levied, is approximately ₹ 27.16 Million (Previous Year: ₹ NIL).

50 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. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

In ₹ Million

	For the year ended	
Particulars	**FY 24-25**	**FY 25-26**
Decrease in Depreciation expense	**215.30**	**44.84**

51 The Group 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 Group (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.

52 The Group has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Group shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.

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 During the year ended March 31, 2026, the Group has recognised a gain on remeasurement of earnout payable towards acquisition of business to the erstwhile shareholders of Starfish Associates Inc, LLP, MediaAgility Inc., Data Glove Incorporated and Software Corporation International & SCI Fusion 360, LLC amounting to ₹ 139.59 million (Previous year : ₹ 1,461.82 Million) based on settlement agreement and expected payout assessed by management.

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

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56 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 Group 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 Group has presented such incremental impact of ₹ 890.25 million as "Statutory impact of new Labour Codes" under "Exceptional Items" in the consolidated statement of profit and loss for the year ended March 31, 2026. The Group 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.

57 During the quarter ended March 31, 2026, Persistent Group has reorganized the holding structure of certain entities. The resulting impact of these transactions is as follows:

1. Persistent Systems Pte. Ltd., Singapore (Wholly Owned Subsidiary of the Company) has established its Wholly Owned Subsidiary, Baixinteng System Service (Shanghai) Co. Ltd. in China on February 27, 2026.

2. The Share Purchase Agreement ('SPA') was executed on March 4, 2026, for the transfer of the 100% shareholding of Persistent Systems Poland Spółka z.o.o. from Persistent Systems Inc., USA to Aepona Group Limited, Ireland.

3. The Share Purchase Agreement ('SPA') was executed on March 25, 2026, for the transfer of the 100% shareholding of Persistent Systems France S.A.S., from Persistent Systems Limited, India to Aepona Group Limited, Ireland.

4. The Share Purchase Agreement ('SPA') was executed on March 31, 2026, for the transfer of the 100% shareholding of Persistent Systems Germany GmbH., from Persistent Systems Limited, India to Aepona Group Limited, Ireland.

5. Persistent Telecom Solutions Inc., USA has been merged into Persistent Systems Inc., USA effective from February 28, 2026.

6. Starfish Associates LLC, USA has been merged into Persistent Systems Inc., USA effective from March 2, 2026.

58 During the year ended March 31, 2026, the Group has re-classified the following comparatives which are primarily to conform to the current year's classification. This reclassification does not have material impact on the consolidated financial statements and has been done for the better presentation and to enhance the understanding of the users of the consolidated financial statements.

In ₹ Million

Financial Statements Caption	As at March 31, 2025		
	Previously reported amounts	Change in Amounts	Revised Amounts
Balance Sheet			
Current financial assets - Trade receivables	18,477.95	8,313.74	26,791.69
Current Assets - Other financial assets	9,375.16	(9,258.72)	116.44
Current Assets - Other current assets	8,763.54	944.98	9,708.52
Current Liabilities - Other financial liabilities	2,438.40	2,287.64	4,726.04
Current Liabilities - Provisions	4,028.54	(2,287.64)	1,740.90

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

SWAPNIL SATISH DAKSHINDAS
Digitally signed by SWAPNIL SATISH DAKSHINDAS
Date: 2026.04.21 15:55:00 +05'30'

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 (Apr 21, 2026 14:44:54 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : Pune
Date : April 21, 2026

Sandeep Kalra (Apr 21, 2026 14:15:58 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : Pune
Date : April 21, 2026

Praveen Kadle (Apr 21, 2026 14:14:15 GMT+5.5)

Praveen Kadle
Independent Director
DIN: 00016814

Place : Pune
Date : April 21, 2026

Vinit Teredesai (Apr 21, 2026 15:02:43 GMT+5.5)

Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917

Place : Pune
Date : April 21, 2026

Amit Atre (Apr 21, 2026 14:08:07 GMT+5.5)

Amit Atre
Company Secretary
Membership No.: A20507

Place : Pune
Date : April 21, 2026

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Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Persistent Systems Limited** ('the Holding Company') its subsidiaries and its controlled trust (the Holding Company, its subsidiaries and its controlled trust together referred to as 'the Group'), as listed in Annexure B, which comprise the Consolidated Balance Sheet as at 31 March 2025, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, and its controlled trust the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2025, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and controlled trust, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our audit addressed the key audit matters
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 4.2(a) to in notes forming part of the consolidated financial statements. The Group has entered into various fixed-price software development contracts, for which revenue is recognized by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115 'Revenue from Contracts with Customers' ('Ind AS 115'). Revenue recognition in such contracts involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: • High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts and significant involvement of information technology (IT) systems. • High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. • Identification and determination of onerous contracts and related obligations. • Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit procedures relating to accuracy of revenues and onerous obligations in respect of fixed-price contracts included but were not limited to the following: • Obtained an understanding of the systems, processes and controls implemented by management for calculating and recording revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations; • Evaluated the design and tested operating effectiveness of related internal financial manual controls and involved auditor's experts to-: ○ Test key IT controls over IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; ○ Test the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and ○ Test the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project; • Selected samples of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract; • Reviewed samples of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations; • Performed analytical procedures for reasonableness of incurred and estimated efforts;

	• Evaluated management's identification of onerous contracts based on estimates tested as above; and • Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.
Valuation of Employee Stock Option Plan ('ESOP') Refer note 4.3(q) and note 35 of the consolidated financial statements. The Group has framed various ESOP schemes for its employees under which the Company pays remuneration to its employees for services received in the form of equity-settled share based payment transactions. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognised as employee compensation cost by the Company/Group over the vesting period of such options. The fair valuation of options granted to employees for the services rendered is performed by external valuation specialists using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including expected volatility, dividend yield, risk-free interest rate, performance factor, attrition rate and non-acceptance factors. Considering significant management judgment and materiality of amounts involved, valuation of ESOP reserve and expense is considered as a key audit matter for the current year audit.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: • Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; • Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, models and assumptions used by the management to determine the fair value of options granted during the year; • Evaluated competency and objectivity of valuation specialist hired by the management; • Reviewed the report from management's valuation specialist considered for valuation of options granted during the year; • Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; • Involved auditor's valuation expert to assist us in validating the valuation assumptions, methodology and approach considered by the management's expert and ascertained arithmetical accuracy of computation of share-based payment expense; and • Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to share based payments as required by applicable Indian Accounting Standards.
Impairment assessment of goodwill Refer notes 4.3(g) and 5.4 to the accompanying consolidated financial statements. As at 31 March 2025, the Group's assets include goodwill aggregating to 12,337.94 million relating to business acquisitions made by the Group in earlier years across multiple geographic locations.	Our audit procedures relating to testing of impairment assessment of goodwill included but were not limited to the following: • Obtained an understanding of management's process for identification of CGUs and impairments testing of goodwill; • Evaluated the design and tested operative effectiveness of the key internal financial controls over the Group's process of impairment assessment of goodwill;

The Group has performed annual impairment test of Goodwill as required under per Ind AS 36, 'Impairment of Assets' ('Ind AS 36') by determining the fair value of the Cash Generated Units (CGUs) to which the goodwill is allocated, using discounted cash flow method. The determination of the recoverable value of CGUs requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. Considering goodwill balance is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, impairment assessment of goodwill is considered as a key audit matter for the current year audit.	• Assessed the reasonability of the assumptions used by the management for cash flow forecasts by comparing to the historical trend of past performance of the CGU;s • Traced the projections used by the management to approved business plans; • Assessed the competence and objectivity of the management's valuation expert and obtained their valuation report on determination of recoverable amounts of CGUs and; • Involved auditor's valuation expert to assess the valuation assumptions used and methodology considered by the management's expert to calculate the recoverable amounts of CGUs and the mathematical accuracy of these calculations; • Performed sensitivity analysis on the key assumptions to evaluate estimation uncertainty and ascertain the sufficiency of headroom available; and • Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable Indian Accounting Standards

Information other than the Consolidated Financial Statements and Auditor's Report thereon

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

Our opinion on the consolidated 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 consolidated 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 consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 Group and its associates to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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 Matter

15. We did not audit the financial statements of twenty five subsidiaries and one controlled trust, whose financial statements reflects total assets of ₹ 15,243.49 Million as at 31 March 2025, total revenues of ₹ 10,664.63 Million and net cash outflows amounting to ₹ 360.75 Million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and controlled trust, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, and controlled trust, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

16. As required by section 197(16) of the Act, based on our audit, we report that the Holding Company incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to three subsidiaries incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

17. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 15 above, of companies included in the consolidated financial statements for the year ended 31 March 2025 and covered under the Act we report that:

A) Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2025 for which such Order reports have been issued till date and made available to us:

S No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1	Persistent Systems Limited	L72300PN1990PLC056696	Holding Company	Clause (ii) (b) Clause (vii) (b)
2	CAPIOT Software Private Limited	U72200PN2014PTC226352	Wholly Owned Subsidiary	Clause (xvii)
3	MediaAgility India Private Limited	U72200HR2010PTC041548	Wholly Owned Subsidiary	Clause (vii) (b)

18. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors,

c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

d) In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

e) On the basis of the written representations received from the directors of the Holding Company and its subsidiaries and taken on record by the Board of Directors of the Holding Company and its subsidiaries, respectively, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Holding Company, and its subsidiaries, are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 43 to the consolidated financial statements;

ii. The Holding Company and its subsidiaries did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2025;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiaries during the year ended 31 March 2025;

iv.

a. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief on the date of this audit report as disclosed in note 52 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any persons or entities, including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, on the date of this audit report as disclosed in the note 53 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any persons or entities, including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company and its subsidiaries, during the year ended 31 March 2025 and until the date of this audit report is in compliance with section 123 of the Act.

The final dividend paid by the Holding Company during the year ended 31 March 2025 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

As stated in note 18(A)(b) to the accompanying consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year ended 31 March 2025 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.

vi. As stated in note 54 to the consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries, the Holding Company and its subsidiaries, in respect of financial year commencing on 01 April 2024, have used an accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries did not come across any instance of audit trail feature being tampered with. Furthermore, the audit trail has been preserved by the Holding Company and above referred subsidiaries as per the statutory requirements for record retention..

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR

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Date: 2025.04.23 17:10:02 -07'00'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 25101797BMMAKF4265

Place: USA
Date: 23 April 2025

Annexure A

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Persistent Systems Limited ('the Holding Company'), its subsidiaries and its controlled trust (the Holding Company, its subsidiaries and its controlled trust together referred to as 'the Group'), as at and for the year ended 31 March 2025, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies covered under the Act, 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the Company's 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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.

4. 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 includes obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

7. 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.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2025, based on 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India .

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary company, which is company covered under the Act, whose financial statements reflect total assets of ₹ 1,545.10 Million and net assets of ₹ 507.10 Million as at 31 March 2025, total revenues of ₹ 368.48 Million and net cash outflows amounting to ₹ 604.62 Million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company have been audited by other auditor whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company, and its subsidiary company, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditor of such company. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the report of the other auditor.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR

Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:10:27 -07'00'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 25101797BMMAKF4265

Place: USA
Date: 23 April 2025

Annexure B

List of entities included in the report

Sr. No.	Name of entity	Relationship
1	Persistent Systems Limited (PSL)	Holding Company
2	Persistent Systems, Inc. (PSI)	Wholly owned subsidiary of PSL
3	Persistent Systems Pte Ltd.	Wholly owned subsidiary of PSL
4	Persistent Systems France SAS	Wholly owned subsidiary of PSL
5	Persistent Systems Malaysia Sdn. Bhd.	Wholly owned subsidiary of PSL
6	Persistent Systems Germany GmbH (PSGG)	Wholly owned subsidiary of PSL
7	Persistent Telecom Solutions Inc.	Wholly owned subsidiary of PSI
8	Aepona Group Limited (AGL)	Wholly owned subsidiary of PSI
9	Persistent Systems UK ltd. (Formerly known as Aepona Limited, UK) (formerly Wholly owned subsidiary of AGL)	Wholly owned subsidiary of PSL
10	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
11	Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
12	Persistent Systems Israel Ltd.	Wholly owned subsidiary of PSI
13	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Wholly owned subsidiary of PSGG
14	CAPIOT Software Private Limited	Wholly owned subsidiary of PSL
15	Persistent Systems Australia Pty Ltd (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary of PSI
16	Persistent Systems S.R.L. Romania	Wholly owned subsidiary of PSGG
17	Software Corporation International LLC	Wholly owned subsidiary of PSI
18	Persistent Systems Costa Rica Limitada (Formerly known as "Data Glove IT Solutions Limitada")	Wholly owned subsidiary of PSGG
19	Persistent Systems Poland sp z.o.o.	Wholly owned subsidiary of PSI
20	MediaAgility Inc.(MAI)	Wholly owned subsidiary of PSI
21	MediaAgility Pte. Ltd.	Wholly owned subsidiary of MAI
22	MediaAgility UK Ltd.	Wholly owned subsidiary of MAI
23	Digitalagility S de RL de CV	Wholly owned subsidiary of MAI
24	MediaAgility India Private Limited	Wholly owned subsidiary of PSL
25	Persistent India Foundation (incorporated w.e.f. 1st May 2024)	Wholly owned subsidiary of PSL
26	PSPL ESOP Management Trust	Controlled ESOP Trust
27	Arrka Infosec Private Limited, India (Acquired w.e.f. 1st August 2024)	Wholly owned subsidiary of PSL
28	Starfish Associates, LLC (Acquired w.e.f. 1st August 2024)	Wholly owned subsidiary of PSI

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2025

	Notes	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	4,350.88	4,420.03
Capital work-in-progress	5.2	41.84	218.73
Right of use assets	5.3	3,798.67	2,307.18
Goodwill	5.4	12,337.94	10,912.56
Other Intangible assets	5.5	4,923.33	4,574.95
Intangible assets under development	5.6	731.77	116.53
		26,184.43	**22,549.98**
Financial assets			
- Trade receivables	12	664.40	730.18
- Investments	6	6,415.04	5,539.14
- Loans	7	-	-
- Other financial assets	8	773.81	691.06
Deferred tax assets (net)	9	2,024.24	1,462.80
Income tax assets (net)		787.55	387.05
Other non-current assets	10	257.02	1,247.28
		37,106.49	**32,607.49**
Current assets			
Financial assets			
- Investments	11	3,388.17	2,726.54
- Trade receivables	12	18,477.95	16,761.13
- Cash and cash equivalents	13	6,744.06	6,625.15
- Bank balances other than cash and cash equivalents	14	3,510.65	3,603.71
- Loans	15	-	-
- Other financial assets	16	9,375.16	6,621.83
Other current assets	17	8,763.54	5,230.49
		50,259.53	**41,568.85**
TOTAL		**87,366.02**	**74,176.34**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18(A)	779.25	770.25
Other equity	18(B)	62,411.40	48,806.82
		63,190.65	**49,577.07**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
- Borrowings	19	-	99.15
- Lease liabilities	20	2,156.67	1,608.09
- Other financial liabilities	23	425.90	-
Other non-current liabilities	24	47.63	44.44
Deferred tax liabilities (net)	9	150.49	121.92
Provisions	21	66.95	546.96
		2,847.64	**2,420.56**
Current liabilities			
Financial liabilities			
- Borrowings	19	-	1,974.04
- Lease liabilities	20	952.30	830.01
- Trade payables	22		
- Total outstanding dues of micro and small enterprises		40.77	49.63
- Total outstanding dues of creditors other than micro and small enterprises		8,845.40	8,088.99
- Other financial liabilities	23	2,438.40	3,718.27
Other current liabilities	24	4,516.47	3,639.82
Provisions	25	4,028.54	3,330.66
Income tax liabilities (net)		505.85	547.29
		21,327.73	**22,178.71**
TOTAL		**87,366.02**	**74,176.34**
Summary of material accounting policy information	4		

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR
Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:10:48 -07'00'

Shashi Tadwalkar
Partner

Membership No: 101797

Place : USA
Date : April 23, 2025

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

Anand Deshpande (Apr 23, 2025 16:03 PDT)
Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place : USA
Date : April 23, 2025

Sandeep Kalra (Apr 23, 2025 16:02 PDT)
Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place : USA
Date : April 23, 2025

Praveen Kadle (Apr 23, 2025 16:11 PDT)
Praveen Kadle
Independent Director
DIN: 00016814
Place : USA
Date : April 23, 2025

Vinit Teredesai (Apr 23, 2025 16:09 PDT)
Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917
Place : USA
Date : April 23, 2025

Amit Atre (Apr 23, 2025 16:04 PDT)
Amit Atre
Company Secretary
Membership No: A20507
Place : USA
Date : April 23, 2025

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025

	Notes	For the year ended	
		March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Income			
Revenue from operations	26	119,387.17	98,215.87
Other income	27	1,381.54	1,280.20
Total income (A)		**120,768.71**	**99,496.07**
Expenses			
Employee benefits expense	28.1	68,737.17	59,609.70
Cost of professionals	28.2	17,491.65	11,492.70
Finance costs		671.29	467.27
Depreciation and amortisation expense	5.7	3,069.10	3,093.73
Other expenses	29	12,576.42	10,356.61
Total expenses (B)		**102,545.63**	**85,020.01**
Profit before tax (A-B)		**18,223.08**	**14,476.06**
Tax expense			
Current tax		4,680.05	3,679.65
Deferred tax credit		(500.50)	(211.69)
Tax charge in respect of earlier years		41.92	73.19
Total tax expense		**4,221.47**	**3,541.15**
Net profit for the year (C)		**14,001.61**	**10,934.91**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / (asset)		193.08	(98.29)
- Income tax effect on above		(49.81)	21.29
		143.27	**(77.00)**
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		(34.97)	21.59
- Income tax effect on above		8.80	8.02
- Exchange differences in translating the financial statements of foreign operations		81.19	104.82
		55.02	**134.43**
Total other comprehensive income for the year (D) + (E)		**198.29**	**57.43**
Total comprehensive income for the year (C) + (D) + (E)		**14,199.90**	**10,992.34**
Earnings per equity share [Nominal value of share ₹5 (Previous year: ₹5)]	30		
Basic (In ₹)		91.22	72.44
Diluted (In ₹)		90.24	71.07
Summary of material accounting policy information	4		

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR
Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:11:12 -07'00'

Shashi Tadwalkar
Partner

Membership No: 101797

Place : USA
Date : April 23, 2025

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

Anand Deshpande (Apr 23, 2025 16:03 PDT) Sandeep Kalra (Apr 23, 2025 16:02 PDT) Praveen Kadle (Apr 23, 2025 16:11 PDT)

Dr. Anand Deshpande	**Sandeep Kalra**	**Praveen Kadle**
Chairman and Managing Director	Executive Director and Chief Executive Officer	Independent Director
DIN: 00005721	DIN: 02506494	DIN: 00016814
Place : USA Date : April 23, 2025	Place : USA Date : April 23, 2025	Place : USA Date : April 23, 2025

Vinit Teredesai (Apr 23, 2025 16:09 PDT) Amit Atre (Apr 23, 2025 16:04 PDT)

Vinit Teredesai	**Amit Atre**
Executive Director and Chief Financial Officer	Company Secretary
DIN: 03293917	Membership No: A20507
Place : USA Date : April 23, 2025	Place : USA Date : April 23, 2025

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025

		For the year ended	
		March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Cash flow from operating activities			
Profit before tax		**18,223.08**	**14,476.06**
Adjustments for:			
Interest income		(556.42)	(562.45)
Finance costs		417.06	287.25
Interest on lease liability		254.23	180.02
Depreciation and amortisation expense		3,069.10	3,093.73
Unrealised exchange (gain) / loss (net)		275.94	27.27
Change in foreign currency translation reserve		227.91	172.65
Exchange loss / (gain) on derivative contracts		44.12	(70.63)
Exchange loss / (gain) on translation of foreign currency cash and cash equivalents		11.76	(23.84)
Bad debts		-	63.36
Allowance for expected credit loss (net)		422.18	103.57
Employee stock compensation expenses		3,095.27	1,091.75
Loss / Impairment of non-current investments		-	20.58
Changes in contingent consideration payable on business combination		(1,461.82)	(743.03)
Excess provision in respect of earlier period / year written back		(29.37)	(27.76)
Profit on sale / fair valuation of financial assets designated as FVTPL		(470.40)	(289.11)
Provision towards employee benefits		(506.74)	-
Profit on sale of investment - Dx Now		(21.67)	-
Profit on sale of investment - PSG		(0.69)	-
Profit on sale of property, plant and equipment (net)		(76.84)	(22.64)
Operating profit before working capital changes		**22,916.70**	**17,776.78**
Movements in working capital :			
Decrease / (Increase) in other non-current assets		197.12	(256.22)
Increase in other financial assets		(2,761.88)	(1,585.47)
Increase in other current assets		(3,659.19)	(1,076.41)
Increase in trade receivables		(2,394.69)	(1,810.64)
Increase in trade payables, current liabilities and non-current liabilities		1,467.51	4,629.73
Increase / (Decrease) in provisions		917.69	(1,242.94)
Operating profit after working capital changes		**16,683.26**	**16,434.83**
Direct taxes paid (net of refunds)		(5,114.10)	(3,413.74)
Net cash generated from operating activities	**(A)**	**11,569.16**	**13,021.09**
Cash flows from investing activities			
Payment towards capital expenditure (including property, plant and equipment, intangible assets, capital advances and capital creditors)		(2,366.91)	(3,580.33)
Proceeds from sale of property, plant and equipment		436.14	29.35
Payment for acquisition of financial instruments		(54,916.91)	(50,889.51)
Payment towards contingent consideration		(489.64)	(2,073.64)
Proceeds from sale of financial instruments		52,773.30	49,522.79
Investment in unquoted securities		(434.93)	-
Profit on sale of investment - Dx Now		21.67	-
Profit on sale of investment - PSG		0.69	-
Proceeds from maturity of bank deposits having original maturity over three months		62.21	773.06
Interest received		570.04	597.38
Net cash used in investing activities	**(B)**	**(4,344.34)**	**(5,620.90)**
Cash flows from financing activities			
Repayment of long term borrowings		-	(1.84)
Proceeds from issue of share capital including securities premium		1,845.90	1,607.80
Repayment of foreign currency long term borrowings		(2,061.35)	(2,231.88)
Payments towards lease liabilities		(1,093.66)	(760.18)
Interest paid		(372.82)	(349.11)
Dividends paid		(4,600.06)	(4,083.62)
Net cash generated / (used) in financing activities	**(C)**	**(6,281.99)**	**(5,818.83)**

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Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Net increase in cash and cash equivalents (A + B + C)	942.83	1,581.36
Cash and cash equivalents at the beginning of the year	6,625.15	4,670.12
Cash and cash equivalents acquired on acquisition	56.38	-
Effect of exchange difference on translation of foreign currency cash and cash equivalents	(11.76)	23.84
Impact of ESOP Trust & Persistent Foundation consolidation	(868.54)	349.83
Cash and cash equivalents at the end of the year	**6,744.06**	**6,625.15**
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.20	0.11
Balances with banks		
On current accounts # (refer note 13)	4,392.63	4,819.66
On saving accounts (refer note 13)	27.50	23.48
On exchange earner's foreign currency accounts (refer note 13)	1,488.57	1,401.87
On deposit accounts with original maturity less than three months (refer note 13)	835.16	380.03
Cash and cash equivalents	**6,744.06**	**6,625.15**

Of the cash and cash equivalent balance as at March 31, 2025, the Group can utilise ₹ 0.02 million (Previous year : ₹ 65.10 Million) only towards certain predefined activities specified in the government grant agreement.

The above Statement of cash flow 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 4)

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR
Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:11:32 -07'00'

Shashi Tadwalkar
Partner

Membership No: 101797

Place : USA
Date : April 23, 2025

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

Anand Deshpande (Apr 23, 2025 16:03 PDT)
Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place : USA
Date : April 23, 2025

Sandeep Kalra (Apr 23, 2025 16:02 PDT)
Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place : USA
Date : April 23, 2025

Praveen Kadle (Apr 23, 2025 16:11 PDT)
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Independent Director
DIN: 00016814
Place: USA
Date : April 23, 2025

Vinit Teredesai (Apr 23, 2025 16:09 PDT)
Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917
Place : USA
Date : April 23, 2025

Amit Atre (Apr 23, 2025 16:04 PDT)
Amit Atre
Company Secretary
Membership No. A20507
Place : USA
Date : April 23, 2025

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FOR THE YEAR ENDED MARCH 31, 2025

A. Share capital

(refer note 18(A))

(In ₹ Million)

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

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
764.25	6.00	770.25

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2024	1,601.80	25,842.99	2,227.71	63.61	35.75	19,346.09	(2,085.84)	140.64	23.85	1,610.22	48,806.82
Addition during the year	1,836.90	-	-	-	-	-	-	-	-	-	1,836.90
Net profit for the year	-	-	-	-	-	14,001.61	-	-	-	-	14,001.61
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	193.08	-	-	(34.97)	81.19	239.30
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)
Transfer to general reserve	-	-	-	-	-	-	-	-	-	-	-
Adjustments towards employees stock options	-	1,887.16	(1,887.16)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	-	3,095.27	-	-	-	-	-	-	-	3,095.27
Other changes during the year	-	-	(3.44)	1.58	-	-	-	-	-		(1.86)
Balance at March 31, 2025	**3,438.70**	**27,730.15**	**3,432.38**	**65.19**	**35.75**	**28,833.47**	**(2,994.10)**	**180.77**	**(2.32)**	**1,691.41**	**62,411.40**

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2023	-	20,824.45	2,222.02	62.67	35.75	16,607.36	(2,435.67)	70.31	(5.76)	1,505.40	38,886.53
Addition during the year	1,601.80	-	-	-	-	-	-	-	-	-	1,601.80
Profit for the year	-	-	-	-	-	10,934.91	-	-	-	-	10,934.91
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	(98.29)	-	-	21.59	104.82	28.12
Income tax effect on above	-	-	-	-	-	21.29	-	-	8.02	-	29.31
Dividend	-	-	-	-	-	(4,153.95)	-	-	-	-	(4,153.95)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	70.33	-	-	70.33
Shares held by ESOP trust	-	-	-	-	-	-	349.83	-	-	-	349.83
Transfer to general reserve	-	3,965.23	-	-	-	(3,965.23)	-	-	-	-	-
Adjustments towards employees stock options	-	1,087.56	(1,087.56)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	-	1,091.75	-	-	-	-	-	-	-	1,091.75
Other changes during the year	-	(34.25)	1.50	0.94	-	-	-	-	-	-	(31.81)
Balance at March 31, 2024	**1,601.80**	**25,842.99**	**2,227.71**	**63.61**	**35.75**	**19,346.09**	**(2,085.84)**	**140.64**	**23.85**	**1,610.22**	**48,806.82**

Summary of material accounting policy information (refer note 4)

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR
Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:12:00 -07'00'

Shashi Tadwalkar
Partner

Membership No: 101797

Place : USA
Date : April 23, 2025

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

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Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : USA
Date : April 23, 2025

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Sandeep Kalra
Executive Director and
Chief Executive Officer

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Date : April 23, 2025

Amit Atre (Apr 23, 2025 16:04 PDT)

Amit Atre
Company Secretary
Membership No. A20507
Place : USA
Date : April 23, 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2025

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 upon which such amount is transferred to General reserve.

c) Gain on bargain purchase
The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements.

d) 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.

e) 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.

f) Foreign currency translation reserve
The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

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

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

h) Securities premium
Securities premium 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.

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

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1 Group Overview

Persistent Systems Limited ("the Parent 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, 412 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. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as 'the Group'. The Group offers complete product life cycle services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2025 and authorised for issue on April 23, 2025 (PDT) i.e. April 24, 2025 (IST).

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation. Also, the Company is engaged in providing sales and marketing support and other allied services to its group entities.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. is engaged in software development and related services and also operates as the holding Company of Persistent Systems Lanka Ltd.

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Persistent Systems Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH (wholly owned subsidiary of PSL) operates as the holding Company of Persistent Systems Switzerland AG, Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada) and Persistent Systems S.r.l., Romania. Youperience GmbH and PARX Consulting GmbH have been merged with Persistent Systems Germany GmbH w.e.f August 21, 2023 and August 25, 2023, respectively.

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in the business of software products, services and technology innovation in the digital practice.

PARX Consulting GmbH (a Germany based wholly owned subsidiary of Persistent Systems Switzerland AG) has been merged with Persistent Systems Germany GmbH w.e.f. August 25, 2023.

Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada, a Costa Rica based wholly owned subsidiary of Persistent Systems Germany GmbH) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Youperience GmbH (a Germany based wholly owned subsidiary of Persistent Systems Germany GmbH) has been merged with Persistent Systems Germany GmbH w.e.f. August 21, 2023.

Youperience Limited (a United Kingdom based wholly owned subsidiary of Youperience GmbH) has been dissolved w.e.f. June 27, 2023.

Persistent Systems S.R.L. Romania is a wholly owned subsidiary of Persistent Systems Germany GmbH is engaged in software development and services.

CAPIOT Software Private Limited is a India based wholly owned subsidiary of PSL.

CAPIOT Software Inc (a US based wholly owned subsidiary of Persistent Systems Inc) has been dissolved w.e.f. December 29, 2023.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of Persistent Systems Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

CAPIOT Software Pte Limited (a Singapore based wholly owned subsidiary of CAPIOT Software Inc) has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

Persistent Systems SRL (a Italy based wholly owned subsidiary of Persistent Systems Inc.) has been dissolved w.e.f. February 26, 2024.

Software Corporation International LLC (a US based wholly owned subsidiary of Persistent Systems Inc) is specialized in payment solutions, integration, and support services for BFSI clients has been dissolved w.e.f. June 27, 2024.

SCI Fusion360 LLC (a US based wholly owned subsidiary of Persistent Systems Inc) has been dissolved w.e.f. May 31, 2023.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Digitalagility S. DE R.L.de C.V. (a Mexico based wholly owned subsidiary of MediaAgility, Inc) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of MediaAgility, Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Persistent Systems Poland sp z.o.o. is a subsidiary of Persistent Systems Inc. and is incorporated on April 5, 2023 is engaged in providing software products, services and technology innovation.

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 for carrying out CSR activities.

Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc, USA (wholly owned subsidiary) effective from August 1, 2024. Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.

Arrka Infosec Private Limited, India (a private company incorporated under the Companies Act, 1956) has become a wholly owned subsidiary of Persistent Systems Limited effective from October 28, 2024. The subsidiary specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains.

The Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated.

2 Basis of preparation

The consolidated 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 certain financial instruments which are measured at fair values, defined benefit liability/(asset) which is recognized at the present value of defined benefit obligation less fair value of plan asset and equity settled employee stock options which have been measured at fair value. 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.

3 Basis of consolidation

The consolidated financial statements of the Parent Company, its subsidiaries and the controlled trust ("the Group") for the year ended March 31, 2025 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the Parent Company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The standalone financial statements of the Parent Company, its subsidiary companies and its controlled trust have been combined on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealised profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognised separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the consolidated financial statements. Goodwill arising on consolidation is not amortised. It is tested for impairment on a periodic basis and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

The subsidiary companies and controlled trust considered in the consolidated financial statements are as follows:

Name of the subsidiary or controlled trust	Ownership Percentage as at		Country of incorporation
	March 31, 2025	March 31, 2024	
Persistent Systems, Inc.	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	France
Persistent Telecom Solutions Inc.	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	Malaysia
Aepona Group Limited	100%	100%	Ireland
Persistent Systems UK Limited (formerly known as Aepona Limited)	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	Germany
Persistent Systems Switzerland AG (formerly known as PARX Werk AG)	100%	100%	Switzerland
PARX Consulting GmbH (Dissolved w.e.f. August 25, 2023)	-	-	Germany
Youperience GmbH (Dissolved w.e.f. August 21, 2023)	-	-	Germany
Youperience Limited (Dissolved w.e.f. June 27, 2023)	-	-	United Kingdom
CAPIOT Software Private Limited	100%	100%	India
CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023)	-	-	USA
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd)	100%	100%	Australia
CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023)	-	-	Singapore
Persistent Systems S.R.L. (Dissolved w.e.f. February 26, 2024)	-	-	Italy
Software Corporation International LLC (Dissolved w.e.f. June 27, 2024)	-	100%	USA
SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023)	-	-	USA
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	Costa Rica
MediaAgility India Private Limited	100%	100%	India
MediaAgility Inc.	100%	100%	USA
Digitalagility S. DE R.L.de C.V.	100%	100%	Mexico
MediaAgility UK Limited	100%	100%	UK
Media Agility Pte Ltd	100%	100%	Singapore
Persistent Systems S.R.L. Romania	100%	100%	Romania
Persistent Systems Poland sp z.o.o. (Incorporated on April 5, 2023)	100%	100%	Poland
PSPL ESOP Management Trust	100%	100%	India
Persistent India Foundation (Incorporated on May 1, 2024)	100%	-	India
Starfish Associates LLC, USA (acquired on August 1, 2024)	100%	-	USA
Arrka Infosec Private Limited (acquired on October 28, 2024)	100%	-	India

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2024-25:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (In ₹ Million)	As a % of consolidated profit	Amount (In ₹ Million)	As a % of consolidated OCI	Amount (In ₹ Million)	As a % of consolidated Total Comprehensive Income	Amount (In ₹ Million)
Parent Company:								
Persistent Systems Limited	81.38%	59,740.08	90.57%	11,551.41	104.12%	121.93	90.69%	11,673.34
Subsidiaries:								
Persistent Systems, Inc.	13.01%	9,548.85	4.68%	597.32	0.00%	-	4.64%	597.32
Persistent Systems Pte. Ltd.	0.06%	41.89	0.02%	3.12	0.00%	-	0.02%	3.12
Persistent Systems France SAS	-0.14%	(103.62)	-0.72%	(91.23)	0.00%	-	-0.71%	-91.23
Persistent Telecom Solutions Inc.	0.39%	289.60	0.00%	(0.55)	0.00%	-	0.00%	-0.55
Persistent Systems Malaysia Sdn. Bhd.	0.36%	266.71	-0.04%	(5.01)	0.00%	-	-0.04%	-5.01
Aepona Group Limited	1.70%	1,246.70	3.14%	401.05	0.00%	-	3.12%	401.05
Persistent Systems UK Limited	-0.16%	(115.76)	1.38%	176.54	0.00%	-	1.37%	176.54
Persistent Systems Lanka (Private) Limited	0.41%	301.12	0.04%	5.61	-4.12%	(4.83)	0.01%	0.78
Persistent Systems Israel Ltd.	0.24%	174.23	0.08%	10.63	0.00%	-	0.08%	10.63
Persistent Systems Mexico, S.A. de C.V.	0.17%	127.73	0.23%	29.44	0.00%	-	0.23%	29.44
Persistent Systems Germany GmbH	0.18%	133.06	-1.09%	(138.80)	0.00%	-	-1.08%	-138.80
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.26%	189.17	-0.09%	(11.50)	0.00%	-	-0.09%	-11.50
PARX Consulting GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Youperience Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Youperience GmbH	0.00%	-	0.00%	-	0.00%	-	0.00%	-
CAPIOT Software Private Limited	0.07%	51.21	-0.04%	(4.64)	0.00%	-	-0.04%	-4.64
CAPIOT Software Inc.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems Australia Pty Ltd	-0.09%	(68.48)	0.21%	27.31	0.00%	-	0.21%	27.31
CAPIOT Software Pte Limited (refer note 1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems S.R.L	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Software Corporation International	0.00%	-	0.00%	-	0.00%	-	0.00%	-
SCI Fusion360 LLC	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems Costa Rica Limitada	0.28%	203.67	0.57%	72.27	0.00%	-	0.56%	72.27
MediaAgility India Private Limited	0.69%	507.10	0.89%	113.82	0.00%	-	0.88%	113.82
MediaAgility Inc.	1.21%	886.76	-0.17%	(22.02)	0.00%	-	-0.17%	-22.02
MediaAgility UK LTD	-0.03%	(19.05)	-0.03%	(3.91)	0.00%	-	-0.03%	-3.91
DIGITALAGILITY S DE RL DE CV	-0.09%	(69.55)	-0.08%	(9.86)	0.00%	-	-0.08%	-9.86
MediaAgility Pte Ltd	0.01%	10.14	-0.05%	(6.89)	0.00%	-	-0.05%	-6.89
Persistent Systems S.R.L.- Romania	0.07%	53.56	0.10%	12.91	0.00%	-	0.10%	12.91
Persistent Systems Poland sp z.o.o.	0.04%	30.98	0.13%	16.54	0.00%	-	0.13%	16.54
PSPL ESOP Management Trust	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent India Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Starfish Associates LLC, USA	-0.02%	(15.11)	0.30%	38.17	0.00%	-	0.30%	38.17
Arrka Infosec Private Limited	0.00%	(1.62)	-0.06%	(7.53)	0.00%	-	-0.06%	-7.53
Subtotal	**100.00%**	**73,409.37**	**100.00%**	**12,754.19**	**100.00%**	**117.10**	**100.00%**	**12,871.29**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	81.19	-	81.19
Consolidation adjustments	-	(10,218.72)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(525.83)	-	-	-	(525.83)
DTA on items recognised on consolidation	-	-	-	(4.77)	-	-	-	(4.77)
Dividend from subsidiaries	-	-	-	(111.37)	-	-	-	(111.37)
Others	-	-	-	1,889.39	-	-	-	1,889.39
Total		**63,190.65**		**14,001.61**		**198.29**		**14,199.90**

Note 1: CAPIOT Software Pte Limited has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2023-24:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated profit	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of consolidated Total Comprehensive Income	Amount (₹ million)
Parent Company:								
Persistent Systems Limited	79.08%	47,786.51	81.97%	9,856.65	71.20%	(33.74)	82.02%	9,822.91
Subsidiaries:								
Persistent Systems, Inc.	14.53%	8,777.68	13.25%	1,593.77	0.00%	-	13.31%	1,593.77
Persistent Systems Pte. Ltd.	0.06%	37.50	0.03%	3.35	0.00%	-	0.03%	3.35
Persistent Systems France SAS	-0.02%	(9.23)	-0.93%	(111.62)	0.00%	-	-0.93%	(111.62)
Persistent Telecom Solutions Inc.	0.47%	283.66	0.90%	108.41	0.00%	-	0.91%	108.41
Persistent Systems Malaysia Sdn. Bhd.	0.41%	249.82	0.03%	3.31	0.00%	-	0.03%	3.31
Aepona Group Limited	1.36%	819.69	6.41%	771.14	0.00%	-	6.44%	771.14
Persistent Systems UK Limited	0.09%	52.33	0.39%	46.67	0.00%	-	0.39%	46.67
Persistent Systems Lanka (Private) Limited	0.48%	288.02	0.21%	25.64	28.80%	(13.65)	0.10%	11.99
Persistent Systems Israel Ltd.	0.27%	160.33	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Persistent Systems Mexico, S.A. de C.V.	0.18%	111.03	0.38%	46.00	0.00%	-	0.38%	46.00
Persistent Systems Germany GmbH	0.44%	268.45	0.43%	51.77	0.00%	-	0.43%	51.77
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.50%	304.69	2.82%	339.56	0.00%	-	2.84%	339.56
PARX Consulting GmbH	0.00%	-	-0.31%	(36.85)	0.00%	-	-0.31%	(36.85)
Youperience Limited	0.00%	-	0.00%	0.43	0.00%	-	0.00%	0.43
Youperience GmbH	0.00%	-	-0.14%	(17.35)	0.00%	-	-0.14%	(17.35)
CAPIOT Software Private Limited	0.09%	55.85	-0.01%	(1.70)	0.00%	-	-0.01%	(1.70)
CAPIOT Software Inc.	0.00%	-	0.05%	5.82	0.00%	-	0.05%	5.82
Persistent Systems Australia Pty Ltd	-0.16%	(95.63)	-0.28%	(34.06)	0.00%	-	-0.28%	(34.06)
CAPIOT Software Pte Limited (refer note 1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems S.R.L	0.00%	-	0.03%	3.41	0.00%	-	0.03%	3.41
Software Corporation International	0.04%	21.64	-0.19%	(22.29)	0.00%	-	-0.19%	(22.29)
SCI Fusion360 LLC	0.00%	-	-0.12%	(14.57)	0.00%	-	-0.12%	(14.57)
Persistent Systems Costa Rica Limitada	0.21%	124.87	0.46%	54.74	0.00%	-	0.46%	54.74
MediaAgility India Private Limited	0.65%	393.28	1.31%	157.39	0.00%	-	1.31%	157.39
MediaAgility Inc.	1.47%	886.15	-0.54%	(64.68)	0.00%	-	-0.54%	(64.68)
MediaAgility UK LTD	-0.02%	(14.38)	0.01%	0.61	0.00%	-	0.01%	0.61
DIGITALAGILITY S DE RL DE CV	-0.12%	(71.10)	-0.16%	(18.83)	0.00%	-	-0.16%	(18.83)
MediaAgility Pte Ltd	0.03%	16.90	0.03%	3.15	0.00%	-	0.03%	3.15
Persistent Systems S.R.L.- Romania	0.07%	39.40	0.25%	30.52	0.00%	-	0.25%	30.52
Persistent Systems Poland sp z.o.o.	0.02%	13.12	0.11%	12.63	0.00%	-	0.11%	12.63
PSPL ESOP Management Trust	-0.12%	(74.61)	-6.39%	(768.92)	0.00%	-	-6.42%	(768.92)
Subtotal	**100.00%**	**60,425.97**	**100.00%**	**12,023.97**	**100.00%**	**(47.39)**	**100.00%**	**11,976.58**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	104.82	-	104.82
Consolidation adjustments	-	(10,848.90)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(1,010.58)	-	-	-	(1,010.58)
DTA on items recognised on consolidation	-	-	-	7.66	-	-	-	7.66
Dividend from subsidiaries	-	-	-	(995.82)	-	-	-	(995.82)
Others	-	-	-	909.68	-	-	-	909.68
Total	**100.00%**	**49,577.07**		**10,934.91**	**100.00%**	**57.43**		**10,992.34**

Note 1: CAPIOT Software Pte Limited has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

4 Material accounting policy information

4.1 Use of estimates and judgements

The preparation of the consolidated 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 consolidated financial statements and reported amounts of revenues and expenses during the period / year. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these consolidated 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

4.2 Critical accounting estimates and judgements

a) Revenue recognition

The Group'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 Group 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 fixed-price project is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group'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.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group 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 Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

The Group 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 Group and the customer at contract inception.

The Group 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 Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. 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 Group 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 Group. 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 Group'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.

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 Group 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 Group 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 Group’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 Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

As noted above, the Group enters into leases with third-party landlords and as a consequence the rate implicit in the relevant lease is not readily determinable. Therefore, the Group 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 Group would have to pay to borrow over similar terms which requires estimations when no observable rates are available.

f) Provisions and contingent liabilities

The Group 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 Group uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

4.3 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 Group'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 their realisation in cash and cash equivalents and 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 Group 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 Group. 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 consolidated financial statement of profit and loss for the period / year 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 consolidated financial statement of profit and loss when the asset is disposed.

c) Intangible assets

Intangible assets including software licenses of enduring nature and contractual rights acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation which is recognised from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs 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 consolidated financial 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 Group 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 capitalisation, 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 from the date the asset is made available for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The estimated useful lives for the property, plant and equipment, except for leasehold improvements, are 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.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

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 capitalised 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 Group 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 Group assesses whether:

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

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

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

Where the Group is a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group 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 consolidated financial statement of profit and loss.

The Group 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 Group 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 Group 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 consolidated statement of profit and loss if the right-of-use asset is already reduced to zero.

The Group 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 consolidated statement of profit and loss on a straight line basis.

g) Impairment of non-financial assets

The Group 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 Group 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 Groups 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 groups or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets / forecasts, the Group 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 Group operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the consolidated 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 Group 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 consolidated 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 Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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 Group 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 Group's business model for managing them. The Group's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Group offsets a financial asset and a financial liability when it currently has a legally enforceable right to set off the recognised amounts and the Group 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 consolidated 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 amortised 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 recognised in the consolidated statement of profit and loss.

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 Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group 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 Group 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 consolidated statement of profit and loss.

Amounts accumulated in equity are reclassified to consolidated 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 as FVTPL.

Derecognition

The Group 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 ("Financial Instrument"). A financial liability (or a part of a financial liability) is derecognised from the Group'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 the consolidated statement of profit and loss, except in case of equity instruments classified as FVTOCI, where such cumulative gain or loss is not recycled to the consolidated statement of profit and loss.

The Group derecognises financial liabilities when the Group'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 the consolidated statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 ("Financial Instrument") and the amount recognised less cumulative amortisation.

Fair value of financial instruments

In determining the fair value of its financial instruments, the Group 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 Group 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 Group 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 Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Group recognises impairment loss allowance based on lifetime ECL at each reporting date, right from its initial recognition. The Group 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 Group 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 Group 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 Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group 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 Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group 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 licences

The Group 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.

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 Group collects Goods and Services Tax on behalf of the government and, therefore, these are not economic benefits flowing to the Group. 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 Group's right to receive dividend is established. Dividend income is included under the head 'Other income' in the consolidated statement of profit and loss.

Contract balances

Contract assets

Contract assets are recognised when there are excess of revenues 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 revenues.

j) Foreign currency translation

Foreign currency

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the entities, 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 the consolidated statement of profit and loss of the Group 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 Group presents the consolidated financial statements in ₹. For the purpose of these consolidated financial statements, the assets and liabilities of the Group'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 Group 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 by the group are charged to the consolidated statement of profit and loss for the period / year when the contributions are due. The Group 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 consolidated 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 Group for its employees of Indian and Sri Lankan operations covered under respective Company's 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 consolidated 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 / year 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 Group 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 Group 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 consolidated financial statement of profit and loss. Expense on non-accumulating compensated absences is recognised in the period in which the absences occur.

The Group 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.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per the Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognised in full in the consolidated statement of profit and loss.

During the year, the group has discontinued the said policy.

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 consolidated statement of profit and loss during the period when the employee renders the service.

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group 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 the consolidated 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 Group 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 Group'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 consolidated statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker, are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the consolidated financial statements of the Group as a whole.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period 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 earnings per share, the net profit for the year attributable to the equity shareholders of parent company and the weighted average number of equity shares outstanding during the 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 consolidated financial statements by the Board of Directors.

Notes forming part of consolidated financial statements

o) Provision

A provision is recognised when the Group 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 Group 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 the consolidated financial statements.

q) Share based payments

Employees of the Group 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 Group's best estimate of the number of equity instruments that will ultimately vest.

At the end of each reporting period, the Group 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 the consolidated statement of profit and loss with a corresponding adjustment to equity.

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

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) Treasury shares

The group has created a PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by 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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

t) Dividend

Final dividend on shares is 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 Board of Directors.

u) Business combination

The acquisition method of accounting is used to recognize 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 Group 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 including 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.

v) Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group'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 other comprehensive income as gain on bargain purchase.

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 Group'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 Group 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.

w) 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 Group are segregated. The Group considers all highly liquid investments that are readily convertible to known amounts of cash to be cash equivalents.

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5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers (refer note 2)	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2024	1,007.27	2,896.21	4,861.81	242.25	2,074.95	85.57	1,171.16	14.84	12,354.06
Additions	-	10.34	680.77	14.22	229.80	5.23	67.42	0.87	1,008.65
Additions on account of acquisition (refer note 45)	-	-	20.37	0.01	4.22	-	4.15	-	28.75
Other adjustments	-	-	(1.07)	(159.76)	159.67	-	-	-	(1.16)
Disposals	-	14.90	366.57	6.71	92.05	13.23	68.50	0.33	562.29
Effect of foreign currency translation from functional currency to reporting currency	0.42	1.92	29.85	(2.36)	5.87	(3.75)	6.58	0.01	38.54
As at March 31, 2025	**1,007.69**	**2,893.57**	**5,225.16**	**87.65**	**2,382.46**	**73.82**	**1,180.81**	**15.39**	**12,866.55**
Accumulated depreciation									
As at April 1, 2024	-	1,517.33	4,003.61	112.65	1,414.13	59.26	818.90	8.15	7,934.03
Charge for the year	-	123.61	434.41	6.48	239.50	6.43	108.30	1.92	920.65
Additions on account of acquisition (refer note 45)	-	-	20.24	0.01	4.22	-	4.15	-	28.62
Other adjustments	-	-	-	(44.30)	44.45	-	-	-	0.15
Disposals	-	11.65	245.06	6.71	88.56	13.23	60.40	0.33	425.94
Effect of foreign currency translation from functional currency to reporting currency	-	1.03	48.12	(2.21)	3.45	(4.36)	12.08	0.05	58.16
As at March 31, 2025	**-**	**1,630.32**	**4,261.32**	**65.92**	**1,617.19**	**48.10**	**883.03**	**9.79**	**8,515.67**
Net block as at March 31, 2025	**1,007.69**	**1,263.25**	**963.84**	**21.73**	**765.27**	**25.72**	**297.78**	**5.60**	**4,350.88**

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5.1 Property, plant and equipment (continued)

(In ₹ Million)

	Land - Freehold	Buildings (refer note 1)	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2023	1,007.14	2,880.89	4,773.83	130.79	1,960.91	67.18	1,099.50	15.88	11,936.12
Additions	-	15.13	375.92	115.10	159.74	15.39	81.74	0.22	763.24
Acquisition through merger	-	-	28.24	-	5.28	-	8.66	-	42.18
Disposals	-	0.32	340.14	5.35	51.67	-	23.38	1.26	422.12
Effect of foreign currency translation from functional currency to reporting currency	0.13	0.51	23.96	1.71	0.69	3.00	4.64	-	34.64
As at March 31, 2024	**1,007.27**	**2,896.21**	**4,861.81**	**242.25**	**2,074.95**	**85.57**	**1,171.16**	**14.84**	**12,354.06**
Accumulated depreciation									
As at April 1, 2023	-	1,393.29	3,493.89	101.64	1,285.82	52.55	741.70	7.28	7,076.17
Acquisition through merger	-	-	24.15	-	4.92	-	7.88	-	36.95
Charge for the year	-	124.11	780.31	15.25	174.00	4.01	87.70	2.13	1,187.51
Disposals	-	0.32	313.86	4.76	50.41	-	22.16	1.26	392.77
Effect of foreign currency translation from functional currency to reporting currency	-	0.25	19.12	0.52	(0.20)	2.70	3.78	-	26.17
As at March 31, 2024	**-**	**1,517.33**	**4,003.61**	**112.65**	**1,414.13**	**59.26**	**818.90**	**8.15**	**7,934.03**
Net block as at March 31, 2024	**1,007.27**	**1,378.88**	**858.20**	**129.60**	**660.82**	**26.31**	**352.26**	**6.69**	**4,420.03**

Note 1: Buildings include those constructed on leasehold land:

a) Gross block as on March 31, 2025 ₹ 1,460.20 Million (Previous year : ₹ 1,460.40 Million)

b) Depreciation charge for the period ₹ 58.04 Million (Previous year ₹ 59.30 Million)

c) Accumulated depreciation as on March 31, 2025 ₹ 793.47 Million (Previous year ₹ 735.52 Million)

d) Net block value as on March 31, 2025 ₹ 666.73 Million (Previous year ₹ 724.88 Million)

Note 2: The management has revised estimated useful life of computers and networking equipments prospectively (refer note 51 for details).

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5.2 Capital work in progress

(In ₹ Million)

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Balance at beginning of year	218.73	161.38
Additions	831.76	820.59
Capitalised during the year	1,008.65	763.24
Balance at end of year	**41.84**	**218.73**

5.2 Capital work in progress (CWIP) ageing schedule

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	41.84	-	-	-	41.84
As at March 31, 2025	**41.84**	**-**	**-**	**-**	**41.84**

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	139.92	78.81	-	-	218.73
As at March 31, 2024	**139.92**	**78.81**	**-**	**-**	**218.73**

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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5.3 Right of use assets

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2024	131.97	3,640.10	-	3,772.07
Additions during the year	835.59	1,503.26	276.80	2,615.65
Disposals	-	546.22	-	546.22
Lease Modifications	-	142.32	-	142.32
Other Adjustments	5.80	(49.54)		(43.74)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	35.06	-	35.06
As at March 31, 2025	**973.36**	**4,440.34**	**276.80**	**5,690.50**
Accumulated depreciation				
As at April 1, 2024	4.76	1,460.13	-	1,464.89
Charge for the year	12.76	894.30	14.09	921.15
Disposals		352.92	-	352.92
Lease Modifications	-	119.31	-	119.31
Other Adjustments	-	(39.71)		(39.71)
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	17.73	-	17.73
As at March 31, 2025	**17.52**	**1,860.22**	**14.09**	**1,891.83**
Net block as at March 31, 2025	**955.84**	**2,580.12**	**262.71**	**3,798.67**

(In ₹ Million)

	Leasehold land	Office premises	Other assets	Total
Gross block (At cost)				
As at April 1, 2023	131.97	2,994.30	-	3,126.27
Additions during the year	-	1,123.90	-	1,123.90
Disposals	-	520.17	-	520.17
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	42.07	-	42.07
As at March 31, 2024	**131.97**	**3,640.10**	**-**	**3,772.07**
Accumulated depreciation				
As at April 1, 2023	3.22	924.84	-	928.06
Acquisition through merger	-	112.12	-	112.12
Charge for the year	1.54	649.96	-	651.50
Disposals	-	238.18	-	238.18
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	11.39	-	11.39
As at March 31, 2024	**4.76**	**1,460.13**	**-**	**1,464.89**
Net block as at March 31, 2024	**127.21**	**2,179.97**		**2,307.18**

5.4 Goodwill

(In ₹ Million)

	As at March 31, 2025	As at March 31, 2024
Cost		
Balance at beginning of the year	10,912.56	7,183.71
Addition on purchase price allocation of business combination (refer note 45)	1,160.02	3,322.19
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	265.36	406.66
Balance at end of the year	**12,337.94**	**10,912.56**

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

The allocation of goodwill to operating segments is as follows :

(In ₹ Million)

	As at March 31, 2025	As at March 31, 2024
Segment		
a. Banking, Financial Services and Insurance (BFSI)	2,498.49	2,437.97
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	9,839.46	8,474.59
	12,337.95	**10,912.56**
Operating segments without significant goodwill	-	-
Total	**12,337.95**	**10,912.56**

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, 2025	As at March 31, 2024
Long-term growth rate	4.86%	4.20%
Operating margins	13% to 23%	10% to 25%
Discount rate	15% to 19%	14% to 17%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. As at March 31, 2025, 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. Operating margin and long term growth rate are in line with company's current operations.

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

5.5 Other Intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2024	3,476.27	12,212.59	15,688.86
Additions	323.38	1,560.86	1,884.24
Disposals	528.05	-	528.05
Effect of foreign currency translation from functional currency to reporting currency	61.18	445.16	506.34
As at March 31, 2025	**3,332.78**	**14,218.61**	**17,551.39**
Accumulated amortisation			
As at April 1, 2024	3,021.23	8,092.68	11,113.91
Charge for the year	270.97	956.33	1,227.30
Disposals	305.10	-	305.10
Effect of foreign currency translation from functional currency to reporting currency	56.11	535.84	591.95
As at March 31, 2025	**3,043.21**	**9,584.85**	**12,628.06**
Net block as at March 31, 2025	**289.57**	**4,633.76**	**4,923.33**

(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2023	3,312.14	10,093.33	5,239.19	18,644.66
Additions	127.90	-	-	127.90
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 45 (C))	-	1,548.49	(4,870.68)	(3,322.19)
Effect of foreign currency translation from functional currency to reporting currency	36.26	570.77	(368.51)	238.52
As at March 31, 2024	**3,476.27**	**12,212.59**	**-**	**15,688.86**
Accumulated amortisation				
As at April 1, 2023	2,744.90	6,506.21	222.13	9,473.24
Charge for the year	244.14	1,010.58	-	1,254.72
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 45 (C))	-	523.67	(523.67)	-
Effect of foreign currency translation from functional currency to reporting currency	32.22	52.22	301.54	385.98
As at March 31, 2024	**3,021.23**	**8,092.68**	**-**	**11,113.91**
Net block as at March 31, 2024	**455.04**	**4,119.91**	**-**	**4,574.95**

Acquired contractual rights having carrying amount of ₹ 4,633.76 million have remaining amortisation period between 4-7 years.

5.6 Intangible Assets under Development

(In ₹ Million)

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Balance at beginning of year	116.53	-
Additions	703.96	116.53
Capitalised during the year	88.72	-
Balance at end of year	**731.77**	**116.53**

Intangible Assets under Development Ageing Schedule

(In ₹ Million)

	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	
Projects in progress	703.96	27.81	-	-	731.77
As at March 31, 2025	**703.96**	**27.81**	**-**	**-**	**731.77**

(In ₹ Million)

	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	
Projects in progress	116.53	-	-	-	116.53
As at March 31, 2024	**116.53**	**-**	**-**	**-**	**116.53**

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

5.7 Depreciation and amortisation

(In ₹ Million)

	For the year ended March 31, 2025	For the year ended March 31, 2024
On Property, plant and equipment	920.65	1,187.51
On Right of Use assets	921.15	651.50
On Other Intangible assets	1,227.30	1,254.72
	3,069.10	**3,093.73**

Notes forming part of the Consolidated Financial Statements

6. Non-current financial assets : Investments

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,916.91	2,916.91
Add: Interest accrued on bonds	78.66	78.70
Total investments carried at amortised cost (A)	**2,995.57**	**2,995.61**
Investments carried at fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 6a)	2,823.98	2,386.71
	2,823.98	**2,386.71**
Others*		
Investments in Common Stocks / Preferred Stocks		
Ciqual Limited [Holding 2.38% (Previous year 2.38%)]		
0.04 Million (Previous year : 0.04 Million) shares of GBP 0.01 each, fully paid up	17.25	16.72
Less : Change in fair value of investment	(17.25)	(16.72)
	-	-
Altizon Systems Private Limited	6.00	6.00
0.004 Million equity shares (Previous year : 0.004 Million equity shares) of ₹ 10 each, fully paid up		
Hygenx Inc.	17.09	16.68
0.25 Million (Previous year : 0.25 Million) Preferred stock of $ 0.001 each, fully paid up		
Less : Change in fair value of investment	(17.09)	(16.68)
	-	**-**
Trunomi Inc.	21.37	20.85
0.28 Million (Previous year : 0.28 Million) Preferred stock of $ 0.0002 each, fully paid up		
Less : Change in fair value of investment	(21.37)	(20.85)
	-	**-**
Monument Bank	139.39	136.02
0.024 Million (Previous year: 0.024 Million) Stock of GBP 50 each), fully paid up		
Monument Technology Ltd	221.26	-
1.33 Million (Previous year: Nil) Ordinary Shares of GBP 0.000001 each), fully paid up		
DxNow	-	10.43
0.17 Million Preferred Shares of $ 0.0001 each (Previous year : 0.17 Million Preferred Shares of $ 0.0001)		
Less : Change in fair value of investment	-	(10.43)
	-	**-**
Akumina Inc.	15.17	14.80
0.40 Million Preference shares of $ 0.443 each (Previous year: 0.40 Million Preference shares of $ 0.443 each)		
SwanAI	213.67	-
0.08 Million (Previous year - Nil) preferred shares of $ 0.00001 each, fully paid up		
Total Investments carried at Fair Value (B)	**3,419.47**	**2,543.53**
Total investments (A) + (B)	**6,415.04**	**5,539.14**
Aggregate amount of change in fair value of investments	55.71	64.68
Aggregate amount of quoted investments	2,995.57	2,995.61
Aggregate amount of unquoted investments (gross)	3,475.18	2,608.21
Aggregate market value of quoted investments	2,703.72	2,758.25

* Investments, where the Group did not have joint-control or significant influence including situations where such joint-control or significant influence was intended to be temporary, were classified as "investments in others".

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

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	479.34	651.08
Axis Mutual Fund	672.09	526.58
Kotak Mutual Fund	208.87	152.75
Aditya Birla Sun Life Mutual Fund	165.55	152.53
HDFC Mutual Fund	201.26	185.54
DSP Mutual Fund	168.52	155.66
HSBC Mutual Fund	168.43	155.43
ICICI Prudential Mutual Fund	324.15	152.57
SBI Mutual Fund	166.05	152.65
Nippon Mutual Fund	269.72	101.92
	2,823.98	**2,386.71**

7. Non-current financial assets : Loans

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Carried at amortised cost		
Other loans		
Unsecured, credit impaired	0.58	0.58
	0.58	**0.58**
Less: Impairment allowance	(0.58)	(0.58)
	-	**-**

The Group has not granted any loans repayable on demand or without specifying any terms or period of repayment to promoters, directors, KMPs and the related parties as at 31 March 2025 and 31 March 2024.

8. Other non-current financial assets

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Considered good		
Carried at amortised cost		
Deposits with banks (refer note 14)*	48.29	3.99
Add: Interest accrued but not due on bank deposits (refer note 14)	0.70	0.24
Deposits with banks	**48.99**	**4.23**
Deposit with financial institutions	-	100.00
Add: Interest accrued but not due on deposit with financial institutions	-	10.18
Deposits with financial institutions	**-**	**110.18**
Security deposits	392.07	410.90
Simple Agreement for Future Equity (SAFE)	332.75	165.75
Credit impaired		
Deposit with financial institutions-credit impaired	408.88	430.00
Add: Interest accrued but not due on deposit with financial institutions-credit impaired	0.30	0.98
Less: Credit impaired (refer note 47)	(409.18)	(430.98)
Deposits with financial institutions	-	-
	773.81	**691.06**

* Out of the balance, fixed deposits of ₹ 3.00 Million (Previous year : ₹ 3.60 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.

9. Deferred tax asset / liabilities

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Deferred tax assets		
Provision for leave encashment	388.74	386.00
Provision for bonus and commission	94.66	189.18
Allowance for expected credit loss	198.48	93.21
Provision for gratuity	-	14.72
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	163.42	147.62
Brought forward and current year losses	245.01	226.71
Tax credits	163.91	80.96
ROU asset and lease liability	52.94	61.55
Provision for shared based payments to employees	590.07	144.01
Provisions for doubtful investment	113.33	117.28
Cashflow on Hedges	0.78	-
Others	12.90	1.56
	2,024.24	**1,462.80**
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	11.32	27.33
Cashflow on Hedges	-	8.02
ROU asset and lease liability	-	0.68
Brought forward and current year losses	-	26.26
Capital gains	122.74	44.14
Unrealised exchange gain/loss	16.16	8.17
Unbilled revenue	-	5.92
Others	0.27	1.40
	150.49	**121.92**

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Deferred income tax assets after set-off	2,024.24	1,462.80
Deferred income tax liabilities after set-off	(150.49)	(121.92)
	1,873.75	**1,340.88**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Certain subsidiaries of the group have undistributed eamings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries. These subsidiaries are not expected to distribute these profits in the foreseeable future.

10. Other non-current assets

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Capital advances (Unsecured, considered good)	33.53	826.67
Prepayments	223.49	420.61
	257.02	**1,247.28**

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	As at March 31, 2025
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	27.33	(16.01)	-	11.32
Gain on fair valuation of financial assets	44.14	78.60	-	122.74
Cash flow hedges	8.02	-	(8.02)	-
Brought forward and current year losses	26.26	(26.26)	-	-
Unrealised exchange gain/loss	8.17	8.00	-	16.17
Unbilled Revenue	5.92	(5.92)	-	-
Others	1.40	(1.14)	-	0.26
	121.24	**37.27**	**(8.02)**	**150.49**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	147.61	15.81	-	163.42
Provision for leave encashment	386.00	2.74	-	388.74
Provision for Bonus and Commision	-	94.66	-	94.66
Provision for long service awards	189.18	(189.18)	-	-
Provision for Gratuity	14.72	(14.72)	-	-
Allowance for expected credit loss	93.21	105.27	-	198.48
Tax credit	80.94	82.97	-	163.91
Right of use asset and lease liability	60.90	(7.96)	-	52.94
Brought forward and current year losses	226.71	18.30	-	245.01
Provision for shared based payments to employees	144.01	446.06	-	590.07
Cashflow on Hedges	-	-	0.78	0.78
Provisions for doubtful investment	117.28	(3.95)	-	113.33
Unbilled /Deferred Revenue	-	6.16	-	6.16
Others	1.56	5.18	-	6.74
	1,462.12	**561.34**	**0.78**	**2,024.24**
Effect of foreign currency translation of foreign operations from functional currency to reporting currency		23.56		
	1,340.88	**500.51**	**8.80**	**1,873.75**

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Movement in deferred tax assets (net) during the year ended March 31, 2024

	As at April 1, 2023	Charge/ (Credit) in statement of Profit or loss	Credit/ (Charge) in other comprehensive income	As at March 31, 2024
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	75.28	(47.95)	-	27.33
Gain on fair valuation of financial assets	22.82	21.32	-	44.14
Cash flow hedges	(9.96)	9.96	8.02	8.02
Brought forward and current year losses	47.21	(20.95)	-	26.26
Unrealised exchange gain/loss	10.49	(2.32)	-	8.17
Unbilled Revenue	(1.28)	7.20	-	5.92
Others	1.63	0.45	-	2.08
	146.19	**(32.29)**	**8.02**	**121.92**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	176.31	(28.69)	-	147.62
Provision for leave encashment	270.80	115.20	-	386.00
Provision for long service awards	222.45	(33.27)	-	189.18
Provision for Gratuity	-	14.72		14.72
Allowance for expected credit loss	36.85	56.36	-	93.21
Tax credit	135.40	(54.44)	-	80.96
Right of use asset and lease liability	42.68	18.87	-	61.55
Brought forward and current year losses	208.91	17.80	-	226.71
Provision for shared based payments to employees	68.94	75.07	-	144.01
Provisions for doubtful investment	119.77	(2.49)	-	117.28
Others	1.39	0.17	-	1.56
	1,283.50	**179.30**	**-**	**1,462.80**
	1,137.31	**211.59**	**(8.02)**	**1,340.88**

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11. Current financial assets : Investments

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Investments carried at fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 11a)	3,388.17	2,726.54
	3,388.17	**2,726.54**
Total carrying amount of investments	**3,388.17**	**2,726.54**
Aggregate amount of quoted investments	**-**	**-**
Aggregate amount of unquoted investments	**3,388.17**	**2,726.54**

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

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Aditya Birla Sun Life Mutual Fund	438.79	502.35
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	525.65	261.00
UTI Mutual Fund	383.48	364.27
Axis Mutual Fund	275.99	173.71
Tata Mutual Fund	195.10	234.14
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	195.40	150.60
HDFC Mutual Fund	118.00	303.47
HSBC Mutual Fund	-	40.05
ICICI Prudential Mutual Fund	70.03	30.02
Mirae Asset Mutual Fund	195.64	50.06
SBI Mutual Fund	70.03	50.03
DSP Mutual Fund	-	195.10
Sundaram Mutual Fund	115.28	40.05
Kotak Mutual Fund	609.18	311.66
Invesco Mutual Fund	195.60	20.03
	3,388.17	**2,726.54**

12. Trade receivables

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
- Non-current		
Unsecured, considered good	664.40	730.18
	664.40	**730.18**
- Current		
Unsecured, considered good	18,477.95	16,761.13
Unsecured, credit impaired	916.03	398.64
	19,393.98	**17,159.77**
Less : Allowance for expected credit loss	(916.03)	(398.64)
	18,477.95	**16,761.13**
	19,142.35	**17,491.31**

Trade receivables Ageing Schedule (In ₹ Million)

	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	14,502.10	3,662.88	414.35	150.50	234.11	178.41	19,142.35
Undisputed Trade receivable – credit impaired	-	53.05	496.15	186.67	123.38	56.78	916.03
	14,502.10	**3,715.93**	**910.50**	**337.17**	**357.49**	**235.19**	**20,058.38**
Less : Allowance for expected credit loss	-	(15.71)	(292.26)	(257.91)	(200.22)	(149.93)	(916.03)
As at March 31, 2025	**14,502.10**	**3,700.22**	**618.24**	**79.26**	**157.27**	**85.26**	**19,142.35**
Expected loss rate (Refer note 32 b)	**0.00%**	**0.42%**	**32.10%**	**76.49%**	**56.01%**	**63.75%**	

In ₹ Million

	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	13,443.71	3,900.00	147.60	-	-	-	17,491.31
Undisputed Trade receivable – credit impaired	-	34.98	244.65	84.54	5.93	28.54	398.64
	13,443.71	**3,934.98**	**392.25**	**84.54**	**5.93**	**28.54**	**17,889.95**
Less : Allowance for expected credit loss	-	(34.98)	(244.65)	(84.54)	(5.93)	(28.54)	(398.64)
As at March 31, 2024	**13,443.71**	**3,900.00**	**147.60**	**-**	**-**	**-**	**17,491.31**
Expected loss rate (Refer note 32 b)	**0.00%**	**0.89%**	**62.37%**	**100.00%**	**100.00%**	**100.00%**	

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13. Cash and cash equivalents

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Cash in hand	0.20	0.11
Balances with banks		
On current accounts #	4,392.63	4,819.66
On saving accounts	27.50	23.48
On exchange earner's foreign currency accounts	1,488.57	1,401.87
On deposit accounts with original maturity less than three months	835.16	380.03
	6,744.06	**6,625.15**

Of the cash and cash equivalent balance as at March 31, 2025, the Group can utilise ₹ 0.02 million (Previous year : ₹ 65.10 Million) only towards certain predefined activities specified in the government grant agreement.

14. Bank balances other than cash and cash equivalents

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Deposits with banks*	3,435.77	3,497.98
Add: Interest accrued but not due on deposits with banks	103.64	107.04
Deposits with banks (carried at amortised cost)	**3,539.41**	**3,605.02**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(48.29)	(3.99)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.70)	(0.24)
	3,490.42	**3,600.79**
Balances with banks on unpaid dividend accounts**	20.23	2.92
	3,510.65	**3,603.71**

* Out of the balance:
i) Fixed deposits of ₹ 2,367.54 Million (Previous year : ₹ 2,365.78 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.
ii) Fixed deposits of ₹ 91.10 Million (Previous year : Nil) have been kept as earmarked funds in Persistent India Foundation.

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

15. Current financial assets : Loans

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	25.61	25.00
Interest accrued but not due at amortised cost	2.02	1.96
Less: Impairment	(27.63)	(26.96)
	-	-

16. Other current financial assets

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts (refer note 32)	-	42.54
Carried at amortised cost (considered good)		
Security deposits	116.44	57.95
Unbilled revenue	9,258.72	6,521.34
	9,375.16	**6,621.83**

17. Other current assets

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	1,152.83	1,573.38
Prepayments	2,609.16	854.25
Deferred finance costs	5.72	61.82
Other advances		
VAT receivable (net)	69.58	9.72
Service tax and GST receivable (net) (refer note 43)	4,926.25	2,731.32
	4,995.83	**2,741.04**
	8,763.54	**5,230.49**

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18 (A) Share capital

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
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)		
155.85 (Previous year: 154.05) equity shares of ₹ 5 each	779.25	770.25
Issued, subscribed and fully paid-up share capital	**779.25**	**770.25**

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

The Board of Directors of the Parent Company at its meeting held on January 20, 2024, recommended the sub-division/ split of 1(One) fully paid-up equity share having a face value of ₹10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Parent Company. The Members of the Parent Company approved the sub-division / Split of 1(One) fully paid up equity share of ₹ 10 each into 2 (Two) fully paid up equity shares of ₹ 5 each through a postal ballot with a requisite majority and the voting results were declared on March 11, 2024.

Further, the Board of Directors at its meeting held on March 13, 2024, approved the Record Date for Split/Sub-division of Equity Shares as April 1, 2024. Consequent to this, the authorized share capital comprises 400 Million equity shares having a face value of ₹ 5 each aggregating to ₹ 2,000 Million, and the paid-up capital comprises 154.05 Million equity shares having a face value of ₹ 5 each aggregating to ₹ 770.25 Million. The impact of this has been considered in the financial statement.

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, 2025		As at March 31, 2024	
	No of shares	In ₹ Million	No of shares	In ₹ Million
Number of shares at the beginning of the year	154.05	770.25	152.85	764.25
Add/ Less: Changes during the year	1.80	9.00	1.20	6.00
Number of shares at the beginning of the year	**155.85**	**779.25**	**154.05**	**770.25**

b) Terms / rights attached to equity shares

The Parent 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 Parent Company declares and pays dividends 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 Parent Company declared interim dividend of ₹ 20 per share on January 22, 2025 on the face value of ₹ 5 each; for the Financial Year 2024-25.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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.

Dividend distribution made and proposed:

	For the year ended March 31, 2025 In ₹ Million	For the year ended March 31, 2024 In ₹ Million
Final dividend for the year ended on 31 March 2024: ₹ 10 per share (31 March 2023: ₹ 11 per share)	1,540.50	1,692.35
Interim dividend for the year ended on 31 March 2025: ₹ 20 per share (31 March 2024: ₹ 16 per share)	3,117.00	2,461.60
	4,657.50	**4,153.95**
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2025: ₹ 15 per share (31 March 2024: ₹ 10 per share)	2,337.75	1,540.50
	2,337.75	**1,540.50**

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 2025. Dividend per equity share disclosed in above note represents dividends declaraed previously, retrospectively adjusted for the April 2024 share split.

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, 2025, the Parent Company has not done any buy-back of shares.

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

Name of the shareholder*	As at March 31, 2025		As at March 31, 2024	
	No. in Million	% Holding	No. in Million	% Holding
Dr. Anand Deshpande	45.75	29.35	45.75	29.70

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

e) Details of shares held by promoters

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	45,745,680	2,000	45,747,680	29.35%	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%	-

As at March 31, 2024

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	29.70%	0.00%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
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%	100.00%
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

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18 (B) Other equity

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Reserves and Surplus		
Securities premium	3,438.70	1,601.80
General reserve	27,730.15	25,842.99
Share options outstanding reserve	3,432.38	2,227.71
Gain on bargain purchase	65.19	63.61
Capital redemption reserve	35.75	35.75
Retained earnings	28,833.47	19,346.09
Treasury shares	(2,994.10)	(2,085.84)
PSL ESOP Trust reserve	180.77	140.64
Items of other comprehensive income		
Effective portion of cash flow hedges	(2.32)	23.85
Exchange differences on translating the financial statements of foreign operations	1,691.41	1,610.22
	62,411.40	**48,806.82**

(i) Securities premium

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	1,601.80	-
Premium on fresh issue of equity shares	1,836.90	1,601.80
	3,438.70	**1,601.80**

(ii) General reserve

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	25,842.99	20,824.45
Transfer to general reserve	-	3,965.23
Adjustments towards employees stock options	1,887.16	1,087.56
Other changes during the year	-	(34.25)
	27,730.15	**25,842.99**

(iii) Share options outstanding reserve

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	2,227.71	2,222.02
Adjustments towards employees stock options	(1,887.16)	(1,087.56)
Employee stock compensation expenses	3,095.27	1,091.75
Other changes during the year	(3.44)	1.50
	3,432.38	**2,227.71**

(iv) Gain on bargain purchase

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	63.61	62.67
Other changes during the year	1.58	0.94
	65.19	**63.61**

(v) Capital redemption reserve

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	35.75	35.75
Other changes during the year	-	-
	35.75	**35.75**

(vi) Retained earnings

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	19,346.09	16,607.36
Profit for the year	14,001.61	10,934.91
Items recognised in / from other comprehensive income for the year	193.08	(98.29)
Income tax effect on above	(49.81)	21.29
Dividend	(4,657.50)	(4,153.95)
Transfer to general reserve	-	(3,965.23)
	28,833.47	**19,346.09**

(vii) Treasury shares

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	(2,085.84)	(2,435.67)
Shares held by ESOP trust	(908.26)	349.83
	(2,994.10)	**(2,085.84)**

(viii) PSL ESOP Trust reserve

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	140.64	70.31
Dividend Paid to ESOP trust	40.13	70.33
	180.77	**140.64**

(ix) Effective portion of cash flow hedges

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	23.85	(5.76)
Items recognised in / from other comprehensive income for the year (net of tax)	(26.17)	29.61
	(2.32)	**23.85**

(x) Exchange differences on translating the financial statements of foreign operations

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Opening Balance	1,610.22	1,505.40
Items recognised in / from other comprehensive income for the year	81.19	104.82
	1,691.41	**1,610.22**

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19. Financial liabilities : Borrowings

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Unsecured Borrowings carried at amortised cost		
-Non Current		
-Term Loan		
Indian rupee loan from others (refer note 1)	-	1.85
Interest accrued but not due on above loan	-	0.02
Foreign currency loan from bank (refer note 2)	-	2,059.50
Interest accrued but not due on above loan	-	11.84
Less: Current maturity of long-term borrowings	-	(1,974.04)
	-	**99.15**
-Current		
Current maturity of long-term borrowings	-	1,962.22
Current maturity of interest accrued but not due on term loan	-	11.82
	-	**1,974.04**
	-	**2,073.19**

1) Indian rupee loan from Government department ₹ Nil (Previous year: ₹ 1.85 million) having interest @ 3% p.a. which was repayable in ten equal annual installments over a period of ten years commencing from October 2015 has been repaid.

2) Foreign currency loan ₹ Nil (Previous year: ₹ 2,059.52 million). The Parent Company has provided the Letters of Comfort to the Lender.

Key terms of loan are as below:

(In ₹ Million)

Repayment terms	As at March 31, 2025	As at March 31, 2024
Loan 1: Repayable over a period of 3 years in equal monthly instalments commencing from November 2021 (SOFR + 155 bps)	-	405.42
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022 (SOFR + 155 bps)	-	973.00
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022 (SOFR + 155 bps)	-	681.10
	-	**2,059.52**

The table below shows change in the Group's borrowing including both cash and non-cash changes:

	For the year ended March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Opening	2,073.19	4,306.95
Addition	-	-
Repayment	(2073.19)	(2251.80)
Translation Differences	-	18.04
Closing	**-**	**2,073.19**

20. Financial liabilities : Lease Liabilities

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
-Non-Current		
Lease Liabilities (refer note 36)	3,108.97	2,438.10
Less: Current portion of lease liabilities	(952.30)	(830.01)
	2,156.67	**1,608.09**
-Current		
Lease Liabilities (refer note 36)	952.30	830.01
	952.30	**830.01**

The table below shows change in the Group's lease liability including both cash and non-cash changes:

	For year ended March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Opening balance	2,438.10	2,268.59
Additions	1,775.80	753.59
Deletions	(255.63)	-
Lease Modification	(45.32)	
Add: Interest recognised during the year	254.23	180.02
Less: Payments made during the year	(1,093.66)	(760.18)
Translation differences	35.45	(3.92)
Closing balance	**3,108.97**	**2,438.10**

21. Non-current liabilities : Provisions

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Provision for employee benefits		
- Gratuity (refer note 31)	66.95	74.24
- Long service awards (refer note 56)	-	472.72
	66.95	**546.96**

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22. Trade payables

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Trade payables		
- Total outstanding dues of small enterprises and micro enterprises *	40.77	49.63
- Total outstanding dues of creditors other than small enterprises and micro enterprises	8,845.40	8,088.99
	8,886.17	**8,138.62**

* Disclosure of trade payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Parent 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 Parent Company. There are no overdue principal amounts / interest payable amounts for delayed payments to such vendors at the Balance Sheet date. There are no delays in payment made to such suppliers during the period or for any earlier years and accordingly there is no interest paid or outstanding interest in this regard in respect of payment made during the period or on balance brought forward from previous year.

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, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Amount remaining unpaid:		
Principal	40.77	49.63
Interest	-	-
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

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Trade payables ageing schedule **(In ₹ Million)**

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	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	4,387.88	1,533.58	2,776.03	97.55	17.13	33.23	8,845.40
As at March 31, 2025	**4,387.88**	**1,567.90**	**2,782.48**	**97.55**	**17.13**	**33.23**	**8,886.17**

In ₹ Million

	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	45.71	3.92	-	-	-	49.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	3280.36	1827.96	2,904.67	34.19	25.77	16.04	8,088.99
As at March 31, 2024	**3,280.36**	**1,873.67**	**2,908.59**	**34.19**	**25.77**	**16.04**	**8,138.62**

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23. Other financial liabilities

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
- Non-current		
Carried at amortised cost		
Security Deposits	15.70	-
At fair value through profit & loss		
Liability towards contingent consideration	410.20	-
	425.90	**-**
- Current		
Carried at amortised cost		
Capital creditors	59.66	79.97
Accrued employee liabilities	999.37	1,092.42
Unpaid dividend*	20.23	2.92
Other liabilities	38.99	78.41
Payable to selling shareholders	283.71	-
At fair value through profit & loss		
Liability towards contingent consideration	1,409.82	2,464.55
Less: Non-current portion of liability towards contingent consideration	(410.20)	-
	999.62	**2,464.55**
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts (refer note 32)	36.82	-
	2,438.40	**3,718.27**

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

24.Other liabilities

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
- Non-current		
Other Liabilities	47.63	44.44
	47.63	44.44
- Current		
Unearned revenue	2,777.08	1,935.26
Advance from customers	492.04	262.89
Other payables		
- Statutory liabilities	977.49	1,241.91
- Other Liabilities *	269.86	199.76
	4,516.47	3,639.82
	4,564.10	**3,684.26**

*Includes balance of ₹ 0.02 Million (Previous year: ₹ 65.10 million) to be utilised against certain predefined activities specified in the government grant agreement. There are no unfulfilled conditions or contingencies attached to these grants.

25. Current liabilities : Provisions

	As at March 31, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
Provision for employee benefits		
- Gratuity (refer note 31)	24.78	0.13
- Leave encashment	1,716.12	1,651.87
- Long service awards (refer note 56)	-	34.02
- Other employee benefits	2,287.64	1,644.64
	4,028.54	**3,330.66**

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26. Revenue from operations

	For the year ended	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Software services	115,433.57	94,181.78
Software licenses	3,953.60	4,034.09
	119,387.17	**98,215.87**

Software service revenue is recognized as and when the related services are performed i.e. over the time basis. 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 Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Revenue by industry segments		
BFSI	37,709.68	31,385.58
Healthcare & Life Sciences	32,551.45	20,880.32
Technology Companies and Emerging Verticals	49,126.04	45,949.97
Total	**119,387.17**	**98,215.87**
Geographical disclosure		
India	11,201.08	9,747.39
North America	96,317.16	77,087.28
Rest of the World	11,868.93	11,381.20
Total	**119,387.17**	**98,215.87**
Customers' Industry wise disclosure		
IP Led	5,976.56	7,009.74
Offshore	70,037.08	58,230.11
Onsite	43,373.53	32,976.02
Total	**119,387.17**	**98,215.87**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Group expects to recognize these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation-related disclosures for contracts where the revenue recognized corresponds directly with the value transferred 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.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

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

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Revenue as per contract price	119,387.17	98,215.87
Discount	-	-
Revenue from contract with customers	**119,387.17**	**98,215.87**

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

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	6,521.34	4,671.23
Invoices raised that were included in the contract assets balance at the beginning of the year	(6,538.00)	(4,688.21)
Increase due to revenue recognised during the year, excluding amounts billed during the year	9,258.72	6,521.34
Translation exchange difference	16.66	16.98
Balance at the end of the year	**9,258.72**	**6,521.34**

Changes in unearned revenue are as follows:

	For the year ended	
	March 31, 2025	**March 31, 2024**
	In ₹ Million	**In ₹ Million**
Balance at the beginning of the year	1,935.26	1,078.58
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(1,978.01)	(981.16)
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,777.08	1,791.38
Translation exchange difference	42.75	46.46
Balance at the end of the year	**2,777.08**	**1,935.26**

27. Other income

	For the year ended	
	March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
Interest income		
- On deposits carried at amortised cost	274.81	294.98
- On Others	281.61	267.47
Other non operating income		
Foreign exchange gain	89.18	84.97
Profit on sale of property, plant and equipment (net)	76.84	22.64
Profit on account of lease modification	28.15	-
Net profit on sale / fair valuation of financial assets designated as FVTPL	492.76	289.11
Excess provision in respect of earlier years written back	29.37	27.76
Miscellaneous income	108.82	293.27
	1,381.54	**1,280.20**

28. Personnel expenses

	For the year ended	
	March 31, 2025 In ₹ Million	March 31, 2024 In ₹ Million
28.1 Employee benefits expense		
Salaries, wages and bonus (refer note 56)	59,665.42	53,155.41
Contribution to provident and other funds* (refer note 31)	4,308.74	3,781.21
Staff welfare expenses	1,667.74	1,581.33
Share based payments to employees (refer note 35)	3,095.27	1,091.75
	68,737.17	**59,609.70**
28.2 Cost of professionals	17,491.65	11,492.70
	86,228.82	**71,102.40**

* Includes contribution towards gratuity.

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29. Other expenses

	For the year ended	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Travelling and conveyance	1,710.77	1,533.72
Electricity expenses (net)	131.47	140.95
Internet link expenses	152.98	132.44
Communication expenses	46.82	80.81
Recruitment expenses	210.86	250.38
Training and seminars	158.20	169.86
Royalty expenses	71.32	59.55
Purchase of software licenses	7,479.33	5,608.16
Bad debts	-	63.36
Allowance for expected credit loss (net)	422.18	103.57
Rent (refer note 36)	143.41	145.93
Insurance	146.44	91.96
Rates and taxes	205.91	141.78
Legal and professional fees	1,647.81	1,063.96
Repairs and maintenance		
- Plant and Machinery	185.94	187.75
- Buildings	46.18	35.19
- Others	43.90	32.42
Selling and marketing expenses	13.67	7.98
Changes in contingent consideration payable on business combination (refer note 55)	(1,461.82)	(743.03)
Advertisement, conference and sponsorship fees	194.61	185.09
Computer consumables	18.69	21.11
Auditors' remuneration (refer note 39)	15.89	14.31
Corporate social responsibility expenditure (refer note 44)	223.78	175.45
Books, memberships, subscriptions	32.25	33.15
Directors' sitting fees	9.10	8.20
Directors' commission	35.55	34.11
Loss / Impairment of non current investments	-	20.58
Miscellaneous expenses	691.18	757.87
	12,576.42	**10,356.61**

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Notes forming part of the Consolidated Financial Statements

30. Earnings per share

		For the year ended	
		March 31, 2025	**March 31, 2024**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	14,001.61	10,934.91
Denominator for basic EPS			
Weighted average number of equity shares	(B)	153,487,571	150,952,418
Denominator for diluted EPS			
Number of equity shares	(C)	155,166,164	153,871,858
Basic earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**91.22**	**72.44**
Diluted earnings per share of face value of ₹ 5 each (In ₹)	(A/C)	**90.24**	**71.07**

	For the year ended	
	March 31, 2025	**March 31, 2024**
Outstanding weighted average number of equity shares considered for diluted EPS	155,166,164	153,871,858
Less: Weighted average number of treasury shares	1,678,593	2,919,440
Outstanding weighted average number of equity shares considered for basic EPS	**153,487,571**	**150,952,418**

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31. Defined benefits and contribution obligation

a) Defined benefits Plan - Gratuity

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit (gratuity) plans. Each employee in these companies is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. In Persistent Systems Limited 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, 2025	**March 31, 2024**
Current service cost	487.06	305.69
Interest cost on benefit obligation	115.28	94.48
Expected return on plan assets	(111.43)	(99.74)
Total Expense	**490.91**	**300.43**

The amount recognised in the statement of other comprehensive income are as follows: **(In ₹ Million)**

	For the year ended	
	March 31, 2025	**March 31, 2024**
Net actuarial loss :		
Due to changes in financial assumptions	(70.03)	50.06
Due to Experience assumptions	(102.91)	40.46
Return on Plan Assets	(20.14)	7.77
Total (Income)/ Expense	**(193.08)**	**98.29**

Balance sheet

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

(In ₹ Million)

	At at	
	March 31, 2025	**March 31, 2024**
Opening fair value of plan assets	1,543.32	1,331.70
Expected return	111.43	99.74
Return on Plan Assets	20.17	(7.74)
Contribution by employer	281.04	274.93
Benefits paid	(221.06)	(155.31)
Acquisitions*	31.09	-
Closing fair value of plan assets	**1,765.99**	**1,543.32**
Actual return on plan assets - Persistent Systems Limited	**162.69**	**92.00**

*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 year.

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

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Opening defined benefit obligation	1,617.69	1,281.99
Current service cost	486.86	305.69
Interest cost	115.06	94.48
Benefits paid	(221.06)	(155.31)
Acquisitions (refer note above)	31.09	-
Actuarial losses on obligation	(172.54)	90.52
Exchange difference	0.62	0.32
Closing defined benefit obligation	**1,857.72**	**1,617.69**

Net Defined Benefit Asset / (Liability)

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Fair value of plan assets	1,765.99	1,543.32
Less: Defined benefit obligations	(1,857.72)	(1,617.69)
Total	**(91.73)**	**(74.37)**
Below is the entity wise breakup-		
Net Defined Benefit Asset / (Liability)* - Persistent Systems Limited (Funded)	(69.06)	(70.76)
Net Defined Benefit Asset / (Liability) - Persistent Systems Lanka (Private) Limited (Unfunded)	(22.69)	(3.61)

*This has been classified as non-current in the balancesheet

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

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Investments with insurer including accrued interest	100%	100%

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

Persistent Systems Limited

	As at	
	March 31, 2025	March 31, 2024
Discount rate	6.82%	7.22%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	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%	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%	6.00%
Weighted average duration of the defined benefit obligation (Years)	13.74	13.53

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2025	**March 31, 2024**
Discount rate	11.83%	13.40%
Mortality	IALM (2012-14) Ultimate	IALM (2012-14) Ultimate
Attrition rate	Service Based: Below 1 year: 17% 1 to 3 years: 15% 3 to 4 years: 10% 4 to 5 years: 5% 5 to 7 years: 6 7 to 10 years: 4% Above 10 years: 2%	Service based : 0 to 1 - 18.67% 1 to 3 - 12.74% 3 to 4 - 4.00% 4 to 7 - 2.00% 7 to 10 - 0.00% 10 and above - 0.00%
Increment rate	7.00%	7.00%
Weighted average duration of the defined benefit obligation (Years)	20.75	20.20

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.

As at March 31, 2025, every percentage point increase / decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 1,640.87 million / ₹ 2,073.06 million (previous year: ₹ 1,824.04 million / ₹ 1,445.62 million) respectively.

As at March 31, 2025, every percentage point increase / decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 2,001.13 million / ₹ 1,698.76 million (previous year: ₹ 1,758.09 million / ₹ 1,499.68 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:

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Plan assets	1,765.99	1,543.32
Defined benefit obligation	(1,857.72)	(1,617.69)
Deficit	(91.73)	(74.37)
Experience adjustments on plan liabilities - loss/ (gain)	(102.91)	40.46

Maturity Profile of defined benefit obligations:

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Within 1 year	72.04	71.54
1-2 years	80.59	67.91
2-3 years	130.92	74.22
3-4 years	108.49	118.43
4-5 years	113.71	97.15
5-10 years	612.68	520.64
Above 10 years	3,771.17	2,893.73

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 71.89 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 Group contributed ₹ 89.39 million and ₹ 89.42 million to superannuation fund during the years ended March 31, 2025 and March 31, 2024 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 Parent Company has certain defined contribution plans. Contributions are made to provident fund for its employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Parent 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 ₹ 1,418.48 million (Previous year ₹ 1,383.67 million).

32. Financial assets and liabilities

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

(In ₹ Million)

Financial assets / Financial liabilities	March 31, 2025			March 31, 2024			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	595.49	-	-	156.82	-	-	Level 3
Investments in bonds #	-	-	2,995.57	-	-	2,995.61	
Investments in mutual funds	6,212.15	-	-	5,113.25	-	-	Level 2
Deposit with banks and financial institutions (net)	-	-	3,539.41	-	-	3,715.20	
Cash and cash equivalents (including unpaid dividend)	-	-	6,764.29	-	-	6,628.07	
Trade receivables (net)	-	-	19,142.35	-	-	17,491.31	
Foreign exchange forward contracts	-	-	-	-	42.54	-	Level 2
Unbilled revenue	-	-	9,258.72	-	-	6,521.34	
Other financial assets	-	-	841.26	-	-	634.60	
Total Financial Assets	**6,807.64**	**-**	**42,541.60**	**5,270.07**	**42.54**	**37,986.13**	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	-	-	-	2,073.19	
Trade payables	-	-	8,886.17	-	-	8,138.62	
Lease liabilities	-	-	3,108.97	-	-	2,438.10	
Forward contracts payable	-	36.82	-	-	-	-	Level 2
Payable to selling shareholders	-	-	283.71	-	-	-	
Liability towards contingent consideration	1,409.82	-	-	2,464.55	-	-	Level 3
Other financial liabilities (excluding borrowings)	-	-	1,133.95	-	-	1,253.72	
Total Financial Liabilities	**1,409.82**	**36.82**	**13,412.80**	**2,464.55**	**-**	**13,903.63**	

***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 Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

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:

(In ₹ Million)

Particulars	March 31, 2025		March 31, 2024	
	Carried Value	Fair Value	Carried Value	Fair Value
Bonds carried at amortised cost	2,916.91	2,703.72	2,916.91	2,758.25
Interest accrued on Bonds	78.66	-	78.70	-
Total investments carried at amortised cost	**2,995.57**	**2,703.72**	**2,995.61**	**2,758.25**

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 (Refer Note 45 (a) and 45 (b)) is estimated using a present value technique. The ₹ 1,404.22 Million fair value is estimated by probability-weighing the estimated future cash outflows adjusting for risk and discounting at 3% - 9.37%. The probability-weighted cash outflows before discounting are ₹ 1,509.58 Million and reflect management's estimate of a 90% probability that the contract's target level will be achieved. The discount rate used is 3% - 9.37%, based on the Company's estimated incremental borrowing rate for unsecured liabilities at the reporting date, and therefore reflects the Company's credit position. 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:

(In ₹ Million)

	Investments in other equity instruments	Liability towards contingent consideration
Balance at April 1, 2023	181.13	5,305.83
Change in fair value of investment	-	-
Acquired during the year	-	-
Disposed during the year	(20.54)	(2,073.64)
Gain/ (loss) recognised in profit and loss in other income	-	(743.03)
Effect of foreign currency translation from functional currency to reporting currency	(3.77)	(24.61)
Balance at March 31, 2024	**156.82**	**2,464.55**
Balance at April 1, 2024	156.82	2,464.55
Acquired during the year	434.93	882.06
Disposed during the year	-	(489.64)
Gain/ (loss) recognised in profit and loss in other income	-	(1,461.82)
Effect of foreign currency translation from functional currency to reporting currency	3.74	14.67
Balance at 31 March 2025	**595.49**	**1,409.82**

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

32 (b) Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Group'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 Group. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group operates globally with its operations spread across various geographies and consequently the Group is exposed to foreign exchange risk. Around 80% to 90% of the Group's foreign currency exposure is in USD. The Group holds plain vanilla forward contracts against expected future receivables in USD to mitigate the risk of changes in exchange rates.

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

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	17,184.60	577.88	783.28	418.05	18,963.81
Cash and cash equivalents and bank balances	2,297.61	108.39	128.97	163.63	2,698.60
Trade and other payables	5,217.08	245.26	255.73	606.61	6,324.68

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2024:

(In ₹ Million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	8,346.86	505.68	979.78	360.84	10,193.16
Cash and cash equivalents and bank balances	1,851.71	13.77	94.62	117.06	2,077.16
Trade and other payables	51.88	107.04	93.52	50.15	302.59

Foreign currency sensitivity analysis

For the year ended March 31, 2025 and March 31, 2024, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would affect the Group's profit before tax margin (PBT) by approximately 0.13% and 0.12% 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 year and the current reporting year.

Derivative financial instruments

The Group 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 Group 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, 2025			As at March 31, 2024		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	300.00	86.33	25,899.47	260.00	84.16	21,881.33

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, 2025			As at March 31, 2024		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	75.00	84.95	6,371.15	64.00	80.82	5,357.97
Later than 3 months and not later than 6 months	76.00	85.50	6,497.96	70.00	82.60	5,882.04
Later than 6 months and not later than 9 months	75.00	86.38	6,478.19	63.00	83.95	5,326.58
Later than 9 months and not later than 12 months	74.00	88.54	6,552.17	63.00	83.96	5,314.74
Total	**300.00**		**25,899.47**	**260.00**		**21,881.33**

Price Risk

The Group exposure to price risk arises for investment in mutual funds held by the Group. To manage its price risk arising from investments in mutual funds, the Group 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	As at March 31, 2025	As at March 31, 2024
NAV increase by 5%	310.61	255.66
NAV decrease by 5%	(310.61)	(255.66)

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Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 19,142.35 million and ₹ 17,491.31 million as at March 31, 2025 and March 31, 2024, 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 Group by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business. On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group 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 Group's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Receivables overdue for more than 90 days *	2,442.63	553.19
Total receivables (gross)	20,058.38	17,889.95
Overdue for more than 90 days as a % of total receivables	12.2%	3.1%

* Out of this amount, ₹ 916.03 million (March 31, 2024: ₹ 398.64 million) have been provided for.

Ageing of trade receivables

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Within the credit period	14,502.10	13,810.70
1 to 30 days past due	1,979.16	2,111.36
31 to 60 days past due	770.67	925.83
61 to 90 days past due	363.82	488.87
91 to 120 days past due	226.18	151.40
121 and above past due	2,216.45	401.79
Less: Expected credit loss	(916.03)	(398.64)
Net trade receivables	**19,142.35**	**17,491.31**

Movement in expected credit loss allowance

(In ₹ Million)

	As at	
	March 31, 2025	March 31, 2024
Opening balance	398.64	188.96
Movement in expected credit loss allowance	422.18	103.57
Pre-acquistion ECL adjusted against contingent consideration	84.20	96.44
Translation differences	11.01	9.67
Closing balance	**916.03**	**398.64**

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

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus funds is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current fund requirements including repayment of borrowings. Accordingly, no liquidity risk is perceived.
As at March 31, 2025, the Group had a working capital of ₹ 28,931.80 million including cash and cash equivalents and current fixed deposits of ₹ 10,179.73 million and current investments of ₹ 3,388.17 million.
As at March 31, 2024, the Group had a working capital of ₹ 19,390.14 million including cash and cash equivalents and current fixed deposits of ₹ 10,223.14 million and current investments of ₹ 2,726.54 million.

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

(In ₹ Million)

	As at			
	March 31, 2025		March 31, 2024	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	-	-	1,974.04	99.15
Trade payables	8,886.17	-	8,138.62	-
Lease Liabilities	952.30	2,156.67	830.01	1,608.09
Other financial liabilities (excluding borrowings)	2,438.40	410.20	1,744.23	-

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Capital management risk

The Groups'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 Groups'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 Group 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 **(In ₹ Million)**

Particulars	As at March 31, 2025	As at March 31, 2024
Borrowings	-	2,073.19
Other financial liabilities	2,864.30	3,718.27
Total Debt:	**2,864.30**	**5,791.46**
Less : Cash and cash equivalents and bank balances	10,254.71	10,228.86
Net Debt #	**(7,390.41)**	**(4,437.40)**
Total equity	63,190.65	49,577.07
Total Capital	**63,190.65**	**49,577.07**
Gearing Ratio (in %)	**-11.70%**	**-8.95%**

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

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32 (c) Derivative instruments and un-hedged foreign currency exposures

(i) Forward contracts outstanding at the end of the year:

(In ₹ Million)

	As at March 31, 2025	As at March 31, 2024
Forward contracts to sell USD: Hedging of expected receivables of USD 300 million (Previous year USD 260 million)	25,899.47	21,881.33

(ii) Details of un-hedged foreign currency exposures at the end of the year:

	March 31, 2025			March 31, 2024		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	22.80	JPY 39.81	0.57	23.48	JPY 42.62	0.55
	2,297.61	USD 26.88	85.47	1851.71	USD 22.20	83.40
	128.97	GBP 1.17	110.63	94.62	GBP 0.90	105.27
	94.01	CAD 1.58	59.56	80.31	CAD 1.31	61.38
	108.39	EUR 1.17	92.46	13.77	EUR 0.15	90.01
	37.44	AUD 0.7	53.43	1.46	AUD 0.27	54.17
	-	-	-	11.81	RON 0.65	18.08
	9.38	ZAR 2.02	4.64	-	-	-
Trade and other payables	5,217.08	USD 61.04	85.47	51.88	USD 0.62	83.40
	255.73	GBP 2.31	110.63	93.52	GBP 0.89	105.27
	245.26	EUR 2.65	92.46	107.04	EUR 1.19	90.01
	12.74	SGD 0.2	63.69	0.99	SGD 0.02	61.75
	88.43	CAD 1.48	59.56	32.49	CAD 0.52	61.38
	141.58	AUD 2.65	53.43	1.13	AUD 0.02	54.17
	80.08	MXN 19.15	4.18	-	-	-
	135.11	MYR 7.01	19.27	-	-	-
	57.18	LKR 197.65	0.29	-	-	-
	31.33	CRC 182.88	0.17	-	-	-
	32.80	PLN 1.48	22.16	-	-	-
	13.78	RON 0.74	18.62	-	-	-
	4.85	ILS 0.21	23.10	14.09	ILS 0.62	22.64
	-	-	-	0.04	ZAR 0.01	4.37
	-	-	-	1.00	JPY 1.82	0.55
	8.73	CHF 0.09	97.00	0.41	CHF 0.004	92.11
Trade receivables	577.88	EUR 6.25	92.46	505.68	EUR 5.62	90.01
	17,184.60	USD 201.06	85.47	8,346.86	USD 100.08	83.40
	783.28	GBP 7.08	110.63	979.78	GBP 9.31	105.27
	84.57	CAD 1.42	59.56	183.45	CAD 2.99	61.38
	242.03	AUD 4.53	53.43	139.36	AUD 2.57	54.17
	12.90	ZAR 2.78	4.64	12.38	ZAR 2.83	4.37
	10.19	SGD 0.16	63.69	15.71	SGD 0.25	61.75
	61.11	CHF 0.63	97.00	0.01	CHF 0.01	92.11
	0.12	JPY 0.21	0.57	4.06	JPY 7.36	0.55
	7.13	MYR 0.37	19.27	5.87	MYR 0.33	17.63

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33. 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, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Profit before tax	18,223.08	14,476.06
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	4,586.38	3,643.33
Income exempt from tax	(355.69)	(282.50)
Non-deductible expenses	805.07	110.19
Effect of concessions (R&D Allowance)	-	57.95
concessions (Tax Holidays)	-	(6.16)
Different tax rates of subsidiaries operating in other jurisdictions (Net)	-	2.64
Diffferent tax rates for different heads of income	(409.14)	120.23
Change in tax rates	(7.91)	1.87
Short Tax Provision of earlier years(Net)	62.96	-
Reversal of Deferred tax asset created in earlier years	(20.62)	76.58
Tax benefit on set-off of carry-forward losses	(10.75)	5.77
Unused tax losses not recognised as deferred tax assets	-	(11.62)
Excess tax benefits on stock-based	-	141.26
Others (Net)	(428.84)	(318.39)
Income tax expense	**4,221.46**	**3,541.15**

Following subsidiary Companies have cumulative unutilized corporate income tax losses as of March 31, 2025. These tax losses are available for future utilization to offset future taxable profits of these Companies, subject to the applicable tax laws and regulations. As at the balance sheet date, these Companies have not recognized deferred tax asset with respect to the aforesaid unutilized corporate income tax losses. The details are provided in below table -

Entity Name	Category	Country	Currency	Carry forward losses		Unrecognized Deferred Tax	
				March 31, 2025 In Million	March 31, 2025 In ₹ Million	March 31, 2025 In Million	March 31, 2025 In ₹ Million
Persistent Systems UK Ltd.	Pre April 1, 2017	UK	GBP	22.71	2,449.44	5.68	612.36
	Post April 1, 2017			1.46	157.10	0.36	39.28
Persistent Systems Germany GmbH	-	Germany	EURO	11.10	1,007.04	2.36	214.41

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Notes forming part of the Consolidated Financial Statements

34. Segment information

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

The operating segments of the Group are:

a. Banking, Financial Services and Insurance (BFSI)

b. Healthcare & Life Sciences

c. Software, Hi-Tech and Emerging Industries

(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Revenue						
	Year ended	March 31, 2025	37,709.68	32,551.45	49,126.04	119,387.17
	Year ended	March 31, 2024	31,385.58	20,880.32	45,949.97	98,215.87
Identifiable expense *						
	Year ended	March 31, 2025	24,223.22	19,783.06	34,805.51	78,811.79
	Year ended	March 31, 2024	19,861.72	12,209.10	34,145.31	66,216.13
Segmental result						
	Year ended	March 31, 2025	13,486.46	12,768.39	14,320.53	40,575.38
	Year ended	March 31, 2024	11,523.86	8,671.22	11,804.66	31,999.74
Unallocable expenses						
	Year ended	March 31, 2025				23,733.84
	Year ended	March 31, 2024				18,803.88
Operating income						
	Year ended	March 31, 2025				16,841.54
	Year ended	March 31, 2024				13,195.86
Other income (net of expenses)						
	Year ended	March 31, 2025				1,381.54
	Year ended	March 31, 2024				1,280.20
Profit before taxes						
	Year ended	March 31, 2025				18,223.08
	Year ended	March 31, 2024				14,476.06
Tax expense						
	Year ended	March 31, 2025				4,221.47
	Year ended	March 31, 2024				3,541.15
Profit after tax						
	Year ended	March 31, 2025				14,001.61
	Year ended	March 31, 2024				10,934.91

* This balance includes material items in the nature of cost of professionals and employee benefit expenses. Segregation of such expenses into various reportable segments have not been presented as it is not practically possible to allocate such expenses to individual segments.

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(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	March 31, 2025	5,354.72	4,859.65	8,927.98	19,142.35
	As at	March 31, 2024	4,657.36	3,106.66	9,727.29	17,491.31
Segmental Unbilled revenue						
	As at	March 31, 2025	1,652.47	2,303.61	5,302.64	9,258.72
	As at	March 31, 2024	1,471.00	1,129.58	3,920.76	6,521.34
Unallocated assets						
	As at	March 31, 2025	-	-	-	58,964.95
	As at	March 31, 2024	-	-	-	50,163.69
Unallocated liabilities						
	As at	March 31, 2025	-	-	-	24,175.37
	As at	March 31, 2024	-	-	-	24,599.27

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

Geographical Information
The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Revenue	Year ended	March 31, 2025	11,201.08	96,317.16	11,868.93	119,387.17
	Year ended	March 31, 2024	9,747.39	77,087.28	11,381.20	98,215.87

The revenue from an individual customer in excess of ten percent of total revenue of the Group is ₹ INR 12,593.77 Million for the year ended March 31, 2025 (Previous year : ₹ 9,248.88 Million).
The customer belongs to Healthcare and Life Sciences segment (Previous year : Software, Hi-Tech and Emerging Industries)

The following table shows the information regarding geographical non-current assets.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Non-current assets	As at	March 31, 2025	27,789.82	5,486.62	1,018.27	34,294.71
	As at	March 31, 2024	23,453.42	6,575.97	728.25	30,757.64

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35. 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 Parent 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 **	6,391,210	26-Jul-14	3-Nov-14	4-5 Years
Scheme XII ***	134,600	4-Feb-16	8-Apr-16	2.5 Months
Scheme XIII	17,069,990	27-Jul-17	1-Aug-19	4-5 Years
Scheme XIV	160,000	27-Jul-17	1-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%

(v) 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

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b) Details of activity of the ESOP schemes

Movement for the year ended March 31, 2025 and March 31, 2024:

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-24	124,002	-	51,532	2,000	70,470	70,470
	Weighted Average Price	31-Mar-24	16.39	-	15.47	15.34	17.67	17.67
	Number of Options	31-Mar-25	70,470	-	70,470	-	-	-
	Weighted Average Price	31-Mar-25	17.67	-	17.67	-	-	-
Scheme IV	Number of Options	31-Mar-24	211,200	-	16,600	160,400	34,200	34,200
	Weighted Average Price	31-Mar-24	27.79	-	20.47	30.56	25.33	25.33
	Number of Options	31-Mar-25	34,200	-	16,200	18,000	-	-
	Weighted Average Price	31-Mar-25	25.33	-	18.31	11.12	-	-
Scheme V	Number of Options	31-Mar-24	96,554	-	-	26,486	70,068	70,068
	Weighted Average Price	31-Mar-24	13.30	-	-	15.57	12.41	12.41
	Number of Options	31-Mar-25	70,068	-	68,002	2,066	-	-
	Weighted Average Price	31-Mar-25	12.41	-	12.64	5.00	-	-
Scheme IX	Number of Options	31-Mar-24	103,032	-	90,232	12,800	-	-
	Weighted Average Price	31-Mar-24	27.37	-	27.37	27.37	-	-
	Number of Options	31-Mar-25					-	-
	Weighted Average Price	31-Mar-25					-	-
Scheme X	Number of Options	31-Mar-24	-	-	14,000	14,000	-	-
	Weighted Average Price	31-Mar-24	-	-	95.68	95.68	-	-
	Number of Options	31-Mar-25						
	Weighted Average Price	31-Mar-25						
Scheme XI	Number of Options	31-Mar-24	1,009,914	443,400	82,510	482,034	888,770	48,734
	Weighted Average Price	31-Mar-24	5.00	5.00	5.00	5.00	5.00	5.00
	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
Scheme XIII	Number of Options	31-Mar-24	6,760,330	3,764,950	894,394	1,940,838	7,690,048	861,540
	Weighted Average Price	31-Mar-24	1,259.85	3,261.15	1,449.31	967.64	2,286.26	1,497.72
	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
Total	Number of Options	31-Mar-24	8,305,032	4,208,350	1,149,268	2,638,558	8,753,556	1,085,012
	Number of Options	31-Mar-25	8,753,556	2,088,410	1,584,556	2,551,334	6,706,076	202,047

The weighted average share price for the period over which stock options were exercised was ₹ 4,984.34 (previous year ₹ 3,013.10).

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

Scheme	Range of exercise price	As at March 31, 2025		As at March 31, 2024	
		No. of Options outstanding	Weighted average remaining contractual life*	No. of Options outstanding	Weighted average remaining contractual life*
Scheme III	0.00 - 24.105	-	-	70,470	Note (i)
Scheme IV	11.115 - 30.56	-	-	34,200	1.31
Scheme V	11.115 - 22.07	-	-	70,068	Note (i)
Scheme XI	10	2,224,180	4.09	888,770	3.72
Scheme XIII	100.00 - 5446.00	4,481,896	4.03	7,690,048	3.80

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, 2025 amounted to ₹ 3,095.27 million (Previous year ₹ 1,091.75 million). The liability for employee stock options outstanding as at March 31, 2025 is ₹ 3,432.38 million (Previous year ₹ 2,227.72 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 financial year 2024-25:

Particulars	March 31, 2025		March 31, 2024	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price (Rs.)	3614.30	5096.48	3108.77	3835.9
Weighted Exercise Price (Rs.)	5	4332.79	5	3335.42
Weighted Average Fair Value (Rs.)	3550.15	1722.81	3063.06	1341.98
Expected Volatility	22.87% - 27.14%	26.55%-27.38%	21.99%-30.69%	27.44%-31.15%
Life of the options granted ** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs
Dividend Yield	30.00	30.00	44.00	44.00
Average risk-free interest rate	7.15%	7.18%	7.12%	7.16%

** 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.

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 .

36 Leases

The Group 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 Group 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 Group'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, 2025 In ₹ Million	As at March 31, 2024 In ₹ Million
- Less than one year	952.30	842.62
- One to five years	1,833.51	1,861.62
- More than five years	-	58.33

The Group 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 ₹ 143.41 million for the year ended March 31, 2025 (Previous year ₹ 145.93 million).

The Group has has recognized interest on lease liabilities of ₹ 254.23 million under finance costs (Previous year ₹ 180.02 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.7).

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37 Related Party Disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director Mr Sandeep Kalra, Executive Director and Chief Executive Officer Mr. Sunil Sapre, Chief Financial Officer (retired w.e.f. May 15, 2024) and Executive Director (retired w.e.f December 31, 2024) Mr. Vinit Teredesai, Chief Financial Officer (w.e.f May 15, 2024) and Executive Director (w.e.f. April 23, 2025) Mr. Amit Atre, Company Secretary Ms. Roshini Bakshi, Independent Director (retired w.e.f. July 16, 2024) Ms. Anjali Joshi, Independent Director (w.e.f June 12, 2024) Dr. Deepak Phatak, Independent Director (retired w.e.f April 2, 2023) Ms. Avani Davda, Independent Director Mr. Praveen Kadle, Independent Director Mr. Arvind Goel, Independent Director Mr. Ambuj Goel, Independent Director Mr. Dan'l Lewin, Independent Director Mr Ajit Ranade, Independent Director (w.e.f. June 6, 2023) Mr. Pradeep Bhargava, Independent Director
Relatives of Key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director) Mrs. Sulabha Deshpande (Mother of the Chairman and Managing Director) Mrs. Sonali Anand Deshpande (Wife of the Chairman and Managing Director) Dr. Mukund Deshpande (Brother of the Chairman and Managing Director) Mrs. Chitra Buzruk (Sister of the Chairman and Managing Director) Mr. Arul Deshpande (Son of the Chairman and Managing Director) Dr. Asha Sapre (upto December 31, 2024) (Wife of Executive Director) Mr. Hemant Bakshi (Husband of Independent Director) Ms. Alpana Ajit Ranade (Wife of Independent Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Persistent Foundation, India Persistent India Foundation Persistent Systems Foundation Inc.
Controlled Trust	PSPL ESOP Management Trust

37 (ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2025	March 31, 2024
CSR Expenditure	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	-	175.45
		-	**175.45**
Remuneration # (Salaries, bonus and contribution to other funds)	**Key Management Personnel**		
	Dr. Anand Deshpande	39.78	37.68
	Mr. Sunil Sapre (including fair value of perquisites for stock options exercised ₹ Nil during the year (Previous year: ₹ 143.52 million)	20.18	163.98
	Mr Vinit Teredesai	23.74	-
	Mr. Amit Atre (including fair value of perquisites for stock options exercised ₹ 19.44 million during the year (Previous year: ₹ 11.52 million)	25.94	17.00
	Mr. Sandeep Kalra (including fair value of perquisites for stock options exercised ₹ 1,356.46 million during the year (Previous year: ₹ 637.70 million)	1,502.02	765.89
	Independent directors:		
	Ms. Roshini Bakshi	2.15	6.48
	Mr. Praveen Kadle	6.70	6.65
	Ms. Avani Davda	6.55	6.58
	Mr. Arvind Goel	6.15	6.15
	Dr. Ambuj Goyal	6.30	6.08
	Mr. Dan'l Lewin	5.90	5.65
	Dr. Ajit Ranade	6.45	4.73
	Ms. Anjali Joshi	4.64	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande	-	0.02
	Total	**1,656.50**	**1,026.89**
Dividend paid	**Key Management Personnel**		
	Dr Anand Deshpande	1,372.41	1,235.11
	Mr. Sunil Sapre	1.44	3.67
	Mr Sandeep Kalra	3.60	2.69
	Mr. Amit Atre	0.19	0.13
	Independent directors:		
	Mr. Pradeep Bhargava	-	0.23
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.03	0.03
	Mrs. Chitra Buzruk	28.16	25.35
	Dr. Mukund Deshpande	-	21.60
	Mrs. Sonali Anand Deshpande	6.72	6.05
	Mrs. Sulabha Suresh Deshpande	0.03	0.03
	Mr. Arul Deshpande	0.60	0.54
	Mr. Hemant Bakshi	-	0.27
	Ms. Alpana Ajit Ranade	0.01	0.01
	Mr. Arvind Goel	0.02	-
	Total	**1,413.21**	**1,295.71**
Other payments	**Key Management Personnel**		
	Mr. Sunil Sapre	0.26	0.33
	Relatives of Key Management Personnel		
	Mrs. Asha Sapre	0.26	0.33
	Total	**0.52**	**0.66**

Letters of comfort

Letters of comfort issued by the Parent Company of USD Nil : ₹ Nil (March 31, 2024: USD 24.69 Million: ₹. 2,059.15 Million) to bank for loans availed by Persistent Systems Inc.

Notes:

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 Group as a whole.

38 Capital and other commitments

	As at	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	326.88	396.29

For commitments relating to lease agreements, please refer note 36.

39 Auditors' remuneration

	For the year ended	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Audit fee	14.25	13.42
Certifications	0.45	0.50
Reimbursement of expenses	1.19	0.39
	15.89	**14.31**

40 Research and development expenditure

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

	For the year ended	
	March 31, 2025	March 31, 2024
	In ₹ Million	In ₹ Million
Capital	-	-
Revenue	214.70	282.75
	214.70	**282.75**

41 Net dividend remitted in foreign exchange

(In ₹ Million)

Particulars	No. of non-resident shareholders		No. of equity shares held on which dividend was due		For the year ended	
	March 31, 2025	March 31, 2024	March 31, 2025 (in Million)	March 31, 2024 (in Million)	March 31, 2025	March 31, 2024
Interim dividend	25	11	0.07	0.38	1.42	12.21
Final dividend	11	9	0.03	0.39	0.30	8.55

42 Other statutory information

a. The Parent Company has not been declared a willful defaulter by any bank or financial institution or other lender.

b. The Parent Company does not have any transactions with the companies struck off under section 248 of the Companies Act, 2013.

c. The Parent Company does not have any charges or satisfaction yet to be registered with Registrar of Companies beyond the statutory period.

d. The Parent 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

e. The Parent 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).

f. The Parent Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

g. There are no proceeding initiated or pending against the Parent Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.

43 Contingent liabilities

(In ₹ Million)

Sr. No		As at March 31, 2025	As at March 31, 2024
a)	**Claims against the Group 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 Parent 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 Parent 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 Parent 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.	723.33	7.77
2	**Income tax demands disputed in appellate proceedings**	1,054.78	1,102.72
b)	**Letter of Comfort on behalf of Subsidiaries** Letters of comfort on behalf of subsidiary USD Nil (Previous year : USD 24.69 Million)	-	2,059.15
c)	Performance Guarantee given by a Subsidiary of USD 3 Million (Previous year : USD 3 Million) to USCC Services and its affiliates towards trade payable of Aepona Limited (step down subsidiary)	256.41	250.20

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent Company in the earlier periods / 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 financial statements.

44 Details of Corporate Social Responsibility expenditure

(In ₹ Million)

		For the year ended March 31, 2025	For the year ended March 31, 2024
a)	Gross amount required to be spent by the Company during the year	218.67	175.45
b)	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	221.70	175.45
c)	Shortfall / Excess at the end of year *	-	-
d)	Total of previous year shortfall	-	-
e)	Reason for shortfall	-	-
f)	Nature of CSR Activity	1. Community Development 2. Health Care 3. Education	1. Community Development 2. Health Care 3. Education
g)	Details of related party transactions	-	-
h)	Details of provision made for liability incurred by entering into a contractual obligation	-	-
i)	CSR Expenditure outside India	2.08	-

* The Company spent a total of INR 221.70 Million during FY 2024-25. As per Section 135(5) of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company was required to spend INR 218.67 Million as CSR expenditure during FY 2024-25. Thus, the excess amount spent by the Company i.e., INR 3.03 Million is available for a set-off till the end of FY 2027-28, being the third (last) year to avail the set-off.

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45 (A) Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

Arrka Infosec Private Limited

Arrka Infosec Private Limited was acquired by Persistent Systems Limited (PSL) through a Share Purchase Agreement (SPA). The acquisition aligns strategically with PSL's goal of expanding its cybersecurity and data privacy capabilities. Arrka specializes in data protection and privacy compliance services, strengthening PSL's market position in these domains.

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	103.04
Contingent consideration	30.90
Total purchase consideration	**133.94**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	0.08
Other current assets	4.07
Non-current assets	
Property, plant and equipment	0.14
Deferred tax assets (net)	1.63
Subtotal	**5.92**
Liabilities	
Current liabilities	
Trade payables	-
Other current liabilities	-
Subtotal	**-**
Net assets taken over	**5.92**

The goodwill of ₹ 107.68 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is separable and it meets the criteria for recognition as an intangible asset under Ind AS 38. The identified intangible assets of ₹ 19.72 million has been recognised and amortised. Goodwill recognised is not expected to be deductible for income tax purposes.

Transaction costs of ₹ 1.14 Million have been expensed and are included in other expenses for the year ended March 31, 2025.

Revenue of ₹ 11.98 Million for the year ended March 31, 2025 is included in the financial statements. The loss after tax included for the year ended March 31, 2025 is ₹ 7.53 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million #
Transaction costs of the acquisition (included in cash flows from operating activities)*	(1.14)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	0.08
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax)	(98.04)

* Represents the expenditure incurred over the period of time on acquisition.

Negative amount represents cash outflows

Contingent consideration

As part of the purchase agreement with the selling shareholders of Arrka Infosec Private Limited, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a) ₹ 20.52 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 4 Million of target net revenue in a 12-month period within 90 days from the end of first earnout period,

b) ₹ 20.52 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 6 Million of target net revenue in a 12-month period within 90 days from the end of second earnout period,

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 30.90 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90.00%
Discount rate	9.37%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2025, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised.

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45 (B) Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

Starfish Associates, LLC, USA

Starfish Associates, LLC, USA has become a wholly owned subsidiary of Persistent Systems Inc. effective from August 1,2024, upon completion of the necessary customary closing condition. Post acquisition, Persistent Systems USA is 100% owner of equity interest amounting to USD 26,658.68. Starfish Associates, LLC provides communication management automation solution for multi-vendor unified communications (UC) and contact centers(CC) systems.Starfish Associates is known for its intelligent integration hub and workflow engine that seamlessly connects an array of business applications and communication systems, significantly enhancing multi-vendor communication management.

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	1,287.80
Contingent consideration	372.91
Total purchase consideration	**1,660.71**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	56.30
Trade receivables	1.24
Other current assets	90.27
Other current financial assets	8.84
Current tax assets (net)	15.05
Subtotal	**171.70**
Liabilities	
Current liabilities	
Trade payables	8.66
Other current liabilities	216.60
Subtotal	**225.26**
Net assets taken over	**(53.56)**

The goodwill of ₹ 1,052.35 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is separable and it meets the criteria for recognition as an intangible asset under Ind AS 38. The identified intangible assets of ₹ 638.17 million has been recognised and amortised. Goodwill recognised is not expected to be deductible for income tax purposes.

Transaction costs of ₹ 7.22 Million have been expensed and are included in other expenses for the year ended March 31, 2025.

Revenue of ₹ 470.50 Million for the year ended March 31, 2025 is included in the financial statements. The profit included for the year ended March 31, 2025 is ₹ 38.17 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million [#]
Transaction costs of the acquisition (included in cash flows from operating activities)*	(7.22)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	56.30
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax) [##]	(1,095.38)

* Represents the expenditure incurred over the period of time on acquisition.

[#] Negative amount represents cash outflows

[##] Net of retention bonus payable and working capital adjustment

Contingent consideration

As part of the purchase agreement with the selling shareholders of Starfish Associates LLC, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a) ₹ 219.02 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 11 Million of target net revenue in a 12-month period after the acquisition date,

b) ₹ 219.02 Million (undiscounted), if the Company as a result of the acquisition generates up to USD 16 Million of target net revenue in a 12-month period after the end of Year 1 from the acquisition date,

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 372.91 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90.00%
Discount rate	5.60%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2025, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised.

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45 (C) Business Combinations

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

MediaAgility India Priviate Limited and MediaAgility Inc.

During the year ended March 31, 2023, the Company entered into agreements to acquire Companies which have been together referred to as "Media Agility" in the notes elsewhere. On April 29, 2022, the Parent Company acquired 100% voting equity interest in MediaAgility India Private Limited. Further, on May 4, 2022, Persistent Systems Inc. USA, a wholly-owned subsidiary of the Parent Company,acquired 100% voting equity interest in MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore. This business combination is accounted by applying acquisition method. During the year ended March 31, 2023,the same was accounted on provisional basis availing the exemption under Ind AS 103.

MediaAgility is a global cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner. It provides cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services to its clients.

During the previous year, the purchase price allocation was completed. Accordingly, at the acquisition date, the identifiable assets acquired,the liabilities assumed including contingent consideration are recognised at their acquisition date fair values as follows:

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	4,449.89
Contingent consideration	1,168.18
Total purchase consideration	**5,618.07**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	842.41
Trade receivables	1,130.77
Other current assets	116.96
Other current financial assets	1.88
Current tax assets (net)	208.82
Non-current assets	
Property, plant and equipment	11.62
Customer relations	1,548.49
Goodwill	3,322.19
Subtotal	**7,183.14**
Liabilities	
Current liabilities	
Trade payables	1,058.40
Other current financial liabilities	226.64
Other current liabilities	280.03
Subtotal	**1,565.07**
Net assets taken over	**5,618.07**

The goodwill of ₹ 3,322.19 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is non separable therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill recognised is not expected to be deductible for income tax purposes.

The fair value of the trade receivables amounted to ₹ 1,130.77 Million at the time of acquisition.The gross amount of trade receivables was ₹ 1,154.69 Million.

Transaction costs of ₹ 56.47 Million and ₹ 118.69 Million have been expensed and are included in other expenses for the year ended March 31, 2022 and March 31, 2023 respectively.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million #
Transaction costs of the acquisition (included in cash flows from operating activities)*	(175.16)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	842.41
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax)	(3,316.02)

* Represents the expenditure incurred over the period of time on acquisition.
# Negative amount represents cash outflows

Contingent consideration

As part of the purchase agreement with the selling shareholders of Media Agility, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a)₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 39,998 Thousands of target net revenue in a 12-month period after the acquisition date,

b)₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 54,393 Thousands of target net revenue in a 12-month period after the acquisition date.

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 1,168.18 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90%
Discount rate	3%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

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46 Ratio Analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2025	March 31, 2024	% change	Reason for variance (If more than 25%)
(a) Current ratio	Number	Current Assets	Current Liabilties	2.36	1.87	26.20%	Refer Note 1
(b) Debt-Equity ratio	%	Debt	Shareholder's Equity	NA	4.18%	100.00%	Refer Note 2
(c) Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	NA	8.49	100.00%	Refer Note 2
(d) Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	25.18%	24.94%	0.96%	
(e) Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	6.24	5.62	11.07%	
(f) Trade payables turnover ratio	Number	Cost of professionals and other expenses ± non-cash adjustments	Average Trade payables	3.47	2.73	27.30%	Refer Note 1
(g) Net capital turnover ratio	Number	Revenue from operations	Working capital	4.13	5.07	-18.53%	
(h) Net profit ratio	%	Net Profit after tax	Revenue from operations	11.73%	11.13%	5.34%	
(i) Return on Capital employed	%	Profit before interest and tax	Capital employed	27.65%	26.39%	4.77%	
(j) Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	5.74%	6.86%	-16.33%	

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

Note 1 : Primarily on account of increase in current assets due to increase in business operations during the year.
Note 2 : The Group has repaid the outstanding borrowings during the year.

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47 The Parent Company has deposits of ₹ 408.88 Million (previous year: ₹ 430.00 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 Parent Company has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery.

During the year, the Parent 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 Parent 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.

48 The Company has been sanctioned a working capital limit in excess of Rs. 5 crores by banks and/or financial institutions based on the security of current assets. The quarterly returns/statements, in respect of the working capital limits have been filed by the Company with such banks and/or financial institutions and such returns/statements are in agreement with the books of account of the Company for the respective periods which were subject to audit, except for the following -

Name of the Bank / financial institution	Working capital limit sanctioned (In INR Million)	Nature of current assets offered as security	Quarter	Information disclosed as per return (In INR Million)	Information as per books of accounts (In INR Million)	Difference* (In INR Million)
Citi Bank	150	Book debts	Q1	18,926.70	21,180.00	(2,253.30)
Citi Bank	150	Book debts	Q2	27,077.00	20,842.00	6,235.00
Citi Bank	150	Book debts	Q3	15,898.00	21,393.00	(5,495.00)
Citi Bank	150	Book debts	Q4	12,946.34	12,946.34	-

*The difference is on account of exclusion of certain amounts while submitting the details of quarterly statements to the bank basis discussions with the bank

49 The Hon'ble National Company Law Tribunal, Mumbai ("NCLT") has sanctioned the merger of M/s. CAPIOT Software Private Limited (the Wholly Owned Subsidiary – Transferor Company) into Persistent Systems Limited (the Holding Company – Transferee Company) through absorption, as per its order dated April 9, 2025. The Company received the order on April 11, 2025.
However, the merger will take effect only upon the issuance of a Certified Copy of the order by the Hon'ble NCLT and its subsequent submission to the Registrar of Companies ("ROC"), Pune. The financial impact of this merger will be reflected in the Company's financial statements for the period following its submission to the ROC.

50 The Board of Directors of the Company at its meeting concluded on April 24, 2025 (IST), approved the proposal of Merger of M/s. Arrka Infosec Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited (Holding Company), subject to the receipt of necessary approvals in accordance with the provisions of the Companies Act, 2013.

51 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. 1st April, 2024. The effect of this change on actual and expected depreciation expense is as follows:

In ₹ Million

	For the year ended	
Particulars	FY 24-25	FY 25-26
Decrease in Depreciation expense	215.30	44.84

52 The Group 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 Group (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.

53 The Group has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Group shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.

54 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.

55 During the year ended March 31, 2025, the Group has recognised a gain on remeasurement of earnout payable towards acquisition of business to the erstwhile shareholders of Data Glove Incorporated, Media Agility, Software Corporation International & SCI Fusion 360, LLC amounting to ₹ 1,461.82 million (Previous year : ₹ 743.03 Million) based on settlement agreement and expected payout assessed by management.

56 During the year ended March 31, 2025, the Group has discontinued the policy of Long-Term Service Award to employees which was to reward employees on reaching significant milestones in terms of number of years of their service. This is in the context of the coverage of a large number of employees under the Company's ESOP schemes over the last few years, providing employees an opportunity to participate in the Company's growth and value creation. Consequently, the accumulated provision amounting to ₹ 506.74 Million has been written back in the Statement of Profit and Loss, and has been reduced from Employee Benefit Expenses.

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI PURUSHOTTAM TADWALKAR
Digitally signed by SHASHI PURUSHOTTAM TADWALKAR
Date: 2025.04.23 17:13:32 -07'00'

Shashi Tadwalkar
Partner
Membership No: 101797

Place : USA
Date : April 23, 2025

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

Anand Deshpande (Apr 23, 2025 16:03 PDT)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : USA
Date : April 23, 2025

Sandeep Kalra (Apr 23, 2025 16:02 PDT)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : USA
Date : April 23, 2025

Praveen Kadle (Apr 23, 2025 16:11 PDT)

Praveen Kadle
Independent Director
DIN: 00016814

Place : USA
Date : April 23, 2025

Vinit Teredesai (Apr 23, 2025 16:09 PDT)

Vinit Teredesai
Executive Director and Chief Financial Officer
DIN: 03293917

Place : USA
Date : April 23, 2025

Amit Atre (Apr 23, 2025 16:04 PDT)

Amit Atre
Company Secretary
Membership No.: A20507

Place : USA
Date : April 23, 2025

Walker Chandiok & Co LLP

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Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of **Persistent Systems Limited** ('the Holding Company'), its subsidiaries and its controlled trust (the Holding Company and its subsidiaries and controlled trust together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, and controlled trust the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2024, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated 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 we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 14 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Note 4.2 (a) to notes forming part of the Consolidated Financial Statements. The Group has entered into various fixed-price software development contracts, for which revenue is recognized by the Group using the percentage of completion computed as per the Input method prescribed under Ind AS 115 'Revenue from Contracts with Customers' ('Ind AS 115'). Revenue recognition in such contracts involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: • High inherent risk around accuracy of revenue, given the customized and complex nature of these contracts and significant involvement of information technology (IT) systems. • High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. • Identification and determination of onerous contracts and related obligations. • Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related	Our audit procedures relating to accuracy of revenues and onerous obligations in respect of fixed-price contracts included but were not limited to the following: • Obtained an understanding of the systems, processes and controls implemented by management for calculating and recording revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations; • Evaluated the design and tested operating effectiveness of related internal financial manual controls and involved auditor's experts to-: o Test key IT controls over IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; o Test the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and o Test the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project; • Selected samples of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract; • Reviewed samples of contracts with unbilled revenues to identify possible delays in achieving

provisions, as a key audit matter for the current year audit.	milestones, which require change in estimated efforts to complete the remaining performance obligations; • Performed analytical procedures for reasonableness of incurred and estimated efforts; • Evaluated management's identification of onerous contracts based on estimates tested as above; and • Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.
Valuation of Employee Stock Option Plan ('ESOP') Refer note 4.3 (q) and note 35 of the Consolidated Financial Statements. The Group has framed various ESOP schemes for its employees under which the Company pays remuneration to its employees for services received in the form of equity-settled share based payment transactions. In accordance with the principles of Ind AS 102 'Share Based Payments' ('Ind AS 102'), the fair value of aforesaid employee stock options determined as at the date of their grant is recognised as employee compensation cost by the Company/Group over the vesting period of such options. The fair valuation of options granted to employees for the services rendered is performed by external valuation specialists using Black-Scholes valuation model which requires the management to make certain key estimates and assumptions including expected volatility, dividend yield, risk-free interest rate, performance factor, attrition rate and non-acceptance factors. Considering significant management judgment and materiality of amounts involved, valuation of ESOP reserve and expense is considered as a key audit matter for the current year audit.	Our audit procedures relating to valuation of ESOP included but were not limited to the following: • Obtained an understanding of the terms and arrangements of Employee Stock Option Plans; • Evaluated the design and tested operating effectiveness of internal financial controls over the methodology, models and assumptions used by the management to determine the fair value of options granted during the year; • Evaluated competency and objectivity of valuation specialist hired by the management; • Reviewed the report from management's valuation specialist considered for valuation of options granted during the year; • Assessed the reasonableness of the management assumptions and estimates and verified the accuracy of inputs used for the valuation purpose on a sample basis; • Involved auditor's valuation expert to assist us in validating the valuation assumptions, methodology and approach considered by the management's expert and ascertained arithmetical accuracy of computation of share-based payment expense; and • Evaluated the appropriateness of disclosures made in the Consolidated financial statements with respect to share based payments as required by applicable Indian Accounting Standards.

Impairment assessment of goodwill Refer notes 4.3 (v) and 5.4 to the accompanying consolidated financial statements. As at 31 March 2024, the Group's assets include goodwill aggregating to 10,912.56 million relating to business acquisitions made by the Group in earlier years across multiple geographic locations. The Group has performed annual impairment test of Goodwill as required under per Ind AS 36, 'Impairment of Assets' ('Ind AS 36') by determining the fair value of the Cash Generated Units (CGUs) to which the goodwill is allocated, using discounted cash flow method. The determination of the recoverable value of CGUs requires management to make certain key estimates and assumptions including forecast of future cash flows, long-term growth rates, profitability levels and discount rates. Changes in these assumptions could lead to an impairment to the carrying value of the goodwill. Considering goodwill balance is significant to the consolidated financial statements and auditing management judgement and estimates as stated above involves high degree of subjectivity and requires significant auditor judgement, impairment assessment of goodwill is considered as a key audit matter for the current year audit.	Our audit procedures relating to testing of impairment assessment of goodwill included but were not limited to the following: • Obtained an understanding of management's process for identification of CGUs and impairments testing of goodwill; • Evaluated the design and tested operative effectiveness of the key internal financial controls over the Group's process of impairment assessment of goodwill; • Assessed the reasonability of the assumptions used by the management for cash flow forecasts by comparing to the historical trend of past performance of the CGU;s • Traced the projections used by the management to approved business plans; • Assessed the competence and objectivity of the management's valuation expert and obtained their valuation report on determination of recoverable amounts of CGUs and; • Involved auditor's valuation expert to assess the valuation assumptions used and methodology considered by the management's expert to calculate the recoverable amounts of CGUs and the mathematical accuracy of these calculations; • Performed sensitivity analysis on the key assumptions to evaluate estimation uncertainty and ascertain the sufficiency of headroom available; and Evaluated the appropriateness and adequacy of disclosures given in the consolidated financial statements, including disclosure of significant assumptions and judgements used by management, in accordance with applicable Indian Accounting Standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Annual Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The Holding Company's Board of Directors are also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act the respective Board of Directors of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

10. Our objectives are to obtain reasonable assurance about whether the consolidated 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 Standards on Auditing 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 consolidated financial statements.

11. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

    - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial 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 Group to cease to continue as a going concern;

    - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

    - Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the financial statements, of which we are the independent auditors. For the other entities included in the financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Matter

15. We did not audit the financial statements of twenty nine subsidiaries and one controlled trust, whose financial statements reflects total assets of ₹ 12,394.89 million as at 31 March 2024, total revenues of ₹ 7763.11 million and net cash inflows amounting to ₹ 755.72 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and controlled trust, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries and controlled trust, are based solely on the reports of the other auditors.

Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 14, on separate financial statements of the subsidiaries, we report that the Holding Company, incorporated in India whose financial statements have been audited under the Act have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that the provisions of section 197 read with Schedule V to the Act are not applicable to two subsidiaries, incorporated in India whose financial statements have been audited under the Act, since none of such companies is a public company as defined under section 2(71) of the Act.

16. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued till date by us and by the respective other auditors as mentioned in paragraph 14 above, of companies included in the consolidated financial statements for the year ended 31 March 2024 and covered under the Act we report that:

Following are the qualifications/adverse remarks reported by us and the other auditors in the Order reports of the companies included in the consolidated financial statements for the year ended 31 March 2024 for which such Order reports have been issued till date and made available to us:

S. No	Name	CIN	Holding Company / subsidiary	Clause number of the CARO report which is qualified or adverse
1.	Persistent Systems Limited	L72300PN1990PLC056696	Holding Company	Clause (ii) (b) Clause (vii) (b)
2.	CAPIOT Software Private limited	U72200PN2014PTC226352	Wholly Owned Subsidiary	Clause (xvii)

17. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 19(f)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended). Further, the back-up of the books of accounts and other books and papers maintained in electronic mode has been maintained on servers physically located in India, on a daily basis;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements; In our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    d) On the basis of the written representations received from the directors of the Holding Company, and its subsidiaries, and taken on record by the Board of Directors of the Holding Company, and its subsidiaries, and the reports of the statutory auditors of its subsidiaries, covered under the Act, none of the directors of the Group companies, are disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.

    e) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiaries covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

    f) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act:

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, as detailed in Note 42 to the consolidated financial statements;

        ii. The Holding Company, its subsidiaries and controlled trust did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2024;

        iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries during the year ended 31 March 2024;

iv.

a. The respective managements of the Holding Company and its subsidiaries, incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief , on the date of this audit report other than as disclosed in note 49 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiaries to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiaries, ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiaries incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, on the date of this audit report other than as disclosed in the note 50 to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiaries, from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiaries, shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The interim dividend declared and paid by the Holding Company and its subsidiaries, during the year ended 31 March 2024 and until the date of this audit report is in compliance with section 123 of the Act

The final dividend paid by the Holding Company during the year ended 31 March 2024 in respect of such dividend declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.

vi. As stated in Note 57 of the accompanying Consolidated financial statements and based on our examination which included test checks and that performed by the respective auditors of the subsidiaries of the Holding Company which are companies incorporated in India and audited under the Act, except for the instances/matters mentioned below, the Holding Company, and it subsidiaries, in respect of financial year commencing on 1 April 2023, 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 been operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we and respective auditors of the above referred subsidiaries, did not come across any instance of audit trail feature being tampered with.

vii.

Nature of exception noted	Details of Exception
Instances of accounting software maintained by a third party where we are unable to comment on the audit trail feature	The accounting software (Oracle Fusion ERP) used for maintenance of books of accounts of the Company is operated by a third-party software service provider. In the absence of any information on existence of audit trail (edit logs) for any direct changes made at the database level in the 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation), we are unable to comment on whether audit trail feature with respect to the database of the said software was enabled and operated throughout the year.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.04.21 21:44:05 +05'30'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 24101797BKCPBI6116

Place: Pune
Date: 21 April 2024

Annexure A

Independent Auditor's Report on the internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the consolidated financial statements of Persistent Systems Limited ('the Holding Company') and its subsidiaries and its controlled trust (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, which are companies covered under the Act, as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, which are companies covered under the Act, are responsible for establishing and maintaining internal financial controls based on 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 on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. The audit of internal financial controls with reference to financial statements of one subsidiary, which is a company covered under the Act, and reporting under Section 143(3)(i) is exempted vide MCA notification no. G.S.R. 583(E) dated 13 June 2017 read with corrigendum dated 14 July 2017. Consequently, Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('the Guidance Note') issued by the ICAI. 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.

4. 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 includes obtaining an understanding of such internal financial controls, 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies, as aforesaid.

Meaning of Internal Financial Controls with Reference to Financial Statements

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

7. 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.

Opinion

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company, its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2024, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on audit of Internal Financial Control over Financial Reporting issued by the ICAI.

Other Matter

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to one subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 12,394.89 million and net assets of ₹ 3,087.23 million as at 31 March 2024, total revenues of ₹ 7,763.11 million and net cash inflows/outflows amounting to ₹ 755.72 million for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary company, have been audited by other auditors whose report have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary company as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such

subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.04.21 21:44:44 +05'30'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 24101797BKCPBI6116

Place: Pune
Date: 21 April 2024

Persistent Systems Limited

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2024

	Notes	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
ASSETS			
Non-current assets			
Property, plant and equipment	5.1	4,420.03	4,859.95
Capital work-in-progress	5.2	335.26	161.38
Right of use assets	5.3	2,307.18	2,198.21
Goodwill	5.4	10,912.56	7,183.71
Other Intangible assets	5.5	4,574.95	9,171.42
		22,549.98	23,574.67
Financial assets			
- Trade receivables	12	730.18	709.45
- Investments	6	5,539.14	4,516.00
- Loans	7	-	-
- Other financial assets	8	525.31	919.60
Deferred tax assets (net)	9	1,359.64	1,133.97
Income tax assets (net)		387.05	451.71
Other non-current assets	10	1,413.03	959.29
		32,504.33	32,264.69
Current assets			
Financial assets			
- Investments	11	2,726.54	1,879.66
- Trade receivables	12	16,761.13	15,253.22
- Cash and cash equivalents	13	6,625.15	4,670.12
- Bank balances other than cash and cash equivalents	14	3,603.71	4,362.68
- Loans	15	-	-
- Other financial assets	16	6,621.83	4,882.17
Other current assets	17	4,893.49	3,418.26
		41,231.85	34,466.11
TOTAL		73,736.18	66,730.80
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	18(a)	770.25	764.25
Other equity	18(b)	48,806.82	38,886.53
		49,577.07	39,650.78
LIABILITIES			
Non- current liabilities			
Financial liabilities			
- Borrowings	19	99.15	2,057.59
- Lease liabilities	20	1,608.09	1,592.20
- Other financial liabilities	23	-	2,888.92
Other non-current liabilities	24	44.44	34.83
Deferred tax liabilities (net)	9	18.76	4.68
Provisions	21	546.96	373.03
		2,317.40	6,951.25
Current liabilities			
Financial liabilities			
- Borrowings	19	1,974.04	2,249.36
- Lease liabilities	20	830.01	676.39
- Trade payables	22		
- Total outstanding dues of micro and small enterprises		49.63	34.04
- Total outstanding dues of creditors other than micro and small enterprises		8,088.99	5,655.04
- Other financial liabilities	23	3,718.27	3,922.85
Other current liabilities	24	3,302.82	2,647.71
Provisions	25	3,330.66	4,649.24
Income tax liabilities (net)		547.29	294.14
		21,841.71	20,128.77
TOTAL		73,736.18	66,730.80
Summary of material accounting policies	4		

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR Digitally signed by SHASHI TADWALKAR Date: 2024.04.21 21:45:07 -05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797

Place : India
Date : April 21, 2024

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

Anand Deshpande (Apr 21, 2024 10:50 EDT)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : USA
Date : April 21, 2024

Sandeep Kalra (Apr 21, 2024 10:48 EDT)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : USA
Date : April 21, 2024

PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.04.21 20:53:50 +05'30'

Praveen Kadle
Independent Director

DIN: 00016814

Place : India
Date : April 21, 2024

Sunil Sapre (Apr 21, 2024 10:56 EDT) Amit Atre (Apr 21, 2024 11:02 EDT)

Sunil Sapre
Executive Director and Chief Financial Officer

DIN: 06475949

Place : USA
Date : April 21, 2024

Amit Atre
Company Secretary

Membership No. A20507

Place : USA
Date : April 21, 2024

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2024

	Notes	For the year ended March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Income			
Revenue from operations	26	98,215.87	83,505.92
Other income	27	1,280.20	706.17
Total income (A)		**99,496.07**	**84,212.09**
Expenses			
Employee benefits expense	28.1	59,609.70	49,695.65
Cost of professionals	28.2	11,492.70	10,426.01
Finance costs		467.27	473.40
Depreciation and amortization expense	5.6	3,093.73	2,718.95
Other expenses	29	10,356.61	8,193.01
Total expenses (B)		**85,020.01**	**71,507.02**
Profit before exceptional items and tax (A - B)		**14,476.06**	**12,705.07**
Exceptional item			
Provision for export incentives		-	296.55
Profit before tax		**14,476.06**	**12,408.52**
Tax expense			
Current tax		3,679.65	3,115.31
Tax charge in respect of earlier years		73.19	(3.54)
Deferred tax credit		(211.69)	85.82
Total tax expense		**3,541.15**	**3,197.59**
Net profit for the year (C)		**10,934.91**	**9,210.93**
Other comprehensive income			
Items that will not be reclassified to profit or loss (D)			
- Remeasurements of the defined benefit liabilities / asset		(98.29)	(17.69)
- Income tax effect on above		21.29	5.31
		(77.00)	**(12.38)**
Items that will be reclassified to profit or loss (E)			
- Effective portion of cash flow hedge		21.59	(63.55)
- Income tax effect on above		8.02	15.99
- Exchange differences in translating the financial statements of foreign operations		104.82	798.19
		134.43	**750.63**
Total other comprehensive income / (loss) for the year (D) + (E)		**57.43**	**738.25**
Total comprehensive income for the year (C) + (D) + (E)		**10,992.34**	**9,949.18**
Earnings per equity share [Nominal value of share ₹5 (Previous year: ₹5)]	30		
Basic (In ₹)		72.44	61.87
Diluted (In ₹)		71.07	60.26
Summary of material accounting policies	4		

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.04.21 21:45:28 +05'30'

Shashi Tadwalkar
Partner
Membership No. : 101797

Place : India
Date : April 21, 2024

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

Anand Deshpande (Apr 21, 2024 10:50 EDT)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place : USA
Date : April 21, 2024

Sandeep Kalra (Apr 21, 2024 10:48 EDT)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place : USA
Date : April 21, 2024

PRAVEEN PURUSHOTTAM KADLE
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Date: 2024.04.21 20:54:04 +05'30'

Praveen Kadle
Independent Director
DIN: 00016814
Place : India
Date : April 21, 2024

Sunil Sapre (Apr 21, 2024 10:56 EDT)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949
Place : USA
Date : April 21, 2024

Amit Atre (Apr 21, 2024 11:02 EDT)

Amit Atre
Company Secretary
Membership No. A20507
Place : USA
Date : April 21, 2024

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

		For the year ended	
		March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Cash flow from operating activities			
Profit before tax		**14,476.06**	**12,408.52**
Adjustments for:			
Interest income		(562.45)	(512.63)
Finance costs		467.27	473.40
Depreciation and amortisation expense		3,093.73	2,718.95
Unrealised exchange loss (net)		27.27	190.68
Change in foreign currency translation reserve		172.65	491.89
Exchange (gain) / loss on derivative contracts		(70.63)	88.69
Exchange (gain) on translation of foreign currency cash and cash equivalents		(23.84)	(10.54)
Bad debts		63.36	82.33
Allowance for expected credit loss (net)		103.57	3.03
Employee stock compensation expenses		1,091.75	1,357.14
Loss / Impairment of non-current investments		20.58	-
Changes in contingent consideration payable on business combination		(743.03)	
Remeasurements of the defined benefit liabilities / asset (before tax effects)		(98.29)	(17.69)
Excess provision in respect of earlier year written back		(27.76)	(32.44)
Profit on sale / fair valuation of financial assets designated as FVTPL		(289.11)	(196.52)
Profit on sale of property, plant and equipment (net)		(22.64)	(1.69)
Provision for export incentives		-	296.55
Operating profit before working capital changes		**17,678.49**	**17,339.67**
Movements in working capital :			
Decrease in non-current and current loans		-	1.83
(Increase) / Decrease in other non-current assets		(256.22)	435.75
Increase in other financial assets		(1,751.22)	(1,541.68)
Increase in other current assets		(1,475.23)	(1,233.36)
Increase in trade receivables		(1,810.64)	(5,554.83)
Increase in trade payables, current liabilities and non-current liabilities		4,386.28	2,687.81
(Decrease) / Increase in provisions		(1,144.65)	827.07
Operating profit after working capital changes		**15,626.81**	**12,962.26**
Direct taxes paid (net of refunds)		(3,413.74)	(3,404.64)
Net cash generated from operating activities	**(A)**	**12,213.07**	**9,557.62**
Cash flows from investing activities			
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(2,839.16)	(4,332.99)
Proceeds from sale of property, plant and equipment		48.65	11.98
Acquisition of step-down subsidiaries		-	(4,310.57)
Payment towards contingent consideration		(2,073.64)	-
Purchase of bonds		(0.70)	(237.41)
Proceeds from sale/ maturity of bonds		80.70	31.49
Investments in mutual funds		(50,723.06)	(37,285.09)
Proceeds from sale / maturity of mutual funds		49,042.09	40,054.82
Proceeds from maturity of bank deposits having original maturity over three months		773.06	1,715.51
Proceeds from maturity of / (Investments) in deposits with financial institutions		400.00	(400.00)
Interest received		597.38	539.16
Net cash used in investing activities	**(B)**	**(4,694.68)**	**(4,213.10)**
Cash flows from financing activities			
Repayment of long term borrowings in Indian rupee		(1.84)	(1.86)
Proceeds from issuance of share capital		1,607.80	-
Repayment of foreign currency long term borrowings		(2,231.88)	(38.37)
Payment of principal portion of lease liabilities		(760.18)	(545.22)
Payment of interest portion of lease liabilities		(180.02)	(137.86)
Interest paid		(287.29)	(335.56)
Dividends paid		(4,083.62)	(2,980.58)
Net cash (used in) / generated from financing activities	**(C)**	**(5,937.03)**	**(4,039.45)**

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2024

	For the year ended	
	March 31, 2024	March 31, 2023
	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	1,581.36	1,305.07
Cash and cash equivalents at the beginning of the year	4,670.12	2,977.99
Cash and cash equivalents acquired on acquisition	-	642.81
Effect of exchange difference on translation of foreign currency cash and cash equivalents	23.84	10.54
Impact of ESOP Trust consolidation	349.83	(266.29)
Cash and cash equivalents at the end of the year	**6,625.15**	**4,670.12**
Components of cash and cash equivalents		
Cash on hand (refer note 13)	0.11	0.25
Balances with banks		
On current accounts # (refer note 13)	4,819.66	3,303.76
On saving accounts (refer note 13)	23.48	33.21
On exchange earner's foreign currency accounts (refer note 13)	1,401.87	638.90
On deposit accounts with original maturity less than three months (refer note 13)	380.03	279.68
On Other accounts (refer note 13)	-	414.32
Cash and cash equivalents	**6,625.15**	**4,670.12**

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant agreement.

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 significant accounting policies - refer note 4

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.04.21 21:45:54 +05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797

Place : India
Date : April 21, 2024

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

Anand Deshpande (Apr 21, 2024 10:50 EDT)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place : USA
Date : April 21, 2024

Sandeep Kalra (Apr 21, 2024 10:48 EDT)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place : USA
Date : April 21, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.04.21 20:54:19 +05'30'

Praveen Kadle
Independent Director

DIN: 00016814

Place : India
Date : April 21, 2024

Sunil Sapre (Apr 21, 2024 10:56 EDT)

Sunil Sapre
Executive Director and Chief Financial Officer

DIN: 06475949

Place : USA
Date : April 21, 2024

Amit Atre (Apr 21, 2024 11:02 EDT)

Amit Atre
Company Secretary

Membership No. A20507

Place : USA
Date : April 21, 2024

Persistent Systems Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

A. Share capital
(refer note 18(a))

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the year	Balance as at March 31, 2024
764.25	6.00	770.25

(In ₹ Million)

Balance as at April 1, 2022	Changes in equity share capital during the year	Balance as at March 31, 2023
764.25	-	764.25

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Persistent Systems Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2024

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus								Items of other comprehensive income		Total
	Securities premium	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2023	-	20,824.45	2,222.02	62.67	35.75	16,607.36	(2,435.67)	70.31	(5.76)	1,505.40	38,886.53
Addition during the year	1,601.80										1,601.80
Profit for the year	-	-	-	-	-	10,934.91	-	-	-	-	10,934.91
Items recognised in / from other comprehensive income for the year	-	-	-	-	-	(98.29)	-	-	29.61	104.82	36.14
Income tax effect on above	-	-	-	-	-	21.29					21.29
Dividend	-	-	-	-	-	(4,153.95)	-	-	-	-	(4,153.95)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	70.33	-	-	70.33
Transfer to general reserve	-	3,965.23	-	-	-	(3,965.23)	-	-	-	-	-
Adjustments towards employees stock options	-	1,087.56	(1,087.56)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	-	1,091.75	-	-	-	-	-	-	-	1,091.75
Other changes during the year	-	(34.25)	1.50	0.94	-	-	-	-	-	-	(31.81)
Shares held by ESOP trust	-	-	-	-	-	-	349.83	-	-	-	349.83
Balance at March 31, 2024	**1,601.80**	**25,842.99**	**2,227.71**	**63.61**	**35.75**	**19,346.09**	**(2,085.84)**	**140.64**	**23.85**	**1,610.22**	**48,806.82**

(In ₹ Million)

Particulars	Reserves and surplus							Items of other comprehensive income		Total
	General reserve	Share options outstanding reserve	Gain on bargain purchase	Capital redemption reserve	Retained earnings	Treasury shares	PSL ESOP Trust reserve	Effective portion of cash flow hedges	Exchange differences on translating the financial statements of foreign operations	
Balance as at April 1, 2022	17,376.65	1,144.84	57.80	35.75	13,553.90	-	-	41.80	707.21	32,917.95
Profit for the year	-	-	-	-	9,210.93	-	-	-	-	9,210.93
Items recognised in / from other comprehensive income for the year	-	-	-	-	(17.69)	-	-	(47.56)	798.19	732.94
Income tax effect on above	-	-	-	-	5.31	-	-	-	-	5.31
Dividend	-	-	-	-	(2,980.58)	-	-	-	-	(2,980.58)
Dividend Paid to ESOP trust	-	-	-	-	-	-	70.31	-	-	70.31
Shares held by ESOP trust	-	-	-	-	-	(2,435.67)	-	-	-	(2,435.67)
Transfer to general reserve	3,164.51	-	-	-	(3,164.51)	-	-	-	-	-
Adjustments towards employees stock options	283.10	(283.10)	-	-	-	-	-	-	-	-
Employee stock compensation expenses	-	1,357.14	-	-	-	-	-	-	-	1,357.14
Other changes during the year	0.19	3.14	4.87	-	-	-	-	-	-	8.20
Balance at March 31, 2023	**20,824.45**	**2,222.02**	**62.67**	**35.75**	**16,607.36**	**(2,435.67)**	**70.31**	**(5.76)**	**1,505.40**	**38,886.53**

Summary of significant accounting policies - refer note 4

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.04.21 21:46:22 +05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797

Place : India
Date : April 21, 2024

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

Anand Deshpande (Apr 21, 2024 10:50 EDT)

Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721

Place: USA
Date : April 21, 2024

Sandeep Kalra (Apr 21, 2024 10:48 EDT)

Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494

Place: USA
Date : April 21, 2024

PRAVEEN PURUSHOTTAM KADLE
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Praveen Kadle
Independent Director

DIN: 00016814

Place : India
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Sunil Sapre (Apr 21, 2024 10:56 EDT)

SunilSapre
Executive Director and
Chief Financial Officer

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Amit Atre (Apr 21, 2024 11:02 EDT)

AmitAtre
Company Secretary

Membership No. A20507

Place: USA
Date : April 21, 2024

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 upon which such amount is transferred to General reserve.

c) Gain on bargain purchase
The excess of the Group's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the financial statements.

d) 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.

e) 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.

f) Foreign currency translation reserve
The foreign exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income and is presented under equity in the foreign currency translation reserve. The amount is transferred to retained earnings upon disposal of investment in foreign operation.

g) PSL ESOP Trust reserve and Treasury shares

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

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

h) 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.

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

1 Nature of operations

Persistent Systems Limited (the "Parent Company" or "PSL") is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the Act"). 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. PSL together with its subsidiaries and controlled trust, is hereinafter referred to as "the Group". The Group offers complete product life cycle services.

The Board of Directors approved the consolidated financial statements for the year ended March 31, 2024 and authorised for issue on April 21, 2024.

Persistent Systems, Inc. (PSI) based in the USA, a wholly owned subsidiary of PSL, is engaged in software product, services and technology innovation.

Persistent Systems Pte. Ltd. (PS Pte.) based in Singapore, a wholly owned subsidiary of PSL, is engaged in software development, professional and marketing services.

Persistent Systems France SAS (PSFS) based in France, a wholly owned subsidiary of PSL, is engaged in software products, services and technology innovation.

Persistent Telecom Solutions, Inc. (PTSI) based in the USA, a wholly owned subsidiary of Persistent Systems, Inc., is engaged in software products, services and technology innovation in telecom and Product Lifecycle Management domains.

Persistent Systems Malaysia Sdn. Bhd. (PSM) based in Malaysia, a wholly owned subsidiary of PSL, is engaged in software products and services.

Aepona Group Limited, an Ireland based wholly owned subsidiary of Persistent Systems, Inc. operates as the holding Company of Persistent Systems UK Ltd., is engaged in software development and related services.

Persistent Systems UK Limited (formerly known as Aepona Limited, a UK based wholly owned subsidiary of Aepona Group Limited) is engaged in the business of a telecommunication API gateway for defining, exposing, controlling and monetizing telecom services to partners and application developers and an Internet of Things service creation platform that allows enterprises to add a service layer (or "business logic") to the basic APIs exposed to by connected devices, and to expose and monetize these APIs. Also, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

Persistent Systems Lanka (Private) Limited (a Sri Lanka based wholly owned subsidiary of Aepona Group Limited) has adopted indirect sales model, with services revenue being billed to Persistent Systems UK Ltd. Sale of services are then contracted between Persistent Systems UK Ltd. and customers.

Persistent Systems Mexico, S.A. de C.V (a Mexico based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Israel Ltd. (an Israel based wholly owned subsidiary of Persistent Systems Inc.) has adopted indirect sales model, with services revenue being billed to Persistent Systems Inc. Sale of services are then contracted between Persistent Systems Inc. and customers.

Persistent Systems Germany GmbH (wholly owned subsidiary of PSL) operates as the holding Company of Persistent Systems Switzerland AG, Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada) and Persistent Systems S.r.l., Romania. Youperience GmbH has been merged with Persistent Systems Germany GmbH w.e.f. August 21, 2023.

Persistent Systems Switzerland AG (formerly known as PARX Werk AG, a Switzerland based wholly owned subsidiary of Persistent Systems Germany GmbH) is engaged in the business of software products, services and technology innovation in the digital practice.

PARX Consulting GmbH (a Germany based wholly owned subsidiary of Persistent Systems Switzerland AG) has been merged with Persistent Systems Germany GmbH w.e.f. August 25, 2023.

Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada, a Costa Rica based wholly owned subsidiary of Persistent Systems Germany GmbH) is a leading Microsoft technology solutions provider in verticals including Azure, business applications, workplace modernization, and Data and AI.

Youperience GmbH (a Germany based wholly owned subsidiary of Persistent Systems Germany GmbH) has been merged with Persistent Systems Germany GmbH w.e.f. August 21, 2023.

Youperience Limited (a United Kingdom based wholly owned subsidiary of Youperience GmbH) has been dissolved w.e.f. June 27, 2023.

Persistent Systems S.R.L. Romania is incorporated on June 17, 2022 and a wholly owned subsidiary of Persistent Systems Germany GmbH is engaged in software development and services.

CAPIOT Software Private Limited (a India based wholly owned subsidiary of PSL) is engaged in enterprise integration and modernization with expertise in MuleSoft, Red Hat and TIBCO.

CAPIOT Software Inc (a US based wholly owned subsidiary of Persistent Systems Inc) has been dissolved w.e.f. December 29, 2023.

Persistent Systems Australia Pty Ltd (formerly known as Capiot Software Pty Ltd, a Australia based wholly owned subsidiary of CAPIOT Software Inc) is engaged in enterprise and data integration services across platforms. Further, it has acquired a new Microsoft business unit with expertise in Microsoft technologies, including Azure, business applications, workplace modernization, and Data and AI.

CAPIOT Software Pte Limited (a Singapore based wholly owned subsidiary of CAPIOT Software Inc) has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

Persistent Systems SRL(a Italy based wholly owned subsidiary of Persistent Systems Inc.) has been dissolved w.e.f. February 26, 2024.

Software Corporation International (a US based wholly owned subsidiary of Persistent Systems Inc) is specialized in payment solutions, integration, and support services for BFSI clients.

SCI Fusion360 LLC (a US based wholly owned subsidiary of Persistent Systems Inc) has been dissolved w.e.f May 31, 2023.

MediaAgility India Private Limited (an India based wholly owned subsidiary of PSL) (acquired with effect from April 29, 2022) is engaged in cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services.

MediaAgility Inc (a US based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

MediaAgility UK Limited (a UK based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

DIGITALAGILITY S DE RL DE CV (a Mexico based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Media Agility Pte Ltd (a Singapore based wholly owned subsidiary of Persistent Systems Inc) (acquired with effect from May 4, 2022) is cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner.

Persistent Systems Poland sp z.o.o. is a subsidiary of Persistent Systems Inc. and is incorporated on April 5, 2023 is engaged in providing software products, services and technology innovation.

The Group has assessed PSPL ESOP Management Trust to be a controlled entity and accordingly the same has been consolidated w.e.f. April 1, 2022 on a prospective basis.

2 Basis of preparation

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

These consolidated financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), the provisions of the Companies Act, 2013 ("the Act") (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.. The functional currency of PSL, its Indian subsidiaries and its controlled trust is ₹ and the functional currencies of other subsidiaries are their respective local currencies. Consolidated financial statements are presented in ₹ Million unless otherwise specified.

3 Basis of consolidation

The consolidated financial statements of the Group for the year ended March 31, 2024 are prepared in accordance with generally accepted accounting principles applicable in India, and the Indian Accounting Standard 110 (Ind AS 110) on 'Consolidated Financial Statements', notified by Companies (Accounting Standards) Rules, 2015, ("Indian Accounting Standards") by and to the extent possible in the same format as that adopted by the Parent Company for its separate financial statements.

The Parent Company consolidates entities which it owns or controls. The consolidated financial statements comprise the financial statements of the parent company, its subsidiaries and its controlled trust as disclosed below. Control exists when the parent company has power over the entity, is exposed or has rights to variable returns from its involvement with the entity; and has the ability to affect those returns by using its power over the entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns. Subsidiaries are consolidated from the date control commences until the date control ceases.

The financial statements of the Group companies have been consolidated on line by line basis by adding together the book values of like items of assets and liabilities, income and expenses after eliminating intra group balances and intra group transactions except where cost cannot be recovered. The unrealized profits or losses resulting from the intra group transactions and balances have been eliminated.

The excess of the cost to the Parent Company of its investment in a subsidiary and the Parent Company's portion of equity of subsidiary on the date at which investment in the subsidiary is made, is described as goodwill and recognized separately as an asset in the consolidated financial statements. The excess of the Company's portion of equity of the acquired company over its cost is treated as gain on bargain purchase in the consolidated financial statements. Goodwill arising on consolidation is not amortized. It is tested for impairment annually and written off if found impaired.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and necessary adjustments required for deviations, if any, are made in the consolidated financial statements. The consolidated financial statements are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements of the subsidiary companies and controlled trust used in the consolidation are drawn up to the same reporting date as of the Parent Company.

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Persistent Systems Limited

Notes forming part of consolidated financial statements

The subsidiary companies and controlled trust considered in consolidated financial statements are as follows:

Name of the subsidiary/ associate	Ownership Percentage as at		Country of incorporation
	31-Mar-24	31-Mar-23	
Persistent Systems, Inc.	100%	100%	USA
Persistent Systems Pte Ltd.	100%	100%	Singapore
Persistent Systems France SAS	100%	100%	France
Persistent Telecom Solutions Inc.	100%	100%	USA
Persistent Systems Malaysia Sdn. Bhd.	100%	100%	Malaysia
Aepona Group Limited	100%	100%	Ireland
Persistent Systems UK Limited (formerly known as Aepona Limited)	100%	100%	UK
Persistent Systems Lanka (Private) Limited	100%	100%	Sri Lanka
Persistent Systems Mexico, S.A. de C.V.	100%	100%	Mexico
Persistent Systems Israel Ltd.	100%	100%	Israel
Persistent Systems Germany GmbH	100%	100%	Germany
Persistent Systems Switzerland AG (formerly known as PARX Werk AG)	100%	100%	Switzerland
PARX Consulting GmbH (Merged w.e.f. August 25, 2023)	-	100%	Germany
Youperience GmbH (Merged w.e.f. August 21, 2023)	-	100%	Germany
Youperience Limited (Dissolved w.e.f. June 27, 2023)	-	100%	United Kingdom
CAPIOT Software Private Limited	100%	100%	India
CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023)	-	100%	USA
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd)	100%	100%	Australia
CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023) (refer note 1)	-	100%	Singapore
Persistent Systems S.R.L. (Dissolved w.e.f. February 26, 2024)	-	100%	Italy
Software Corporation International	100%	100%	USA
SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023)	-	100%	USA
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	Costa Rica
MediaAgility India Private Limited (Acquired w.e.f. April 29, 2022)	100%	100%	India
MediaAgility Inc. (Acquired w.e.f. May 4, 2022)	100%	100%	USA
DIGITALAGILITY S DE RL DE CV (Acquired w.e.f. May 4, 2022)	100%	100%	Mexico
MediaAgility UK Limited (Acquired w.e.f. May 4, 2022)	100%	100%	UK
Media Agility Pte Ltd (Acquired w.e.f. May 4, 2022)	100%	100%	Singapore
Persistent Systems S.R.L. Romania (Incorporated on Jun 17, 2022)	100%	100%	Romania
Persistent Systems Poland sp z.o.o. (Incorporated on April 5, 2023)	100%	-	Poland
PSPL ESOP Management Trust	100%	100%	India

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2023-24:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated profit	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of consolidated Total Comprehensive Income	Amount (₹ million)
Parent Company:								
Persistent Systems Limited	79.08%	47,786.51	81.97%	9,856.65	71.20%	(33.74)	82.02%	9,822.91
Subsidiaries:								
Persistent Systems, Inc.	14.53%	8,777.68	13.25%	1,593.77	0.00%	-	13.31%	1,593.77
Persistent Systems Pte. Ltd.	0.06%	37.50	0.03%	3.35	0.00%	-	0.03%	3.35
Persistent Systems France SAS	-0.02%	(9.23)	-0.93%	(111.62)	0.00%	-	-0.93%	(111.62)
Persistent Telecom Solutions Inc.	0.47%	283.66	0.90%	108.41	0.00%	-	0.91%	108.41
Persistent Systems Malaysia Sdn. Bhd.	0.41%	249.82	0.03%	3.31	0.00%	-	0.03%	3.31
Aepona Group Limited	1.36%	819.69	6.41%	771.14	0.00%	-	6.44%	771.14
Persistent Systems UK Limited	0.09%	52.33	0.39%	46.67	0.00%	-	0.39%	46.67
Persistent Systems Lanka (Private) Limited	0.48%	288.02	0.21%	25.64	28.80%	(13.65)	0.10%	11.99
Persistent Systems Israel Ltd.	0.27%	160.33	0.00%	(0.13)	0.00%	-	0.00%	(0.13)
Persistent Systems Mexico, S.A. de C.V.	0.18%	111.03	0.38%	46.00	0.00%	-	0.38%	46.00
Persistent Systems Germany GmbH	0.44%	268.45	0.43%	51.77	0.00%	-	0.43%	51.77
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.50%	304.69	2.82%	339.56	0.00%	-	2.84%	339.56
PARX Consulting GmbH	0.00%	-	-0.31%	(36.85)	0.00%	-	-0.31%	(36.85)
Youperience Limited	0.00%	-	0.00%	0.43	0.00%	-	0.00%	0.43
Youperience GmbH	0.00%	-	-0.14%	(17.35)	0.00%	-	-0.14%	(17.35)
CAPIOT Software Private Limited	0.09%	55.85	-0.01%	(1.70)	0.00%	-	-0.01%	(1.70)
CAPIOT Software Inc.	0.00%	-	0.05%	5.82	0.00%	-	0.05%	5.82
Persistent Systems Australia Pty Ltd	-0.16%	(95.63)	-0.28%	(34.06)	0.00%	-	-0.28%	(34.06)
CAPIOT Software Pte Limited (refer note 1)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Persistent Systems S.R.L	0.00%	-	0.03%	3.41	0.00%	-	0.03%	3.41
Software Corporation International	0.04%	21.64	-0.19%	(22.29)	0.00%	-	-0.19%	(22.29)
SCI Fusion360 LLC	0.00%	-	-0.12%	(14.57)	0.00%	-	-0.12%	(14.57)
Persistent Systems Costa Rica Limitada	0.21%	124.87	0.46%	54.74	0.00%	-	0.46%	54.74
MediaAgility India Private Limited	0.65%	393.28	1.31%	157.39	0.00%	-	1.31%	157.39
MediaAgility Inc.	1.47%	886.15	-0.54%	(64.68)	0.00%	-	-0.54%	(64.68)
MediaAgility UK LTD	-0.02%	(14.38)	0.01%	0.61	0.00%	-	0.01%	0.61
DIGITALAGILITY S DE RL DE CV	-0.12%	(71.10)	-0.16%	(18.83)	0.00%	-	-0.16%	(18.83)
MediaAgility Pte Ltd	0.03%	16.90	0.03%	3.15	0.00%	-	0.03%	3.15
Persistent Systems S.R.L - Romania	0.07%	39.40	0.25%	30.52	0.00%	-	0.25%	30.52
Persistent Systems Poland sp z.o.o.	0.02%	13.12	0.11%	12.63	0.00%	-	0.11%	12.63
PSPL ESOP Management Trust	-0.12%	(74.61)	-6.39%	(768.92)	0.00%	-	-6.42%	(768.92)
Subtotal	**100.00%**	**60,425.97**	**100.00%**	**12,023.97**	**100.00%**	**(47.39)**	**100.00%**	**11,976.58**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	104.82	-	104.82
Consolidation adjustments	-	(10,848.90)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(1,010.58)	-	-	-	(1,010.58)
DTA on items recognised on consolidation	-	-	-	7.66	-	-	-	7.66
Dividend from subsidiaries	-	-	-	(995.82)	-	-	-	(995.82)
Others	-	-	-	909.68	-	-	-	909.68
Total		**49,577.07**		**10,934.91**	**100.00%**	**57.43**		**10,992.34**

Note 1: CAPIOT Software Pte Limited has been dissolved w.e.f. April 6, 2023 and the same has not been considered for the purpose of consolidation.

Persistent Systems Limited

Notes forming part of consolidated financial statements

The share of subsidiaries in the consolidated net assets, consolidated profit or loss and consolidated other comprehensive income is as follows for Financial Year 2022-23:

Name of the Company	Share in Net assets		Share in Profit or (loss)		Share in Other Comprehensive Income (OCI)		Share in Total Comprehensive Income	
	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated profit	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of consolidated Total Comprehensive Income	Amount (₹ million)
Parent Company:								
Persistent Systems Limited	77.79%	39,652.25	78.28%	7,911.28	105.67%	(63.33)	78.12%	7,847.95
Subsidiaries:								
Persistent Systems, Inc.	13.86%	7,066.82	13.28%	1,342.02	-	-	13.36%	1,342.02
Persistent Systems Pte. Ltd.	0.07%	34.15	-0.01%	(1.15)	-	-	-0.01%	(1.15)
Persistent Systems France SAS	0.20%	102.08	-0.14%	(13.91)	-	-	-0.14%	(13.91)
Persistent Telecom Solutions Inc.	0.34%	171.92	0.60%	60.98	-	-	0.61%	60.98
Persistent Systems Malaysia Sdn. Bhd.	0.51%	260.82	0.70%	70.46	-	-	0.70%	70.46
Aepona Group Limited	0.07%	36.72	0.02%	2.12	-	-	0.02%	2.12
Persistent Systems UK Limited	0.01%	4.85	1.50%	151.89	-	-	1.51%	151.89
Persistent Systems Lanka (Private) Limited	0.49%	248.01	0.51%	51.35	-8.51%	5.10	0.56%	56.45
Persistent Systems Israel Ltd.	0.32%	161.57	0.01%	1.15	-	-	0.01%	1.15
Persistent Systems Mexico, S.A. de C.V.	0.11%	56.67	0.29%	29.80	-	-	0.30%	29.80
Persistent Systems Germany GmbH	2.51%	1,278.57	-0.96%	(96.91)	-	-	-0.96%	(96.91)
PARX Werk AG	0.52%	265.24	0.40%	40.19	-	-	0.40%	40.19
PARX Consulting GmbH	-0.25%	(127.39)	-0.86%	(87.06)	-	-	-0.87%	(87.06)
Youperience Limited	0.00%	(0.43)	-0.01%	(0.91)	-	-	-0.01%	(0.91)
Youperience GmbH	-0.34%	(171.37)	-0.69%	(69.46)	-	-	-0.69%	(69.46)
CAPIOT Software Private Limited	0.11%	57.55	0.09%	9.53	-	-	0.09%	9.53
CAPIOT Software Inc.	-0.01%	(3.97)	-0.42%	(42.74)	-	-	-0.43%	(42.74)
Persistent Systems Australia Pty Ltd	-0.01%	(2.63)	-0.03%	(3.41)	-	-	-0.03%	(3.41)
CAPIOT Software Pte Limited	0.00%	0.00	0.11%	10.90	-	-	0.11%	10.90
Persistent Systems S.R.L	-0.01%	(3.40)	-0.01%	(1.36)	-	-	-0.01%	(1.36)
Software Corporation International	0.57%	289.95	0.57%	57.33	-	-	0.57%	57.33
SCI Fusion360 LLC	0.04%	21.54	0.10%	10.17	-	-	0.10%	10.17
Data Glove IT Solutions Limitada	0.48%	245.56	1.51%	153.07	-	-	1.52%	153.07
MediaAgility India Private Limited	0.95%	485.90	1.86%	188.42	2.84%	(1.70)	1.86%	186.72
MediaAgility Inc.	1.84%	937.26	2.86%	288.62	-	-	2.87%	288.62
MediaAgility UK LTD	-0.03%	(14.50)	0.01%	1.17	-	-	0.01%	1.17
DIGITALAGILITY S DE RL DE CV	-0.09%	(46.36)	-0.05%	(4.57)	-	-	-0.05%	(4.57)
MediaAgility Pte Ltd	0.03%	13.75	-0.01%	(1.13)	-	-	-0.01%	(1.13)
Persistent Systems S.R.L.- Romania	0.02%	8.94	-0.01%	(0.92)	-	-	-0.01%	(0.92)
PSPL ESOP Management Trust	-0.11%	(57.02)	0.49%	49.28	-	-	0.49%	49.28
Subtotal	**100.00%**	**50,973.05**	**100.00%**	**10,106.20**	**100.00%**	**(59.93)**	**100.00%**	**10,046.26**
Exchange differences on translating the financial statements of foreign operations	-	-	-	-	-	798.19	-	798.19
Consolidation adjustments	-	(11,322.27)	-	-	-	-	-	-
Amortization of Intangibles recognized on Business Combination	-	-	-	(526.18)	-	-	-	(526.18)
DTA on items recognised on consolidation	-	-	-	(7.66)	-	-	-	(7.66)
Dividend from subsidiaries	-	-	-	(92.53)	-	-	-	(92.53)
Others	-	-	-	(268.90)	-	-	-	(268.90)
Total		**39,650.78**		**9,210.93**	**100.00%**	**738.26**		**9,949.18**

4 Material accounting policy information

4.1 Use of estimates and judgements

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

4.2 Critical accounting estimates

a) Revenue recognition

The Group'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 Group 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 recognized rateably on a straight-line basis when services are performed through an indefinite number of repetitive acts over a specified period. Revenue from fixed-price project is recognised rateably using a percentage-of-completion method when the pattern of benefits from the services rendered to the customer and the Group'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.

The Group uses the percentage-of-completion method in accounting for its other fixed-price contracts. Use of the percentage-of-completion method requires the Group 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 Group 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 Group is required to use its judgement to ascertain the income from revenue share on the basis of historical trends of customer revenue.

The Group 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 Group and the customer at contract inception.

The Group 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 Group's two major tax jurisdictions are India and the United States, though the Group also files tax returns in other overseas jurisdictions. 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 utilized. 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 Group 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 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 Group. 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 Group's assets are determined by 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.

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 Group 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 Group 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 Group'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 Group has concluded that no changes are required to lease periods relating to the existing lease contracts.

f) Provisions and contingent liabilities

The Group 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 Group uses significant judgements to assess contingent liabilities.

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

4.3 Summary of significant accounting policies

a) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per the Group'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 their realisation in cash and cash equivalents. and 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 Group 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 Group. 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 recognized 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 amortization which is recognized from the date they are available for use and accumulated impairment losses, if any. Cost comprises the purchase price and any directly attributable costs 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 recognized 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 recognized as an intangible asset when the Group 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 amortization and accumulated impairment losses, if any. Amortization of internally generated intangible asset begins when the development is complete and the asset is available for use.

d) Depreciation and amortization

Depreciation on property, plant and equipment is provided from the date the asset is made avaiable for use using the Straight Line Method ('SLM') over the useful lives of the assets.

The estimated useful lives for the property, plant and equipment are as follows:

Assets	Useful lives
Buildings*	25 years
Computers	3 years
Computers - Servers and networks*	3 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.

Individual assets whose cost does not exceed ₹ 5,000 are fully depreciated in the year of acquisition.

Leasehold improvements are amortized 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 amortized 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 amortization methods, useful lives and residual values are reviewed periodically.

e) Borrowing costs

Borrowing cost includes interest and amortization 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 Group 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 Group assesses whether:
(i) the contract involves the use of an identified asset
(ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and
(iii) the Group has the right to direct the use of the asset

Where the Group is a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate standalone price of the non-lease components.

The Group 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 Group 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 Group 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 Group 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 Group 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 recognized in the statement of profit and loss on a straight line basis.

g) Impairment of Non-financial assets

The Group 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 Group 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 Groups 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 groups or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. To estimate cash flow projections covered by the most recent budgets/forecasts, the Group 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 Group 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 Group 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 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 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 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 Group is of the view that it is not practical to reasonably allocate the same and an ad-hoc allocation will not be meaningful.

Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are tested for impairment annually as at reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

Based on the testing, no impairment was identified as at March 31, 2024 and 2023 as the recoverable value of the CGUs exceeded the carrying value. An analysis of the calculation's sensitivity to a change in the key parameters (turnover and earnings multiples) did not identify any probable scenarios where the CGU's recoverable amount would fall below its carrying amount.

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 Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized 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 Group's business model for managing them. The Group's business model refers to how it manages it's financial assets to generate cash flows. The business model determines whether the cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Subsequent measurement

Non-derivative financial instruments

Financial assets

Financial assets at amortized 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 amortized cost using the effective interest rate method. The change in measurements are recognized 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 recognized 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.

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 at amortised cost

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized 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.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities include financial liabilities held for trading and financial liabilities designated upon initial recognition at fair value through profit or loss if the recognition criteria as per Ind AS 109 – "Financial Instruments" are satisfied. Gains or losses on liabilities held for trading are recognized in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognized in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognized in the statement of profit and loss. The Group has not designated any financial liability as FVTPL.

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

Derivative financial instruments

The Group uses derivatives for economic hedging purposes. At the inception of hedging relationship, the Group 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 Group 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 profit or loss.

Amounts accumulated in equity are reclassified to profit or 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 as FVTPL.

Derecognition

The Group derecognizes 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 derecognized from the Group'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 profit or 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 Group derecognizes financial liabilities when the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group 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 Group 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 Group 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 realized. 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 Group applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on financial assets measured at amortized 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 Group expects to receive, discounted at the original effective interest rate.

For trade receivables, the Company recognizes 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 recognized upon transfer of control of promised products or services ("performance obligations") to customers in an amount that reflects the consideration the Group 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 Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Group 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 Group estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Group's contracts may include variable consideration including rebates, volume discounts and penalties. The Group 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 recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and products

The Group 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 recognized 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 recognized 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 recognized at the time the license is made available to the customer. Revenue from licenses where the customer obtains a "right to access" is recognized 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 recognized proportionately over the period in which the services are rendered.

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

Unbilled revenue represents revenue recognized 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 recognized.

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

Interest

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

Dividend

Dividend income is recognized when the Group'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 revenues 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 recognized when there are billings in excess of revenues.

j) Foreign currency translation

Foreign currency transactions and balances

The functional currency of the Group and its Indian subsidiaries is Indian Rupees (₹) whereas the functional currency of foreign subsidiaries is the currency of their primary economic environment.

Initial recognition

Foreign currency transactions are recorded in the functional currency of the entities, 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 recognized in profit and loss statement the Group 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 recognized as income or expenses in the period in which they arise.

Translation of foreign operations

The Group presents the consolidated financial statements in ₹. For the purpose of these consolidated financial statements, the assets and liabilities of the Group'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 Group 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 year when the contributions are due. The Group 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 Group for its employees covered under respective company's 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 recognized 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 utilized within the next twelve months, is treated as short-term employee benefit. The Group 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 Group 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 recognized in full in the statement of profit and loss. Expense on non-accumulating compensated absences is recognized in the period in which the absences occur.

The Group 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 recognized in the period in which the absences occur.

Long service awards

Long service awards are other long term benefits to all eligible employees, as per Group's policy. The cost of providing benefit under long service awards scheme is determined on the basis of actuarial valuation performed by independent actuary using the projected unit credit method at the reporting date. Remeasurements, comprising of actuarial gains and losses are recognized in full in the statement of profit and loss.

Other employee benefits

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

l) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with The Income Tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group 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 recognized directly in equity is recognized 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 recognized 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 recognized 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 recognized only to the extent that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where the Group 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 recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the Group'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 recognized 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 realized.

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 recognized outside the statement of profit and loss is recognized in correlation to the underlying transaction either in OCI or directly in equity.

m) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering full life cycle of product to its customers.

The components of the Group that engage in business activities from which they earn revenue and incur expenses, whose operating results are regularly reviewed by the Group's Chief Operating Decision Maker are identified as operating segments.

(ii) Allocation of income and direct expenses

Income and direct expenses allocable to segments are classified based on items that are individually identifiable to that segment such as salaries, project related travel expenses etc. The remainder is considered as un-allocable expense and is charged against the total income.

(iii) Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

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

(iv) Inter-segment transfers

There are no inter-segments transactions.

(v) Segment accounting policies

The Group prepares its segment information in conformity with accounting policies for preparing and presenting the consolidated financial statements of the Group as a whole.

n) Earnings per share (EPS)

Basic earnings per share are calculated by dividing the net profit for the year attributable to equity shareholders of the parent company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the reporting period 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 earnings per share, the net profit for the year attributable to the equity shareholders of parent company and the weighted average number of equity shares outstanding during the 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 consolidated financial statements by the Board of Directors.

o) Provisions

A provision is recognized when the Group 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 Group or a present obligation that is not recognized 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 recognized because it cannot be measured reliably. Contingent assets are neither recognised nor disclosed in consolidated financial statements.

q) Share based payments

Employees of the Group 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 recognized as employee compensation cost over the vesting period. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

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

The expense or credit recognized in the statement of profit and loss for the period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized 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 recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized 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.

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 recognized as a deduction from equity, net of any tax effects

s) Treasury shares

The group has created an PSPL ESOP Management Trust (hereinafter referred as 'ESOP Trust') for providing share-based payment to its employees. The group uses ESOP Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The ESOP Trust buys shares of the parent company from the market, for giving shares to employees. The group treats ESOP Trust as its extension and shares held by 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 Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in securities premium . Share options exercised during the reporting period are satisfied with treasury shares.

t) Dividend

Final dividend on shares is 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 Board of Directors.

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u) 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 Group recognizes 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;
- 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 recognized as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income 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 recognized 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.

v) Goodwill / Gain on bargain purchase

Goodwill represents the cost of business acquisition in excess of the Group'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 recognized in the other comprehensive income as gain on bargain purchase.

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 Group'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 Group 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.

5.1 Property, plant and equipment

(In ₹ Million)

	Land - Freehold	Buildings *	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2023	1,007.14	2,880.89	4,773.83	130.79	1,960.91	67.18	1,099.50	15.88	11,936.12
Additions	-	15.13	375.92	115.10	159.74	15.39	81.74	0.22	763.24
Acquisition through merger (refer note 51 and 42)	-	-	28.24	-	5.28	-	8.66	-	42.18
Disposals	-	0.32	311.90	5.35	46.39	-	14.72	1.26	379.94
Acquisition through merger (refer note 51 and 42)	-	-	28.24	-	5.28	-	8.66	-	42.18
Effect of foreign currency translation from functional currency to reporting currency	0.13	0.51	23.96	1.71	0.69	3.00	4.64	-	34.64
As at March 31, 2024	**1,007.27**	**2,896.21**	**4,861.81**	**242.25**	**2,074.95**	**85.57**	**1,171.16**	**14.84**	**12,354.06**
Accumulated Depreciation									
As at April 1, 2023	-	1,393.29	3,493.89	101.64	1,285.82	52.55	741.70	7.28	7,076.17
Acquisition through merger (refer note 51 and 42)	-	-	24.15	-	4.92	-	7.88	-	36.95
Charge for the year	-	124.11	780.31	15.25	174.00	4.01	87.70	2.13	1,187.51
Disposals	-	0.32	289.71	4.76	45.49	-	14.28	1.26	355.82
Acquisition through merger (refer note 51 and 42)	-	-	24.15	-	4.92	-	7.88	-	36.95
Effect of foreign currency translation from functional currency to reporting currency	-	0.25	19.12	0.52	(0.20)	2.70	3.78	-	26.17
As at March 31, 2024	**-**	**1,517.33**	**4,003.61**	**112.65**	**1,414.13**	**59.26**	**818.90**	**8.15**	**7,934.03**
Net block as at March 31, 2024	**1,007.27**	**1,378.88**	**858.19**	**129.60**	**660.82**	**26.31**	**352.26**	**6.69**	**4,420.03**

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5.1 Property, plant and equipment (continued)

(In ₹ Million)

	Land - Freehold	Buildings*	Computers	Office equipments	Plant and equipment	Leasehold improvements	Furniture and fixtures	Vehicles	Total
Gross block (At cost)									
As at April 1, 2022	221.62	2,455.16	4,003.93	100.38	1,399.89	47.69	734.18	7.27	8,970.12
Additions	784.61	421.84	756.85	24.73	568.53	14.04	348.40	8.64	2,927.64
Additions through business combinations	-	-	29.34	2.69	-	4.40	6.02	-	42.45
Disposals	-	0.20	79.32	0.98	9.04	3.73	5.74	0.03	99.04
Effect of foreign currency translation from functional currency to reporting currency	0.91	4.09	63.03	3.97	1.53	4.78	16.64	-	94.95
As at March 31, 2023	**1,007.14**	**2,880.89**	**4,773.83**	**130.79**	**1,960.91**	**67.18**	**1,099.50**	**15.88**	**11,936.12**
Accumulated Depreciation									
As at April 1, 2022	-	1,281.98	2,767.92	90.52	1,188.81	45.01	672.26	5.95	6,052.45
Additions through business combination	-	-	21.01	2.32	-	4.18	5.14	-	32.65
Charge for the year	-	109.57	731.08	6.28	103.95	2.59	54.10	1.36	1,008.93
Disposals	-	0.18	75.38	0.89	8.93	3.55	5.03	0.03	93.99
Effect of foreign currency translation from functional currency to reporting currency	-	1.92	49.26	3.41	1.99	4.32	15.23	-	76.13
As at March 31, 2023	**-**	**1,393.29**	**3,493.89**	**101.64**	**1,285.82**	**52.55**	**741.70**	**7.28**	**7,076.17**
Net block as at March 31, 2023	**1,007.14**	**1,487.60**	**1,279.94**	**29.15**	**675.09**	**14.63**	**357.80**	**8.60**	**4,859.95**

* Note: Buildings include those constructed on leasehold land:

a) Gross block as on March 31, 2024 ₹ 1,460.40 Million (Previous year : ₹ 1,455.94 Million)

b) Depreciation charge for the year ₹ 59.30 Million (Previous year ₹ 59.08 Million)

c) Accumulated depreciation as on March 31, 2024 ₹ 735.52 Million (Previous year ₹ 676.22 Million)

d) Net block value as on March 31, 2024 ₹ 724.88 Million (Previous year ₹ 779.72 Million)

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5.2 Capital work in progress

(In ₹ Million)

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Balance at beginning of year	161.38	1,071.20
Additions	937.12	2,017.82
Capitalised during the year	763.24	2,927.64
Balance at end of year	**335.26**	**161.38**

5.2 Capital work in progress (CWIP) ageing schedule

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	256.45	78.81	-	-	335.26
As at March 31, 2024	**256.45**	**78.81**	**-**	**-**	**335.26**

(In ₹ Million)

	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	161.38	-	-	-	161.38
As at March 31, 2023	**161.38**	**-**	**-**	**-**	**161.38**

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5.3 Right-of-use assets

(In ₹ Million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2023	131.97	2,994.30	3,126.27
Additions during the year	-	749.09	749.09
Acquisition through merger (refer note 51 and 52)	-	374.81	374.81
Disposals	-	145.36	145.36
Acquisition through merger (refer note 51 and 52)	-	374.81	374.81
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	42.07	42.07
As at March 31, 2024	**131.97**	**3,640.10**	**3,772.07**
Accumulated Depreciation			
As at April 1, 2023	3.22	924.84	928.06
Charge for the year	1.54	649.96	651.50
Acquisition through merger (refer note 51 and 52)	-	112.12	112.12
Disposals	-	126.06	126.06
Acquisition through merger (refer note 51 and 52)	-	112.12	112.12
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	11.39	11.39
As at March 31, 2024	**4.76**	**1,460.13**	**1,464.89**
Net block as at March 31, 2024	**127.21**	**2,179.97**	**2,307.18**

(In ₹ Million)

	Leasehold Land	Office premises	Total
Gross block (At cost)			
As at April 1, 2022	37.50	1,841.75	1,879.25
Additions during the year	94.47	1,230.91	1,325.38
Disposals	-	133.72	133.72
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	55.36	55.36
As at March 31, 2023	**131.97**	**2,994.30**	**3,126.27**
Accumulated Depreciation			
As at April 1, 2022	1.76	519.28	521.04
Charge for the year	1.46	482.62	484.08
Disposals	-	126.78	126.78
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	49.72	49.72
As at March 31, 2023	**3.22**	**924.84**	**928.06**
Net block as at March 31, 2023	**128.75**	**2,069.46**	**2,198.21**

5.4 Goodwill

(In ₹ Million)

	As at March 31, 2024	As at March 31, 2023
Cost		
Balance at beginning of year	7,183.71	2,790.22
Reclassification on purchase price allocation of business combination (refer note 44)	3,322.19	4,051.66
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	406.66	341.83
Balance at end of year	**10,912.56**	**7,183.71**

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 Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGUs or groups of CGUs.
The allocation of goodwill to operating segments as at March 31, 2024 and March 31, 2023 is as follows :

(In ₹ Million)

	As at March 31, 2024	As at March 31, 2023
Segment		
a. Banking, Financial Services and Insurance (BFSI)	2,437.97	2,402.01
b. Healthcare & Life Sciences	-	-
c. Software, Hi-Tech and Emerging Industries	8,474.59	4,781.70
	10,912.56	**7,183.71**
Total	**10,912.56**	**7,183.71**

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows :

(In ₹ Million)

	As at March 31, 2024	As at March 31, 2023
Long-term growth rate	4.20%	15% to 25%
Operating margins	10% to 25%	25% to 35%
Discount rate	14% to 17%	5% to 15%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Company. As at March 31, 2024, 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. Operating margin and long term growth rate are in line with company's current operations.
Based on testing, no impairment loss was identified during current year and previous year.

5.5 Other Intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2023	3,312.14	10,093.33	5,239.19	18,644.66
Additions	127.90	-	-	127.90
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 44)	-	1,548.49	(4,870.68)	(3,322.19)
Effect of foreign currency translation from functional currency to reporting currency	36.26	570.77	(368.51)	238.52
As at March 31, 2024	**3,476.27**	**12,212.59**	**-**	**15,688.86**
Accumulated Amortization				
As at April 1, 2023	2,744.90	6,506.21	222.13	9,473.24
Charge for the period	244.14	1,010.58	-	1,254.72
Disposals	0.03	-	-	0.03
Reclassification on purchase price allocation of business combination (refer note 44)	-	523.67	(523.67)	-
Effect of foreign currency translation from functional currency to reporting currency	32.22	52.22	301.54	385.98
As at March 31, 2024	**3,021.23**	**8,092.68**	**-**	**11,113.91**
Net block as at March 31, 2024	**455.04**	**4,119.91**	**-**	**4,574.95**

(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2022	3,031.45	6,813.53	6,696.30	16,541.28
Additions	502.81	-	-	502.81
Additions through business combination	10.63	-	4,870.68	4,881.31
Reclassification on purchase price allocation of business combination (refer note 44)	-	2,771.88	(6,823.54)	(4,051.66)
Disposals	390.70	-	-	390.70
Effect of foreign currency translation from functional currency to reporting currency	157.95	507.92	495.75	1,161.62
As at March 31, 2023	**3,312.14**	**10,093.33**	**5,239.19**	**18,644.66**
Accumulated Amortization				
As at April 1, 2022	2,864.32	5,352.04	55.29	8,271.65
Charge for the year	110.59	591.68	523.67	1,225.94
Additions on business combinations	9.43	-	-	9.43
Reclassification on purchase price allocation of business combination (refer note 44)	-	374.82	(374.82)	-
Disposals	390.7	-	-	390.70
Effect of foreign currency translation from functional currency to reporting currency	151.26	187.67	17.99	356.92
As at March 31, 2023	**2,744.90**	**6,506.21**	**222.13**	**9,473.24**
Net block as at March 31, 2023	**567.24**	**3,587.12**	**5,017.06**	**9,171.42**

Acquired contractual rights acquired through DataGlove acquistion, having carrying amount of ₹ 1,489.84 million and remaining amortisation period of 5 years as on March 31, 2024.

Acquired contractual rights acquired through MediaAgility acquistion, having carrying amount of ₹ 1,222.96 million and remaining amortisation period of 5 years as on March 31, 2024.

Acquired contractual rights acquired through Shree Partners acquistion, having carrying amount of ₹ 129.63 million and remaining amortisation period of 4 years as on March 31, 2024.

Acquired contractual rights acquired through SCI and Fusion 360 acquistion, having carrying amount of ₹ 706.27 million and remaining amortisation period of 4 years as on March 31, 2024.

Acquired contractual rights acquired through Sureline acquistion, having carrying amount of ₹ 9.15 million and remaining amortisation period of 2 months as on March 31, 2024.

Acquired contractual rights acquired through Parx, having carrying amount of ₹ 29.27 million and remaining amortisation period of 4 months as on March 31, 2024.

5.6 Depreciation and amortization

(In ₹ Million)

	For the year ended	
	March 31, 2024	March 31, 2023
On Property, Plant and Equipment	1,187.51	1,008.93
On Right of Use assets	651.50	484.08
On Other Intangible assets	1,254.72	1,225.94
	3,093.73	2,718.95

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6. Non-current financial assets : Investments

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Investments carried at amortised cost		
Quoted Investments		
In bonds	2,916.91	3,005.16
[Market value ₹ 2,758.24 Million (Previous year ₹ 2,852.78 Million)]		
Add: Interest accrued on bonds	78.70	80.43
Total investments carried at amortised cost (A)	**2,995.61**	**3,085.59**
Carried at fair value through profit and loss		
Unquoted Investments		
- Investments in mutual funds		
Fair value of long term mutual funds (refer Note 6a)	2,386.71	1,255.28
	2,386.71	**1,255.28**
Investments in Common Stocks / Preferred Stocks		
- Others*		
Ciqual Limited [Holding 2.38% (Previous year 2.38%)]		
0.04 million (Previous year : 0.04 million) shares of GBP 0.01 each, fully paid up	16.72	16.73
(Less) : Change in fair value of investment	(16.72)	(16.73)
	-	-
Altizon Systems Private Limited	6.00	6.00
3,766 equity shares (Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up		
	6.00	**6.00**
Hygenx Inc.	16.68	16.43
0.25 million (Previous year : 0.25 million) Preferred stock of $ 0.001 each, fully paid up		
(Less) : Change in fair value of investment	(16.68)	(16.43)
	-	-
Trunomi Inc.	20.85	20.54
0.28 million (Previous year : 0.28 million) Preferred stock of $ 0.0002 each, fully paid up		
(Less) : Change in fair value of investment	(20.85)	-
	-	20.54
Monument Bank	136.02	134.01
0.024 million (Previous year: 0.024 million) Stock of GBP 50 each), fully paid up		
	136.02	**160.55**

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6. Non-current financial assets : Investments (continued)

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
DxNow	10.43	10.27
0.17 million Preferred Shares of $ 0.0001 each (Previous year : 0.17 million Preferred Shares of $ 0.0001)		
Add / (less) : Change in fair value of investment	(10.43)	(10.27)
	-	-
Akumina Inc.	14.80	14.58
0.40 million Preference shares of $ 0.443 each (Previous year : 0.40 million Preference shares of $ 0.443 each)		
	14.80	**14.58**
Total Investments carried at Fair Value (B)	**2,543.53**	**1,430.41**
Total investments (A) + (B)	**5,539.14**	**4,516.00**
Aggregate amount of change in fair value of investments	43.83	43.43
Aggregate amount of quoted investments	2,995.61	3,085.59
Aggregate amount of unquoted investments	2,587.36	1,473.84

* Investments, where the Group 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".

6 a) Details of fair value of investment in long term mutual funds

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	651.08	733.59
Axis Mutual Fund	526.58	491.04
HDFC Mutual Fund	185.54	-
DSP mutual fund	155.66	-
HSBC Mutual Fund	155.43	30.65
Kotak Mutual Fund	152.75	-
SBI Mutual Fund	152.65	-
ICICI Prudential Mutual Fund	152.57	-
Birla Sun Life Mutual Fund	152.53	-
Nippon Mutual Fund	101.92	-
	2,386.71	**1,255.28**

7. Non-current financial assets : Loans

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Carried at amortised cost		
Other loans		
Unsecured, credit impaired	0.58	0.58
	0.58	**0.58**
Less: Impairment of non-current loans	(0.58)	(0.58)
	-	-

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8. Other non-current financial assets

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Considered good		
Carried at amortised cost		
Deposits with banks (refer note 14) *	3.99	41.60
Add: Interest accrued but not due on bank deposits (refer note 14)	0.24	0.98
Deposits with banks	**4.23**	**42.58**
Deposit with financial institutions	100.00	500.00
Add: Interest accrued but not due on deposit with financial institutions	10.18	20.22
Deposits with financial institutions	**110.18**	**520.22**
Security deposits	410.90	356.80
Credit impaired		
Deposit with financial institutions	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)
Deposits with financial institutions	-	-
	525.31	**919.60**

* Out of the balance, fixed deposits of ₹ 3.60 million (Previous year: ₹ 2.05 million) have been earmarked against credit facilities and bank guarantees availed by the Group.

9. Deferred tax asset (net) *

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Deferred tax liabilities		
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	27.33	75.28
Cashflow on Hedges	8.02	-
ROU asset and lease liability	0.68	-
Brought forward and current year losses	26.26	-
Capital gains	44.14	22.82
Unrealised exchange gain/loss	8.17	10.49
Unbilled revenue	5.92	-
Others	1.40	1.63
	121.92	**110.22**
Deferred tax assets		
Provision for leave encashment	386.00	270.80
Provision for long service awards	189.18	222.45
Allowance for expected credit loss	93.21	36.85
Provision for gratuity	14.72	-
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	147.62	176.31
Brought forward and current year losses	226.71	161.70
Tax credits	80.96	135.40
ROU asset and lease liability	61.55	42.68
Provision for shared based payments to employees	144.01	68.94
Cashflow on Hedges	-	1.94
Provisions for doubtful investment	117.28	119.77
Others	1.56	2.67
	1,462.80	**1,239.51**
Deferred tax assets after set off	**1,340.88**	**1,129.29**

* Deferred tax assets and deferred tax liabilities have been offset wherever the Group has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. In all other cases the same have been separately disclosed.

Certain subsidiaries of the group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient An assessable temporary difference exists, but no deferred tax liability has been recognised as the parent entity is able to control the timing of distributions from these subsidiaries These subsidiaries are not expected to distribute these profits in the foreseeable future.

10. Other non-current assets

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital advances (Unsecured, considered good)	826.67	629.15
Prepayments	420.61	330.14
Simple Agreement for Future Equity (SAFE)	165.75	-
	1,413.03	**959.29**

Movement in deferred tax assets (net) during the year ended March 31, 2024

	As at April 1, 2023	Charge/ (Credit) in statement of Profit or loss	Credit/ (Charge) in other comprehensive income	As at March 31, 2024
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	75.28	(47.95)	-	27.33
Gain on fair valuation of financial assets	22.82	21.32	-	44.14
Cash flow hedges	(1.94)	9.96	-	8.02
Brought forward and current year losses	47.21	(20.95)	-	26.26
Unrealised exchange gain/loss	10.49	(2.32)	-	8.17
Unbilled Revenue	(1.28)	7.20	-	5.92
Others	1.63	(0.23)	-	1.40
	154.21	**(32.97)**	**-**	**121.24**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	176.31	(28.70)	-	147.61
Provision for leave encashment	270.80	115.20	-	386.00
Provision for long service awards	222.45	(33.27)	-	189.18
Provision for Gratuity	-	14.72		14.72
Allowance for expected credit loss	36.85	56.36	-	93.21
Tax credit	135.40	(54.46)	-	80.94
Right of use asset and lease liability	42.68	18.22	-	60.90
Brought forward and current year losses	208.91	17.80	-	226.71
Provision for shared based payments to employees	68.94	75.07	-	144.01
Provisions for doubtful investment	119.77	(2.49)	-	117.28
Others	1.39	0.17	-	1.56
	1,283.50	**178.62**	**-**	**1,462.12**
	1,129.29	**211.59**	**-**	**1,340.88**

Movement in deferred tax assets (net) during the year ended March 31, 2023

	As at April 1, 2022	Charge/ (Credit) in statement of Profit or loss	Credit/ (Charge) in other comrpehensive income	As at March 31, 2023
Deferred tax liabilities				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	89.31	(14.03)	-	75.28
Capital gains (net)	51.12	(28.30)	-	22.82
Cash flow hedges	14.06	-	(16.00)	(1.94)
Brought forward and current year losses	1.04	46.17	-	47.21
Unrealised exchange gain/loss	3.31	7.18	-	10.49
Unbilled Revenue	(1.29)	0.01	-	(1.28)
Others	0.74	0.89	-	1.63
	158.29	**11.92**	**(16.00)**	**154.21**
Deferred tax assets				
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	170.18	6.13	-	176.31
Provision for leave encashment	224.94	45.86	-	270.80
Provision for long service awards	134.29	88.16	-	222.45
Allowance for expected credit loss	44.98	(8.13)	-	36.85
Tax credit	407.13	(271.73)	-	135.40
Right of use asset and lease liability	31.71	10.97	-	42.68
Brought forward and current year losses	97.70	111.21	-	208.91
Provision for shared based payments to employees	48.40	20.54	-	68.94
Provisions for doubtful investment	10.99	108.78	-	119.77
Others	110.69	(109.30)		1.39
	1,281.01	**2.49**	**-**	**1,283.50**
	1,122.72	**(9.43)**	**16.00**	**1,129.29**

The tax effects of significant temporary differences that resulted in deferred income tax assets and liabilities are as follows:

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Deferred income tax assets after set-off	1,359.64	1,133.97
Deferred income tax liabilities after set-off	(18.76)	(4.68)
	1,340.88	**1,129.29**

11. Current financial assets : Investments

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Carried at fair value through profit and loss		
- Unquoted investments		
Investments in mutual funds		
Fair value of current mutual funds (refer Note 11a)	2,726.54	1,879.66
	2,726.54	**1,879.66**
Total carrying amount of investments	**2,726.54**	**1,879.66**
Aggregate amount of unquoted investments	**2,726.54**	**1,879.66**

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

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Aditya Birla Sun Life Mutual Fund	502.35	246.52
UTI Mutual Fund	364.27	195.74
Kotak Mutual Fund	311.66	200.12
HDFC Mutual Fund	303.47	200.17
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	261.00	100.10
Tata Mutual Fund	234.14	50.02
DSP Mutual Fund	195.10	50.00
Axis Mutual Fund	173.71	195.72
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	150.60	100.02
Mirae Asset Mutual Fund	50.06	50.03
SBI Mutual Fund	50.03	115.64
HSBC Mutual Fund	40.05	50.00
Sundaram Mutual Fund	40.05	30.01
ICICI Prudential Mutual Fund	30.02	245.54
Invesco Mutual Fund	20.03	50.03
	2,726.54	**1,879.66**

12. Trade receivables

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
- Current		
Unsecured, considered good	16,761.13	15,253.22
Unsecured, credit impaired	398.64	188.96
	17,159.77	**15,442.18**
Less : Allowance for expected credit loss	(398.64)	(188.96)
	16,761.13	**15,253.22**
- Non Current		
Unsecured, considered good	730.18	709.45
Unsecured, credit impaired	-	-
	730.18	**709.45**
Less : Allowance for expected credit loss	-	-
	730.18	**709.45**
	17,491.31	**15,962.67**

Trade receivables Ageing Schedule (In ₹ Million)

	Current but 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	13,443.71	3,900.00	147.60	-	-	-	17,491.31
Undisputed Trade receivable – credit impaired	-	34.98	244.65	84.54	5.93	28.54	398.64
As at March 31, 2024	**13,443.71**	**3,934.98**	**392.25**	**84.54**	**5.93**	**28.54**	**17,889.95**
Expected loss rate (Refer note 32)	**-**	**0.89%**	**62.37%**	**100.00%**	**100.00%**	**100.00%**	

In ₹ Million

	Current but 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	10,785.68	5,157.84	19.15	-	-	-	15,962.67
Undisputed Trade receivable – credit impaired	-	53.06	82.79	14.02	4.29	34.80	188.96
As at March 31, 2023	**10,785.68**	**5,210.90**	**101.94**	**14.02**	**4.29**	**34.80**	**16,151.63**
Expected loss rate (Refer note 32)	**-**	**1.02%**	**81.21%**	**100.00%**	**100.00%**	**100.00%**	

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13. Cash and cash equivalents

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Cash and cash equivalents as presented in cash flow statement		
Cash in hand	0.11	0.25
Balances with banks		
On current accounts #	4,819.66	3,303.76
On saving accounts	23.48	33.21
On Exchange Earner's Foreign Currency accounts	1,401.87	638.90
On deposit accounts with original maturity less than three months	380.03	279.68
On other accounts	-	414.32
	6,625.15	**4,670.12**

Of the cash and cash equivalent balance as at March 31, 2024, the Company can utilise ₹ 65.10 million (Previous year: ₹ 125.39 million) only towards certain predefined activities specified in the government grant agreement.

14. Bank balances other than cash and cash equivalents

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Deposits with banks*	3,497.98	4,271.04
Add: Interest accrued but not due on deposits with banks	107.04	131.17
Deposits with banks (carried at amortised cost)	**3,605.02**	**4,402.21**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial assets (refer note 8)	(3.99)	(41.60)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(0.24)	(0.98)
	3,600.79	**4,359.63**
Balances with banks on unpaid dividend accounts**	2.92	3.05
	3,603.71	**4,362.68**

* Out of the balance, fixed deposits of ₹ 2,365.78 Million (Previous year : ₹ 1,216.85 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.

** The Group can utilize these balances only towards settlement of the respective unpaid dividend.

15. Current financial assets : Loans

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Loan to others (Unsecured, credit impaired)		
LHS Solution Inc.	24.99	24.60
Interest accrued but not due at amortised cost	1.97	1.97
Less: Impairment	(26.96)	(26.57)
	-	-

16. Other current financial assets

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	42.54	-
Carried at amortised cost		
Security deposits	57.95	26.56
Other receivables	-	184.38
Unbilled revenue	6,521.34	4,671.23
	6,621.83	**4,882.17**

17. Other current assets

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Unsecured, considered good		
Advances to suppliers		
Advances recoverable in cash or kind or for value to be received	1,573.38	900.09
Prepayments	854.25	999.27
Deferred finance costs	61.82	-
Excess fund balance with Life Insurance Corporation (refer note 31)	-	53.32
Other advances		
VAT receivable (net)	20.97	22.10
GST receivable (net) (refer note 42)	2,383.07	1,443.48
	2,404.04	1,465.58
	4,893.49	3,418.26

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18(a). Share capital

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
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)		
154.05 (Previous year: 152.85) equity shares of ₹ 5 each	770.25	764.25
Issued, subscribed and fully paid-up share capital	**770.25**	**764.25**

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

The Board of Directors of the Company at its meeting held on January 20, 2024, recommended the sub-division/ split of 1(One) fully paid-up equity share having a face value of ₹10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the Company approved the sub-division / Split of 1(One) fully paid up equity share of ₹ 10 each into 2 (Two) fully paid up equity shares of ₹ 5 each through a postal ballot with a requisite majority and the voting results were declared on March 11, 2024.

Further, the Board of Directors at its meeting held on March 13, 2024, approved the Record Date for Split/Sub-division of Equity Shares as April 1, 2024.

Consequent to this, the authorized share capital comprises 400,000,000 equity shares having a face value of ₹ 5 each aggregating to ₹ 2,000,000,000, and the paid-up capital comprises 154,050,000 equity shares having a face value of ₹ 5 each aggregating to ₹ 770,250,000. The impact of this has been considered in the financial statement.

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, 2024		As at March 31, 2023	
	No of shares	Amount ₹	No of shares	Amount ₹
Number of shares at the beginning of the year	152.85	764.25	152.85	764.25
Add/ Less: Changes during the year	1.20	6.00	-	-
Number of shares at the end of the year	**154.05**	**770.25**	**152.85**	**764.25**

b) Terms / rights attached to equity shares

The Group 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 Group declares and pays dividends 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 Parent Company declared interim dividend of ₹ 16 per share on January 20, 2024 on the face value of ₹ 5 each; for the Financial Year 2023-24.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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.

Dividend distribution made and proposed:

	For the year ended March 31, 2024 In ₹ Million	For the year ended March 31, 2023 In ₹ Million
Dividends on equity shares declared and paid:		
Final dividend for the year ended on 31 March 2023: ₹ 11 per share (31 March 2022: ₹ 5.5 per share)	1,692.35	840.68
Interim dividend for the year ended on 31 March 2024: ₹ 16 per share (31 March 2023: ₹ 14 per share)	2,461.60	2,139.90
	4,153.95	**2,980.58**
Proposed dividends on Equity shares:		
Proposed dividend for the year ended on 31 March 2024: ₹ 10 per share (31 March 2023: ₹ 11 per share)	1,540.50	1,692.35
	1,540.50	**1,692.35**

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 2024.
Dividend per equity share disclosed in above note represents dividends declaraed previously, retrospectively adjusted for the April 2024 share split.

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, 2024, the Company had purchased and extinguished a total of of 7,150,000 fully paid-up equity shares of face value ₹ 5 each from the stock exchange by way of buyback of shares which was completed in June 27, 2019.

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

Name of the shareholder*	As at March 31, 2024		As at March 31, 2023	
	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande	45.75	29.70	45.74	29.93

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

e) Details of shares held by promoters

As at March 31, 2024

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	29.70%	-0.23%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
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	-	800	800	0.00%	0.00%
Mr. Chinmay Hemadri Buzruk	10,000	-	10,000	0.01%	-

As at March 31, 2023

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	45,721,680	22,000	45,743,680	29.93%	0.01%
Mrs. Chitra Hemadri Buzruk	938,800	-	938,800	0.61%	-
Dr. Mukund Suresh Deshpande	800,050	-	800,050	0.52%	-
Mrs. Sonali Anand Deshpande	224,000	-	224,000	0.15%	-
Mrs. Sulabha Suresh Deshpande	12,000	(11,000)	1,000	0.00%	(0.01)%
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	10,000	(9,000)	1,000	0.00%	0.01%
Mr. Padmakar Govind Khare	1,760	(1,760)	-	0.00%	(0.00)%
Mr. Chinmay Hemadri Buzruk	20,000	-	20,000	0.01%	-

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18(b). Other equity

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Reserves and Surplus		
Securities premium	1,601.80	-
General reserve	25,842.99	20,824.45
Share options outstanding reserve	2,227.71	2,222.02
Gain on bargain purchase	63.61	62.67
Capital redemption reserve	35.75	35.75
Retained earnings	19,346.09	16,607.36
Treasury shares	(2,085.84)	(2,435.67)
PSL ESOP Trust reserve	140.64	70.31
Items of other comprehensive income		
Effective portion of cash flow hedges	23.85	(5.76)
Exchange differences on translating the financial statements of foreign operations	1,610.22	1,505.40
	48,806.82	**38,886.53**

(i) Securities premium

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	-	-
Premium on fresh issue of equity shares	1,601.80	-
Premium on fresh issue of equity shares	**1,601.80**	**-**

(ii) General reserve

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	20,824.45	17,376.65
Transfer to general reserve	3,965.23	3,164.51
Adjustments towards employees stock options	1,087.56	283.10
Other changes during the year	(34.25)	0.19
	25,842.99	**20,824.45**

(iii) Share options outstanding reserve

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	2,222.02	1,144.84
Adjustments towards employees stock options	(1,087.56)	(283.10)
Employee stock compensation expenses	1,091.75	1,357.14
Other changes during the year	1.50	3.14
	2,227.71	**2,222.02**

(iv) Gain on bargain purchase

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	62.67	57.80
Other changes during the year	0.94	4.87
	63.61	**62.67**

(v) Capital redemption reserve

	As at - In ₹ Million	As at - In ₹ Million
Opening Balance	35.75	35.75
Other changes during the year	-	-
	35.75	**35.75**

(vi) Retained earnings

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	16,607.36	13,553.90
Profit for the year	10,934.91	9,210.93
Items recognised in / from other comprehensive income for the year	(98.29)	(17.69)
Income tax effect on above	21.29	5.31
Dividend	(4,153.95)	(2,980.58)
Transfer to general reserve	(3,965.23)	(3,164.51)
	19,346.09	**16,607.36**

(vii) Treasury shares

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	(2,435.67)	-
Shares held by ESOP trust	349.83	- 2,435.67
	(2,085.84)	**- 2,435.67**

(viii) PSL ESOP Trust reserve

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	70.31	-
Dividend Paid to ESOP trust	70.33	70.31
	140.64	**70.31**

(ix) Effective portion of cash flow hedges

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	(5.76)	41.80

Items recognised in / from other comprehensive income for the year	29.61	(47.56)
	23.85	**(5.76)**

(ix) Exchange differences on translating the financial statements of foreign operations

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Opening Balance	1,505.40	707.21
Items recognised in / from other comprehensive income for the year	104.82	798.19
	1,610.22	**1,505.40**

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19. Non-current financial liabilities : Borrowings

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Borrowings carried at amortised cost		
Term loans		
Indian rupee loan from others	1.85	3.69
Interest accrued but not due on term loans	0.02	0.06
Foreign currency loan from others	2,071.32	4,303.20
	2,073.19	**4,306.95**
Less: Current maturity of long-term borrowings	(1,962.22)	(2,227.45)
Less: Current maturity of interest accrued but not due on term loan	(11.82)	(21.91)
	(1,974.04)	**(2,249.36)**
	99.15	**2,057.59**

Indian rupee loan from Government department ₹ 1.85 million (Previous year: ₹ 3.69 million) at 3% p.a. in ten equal annual installments over a period of ten years commencing from October 2015.

Foreign currency loan from Government of Switzerland to a subsidiary company is Nil (Previous year ₹ 33.61 million). The interest free loan is given under a Covid-19 scheme for medium and small scale Industries by the Government with a repayment period of five years from March 2020.

Foreign currency loan ₹ 2059.52 million (Previous year: ₹ 4,247.73 million). The Parent Company has provided the Letters of Comfort to the Lender.

Key terms of loan are as below:

Repayment terms	Rs. Million	Interest rate
Loan 1: Repayable over a period of 3 years in equal monthly instalments commencing from November 2021	405.42	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022	973.00	SOFR + 155 bps
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022	681.10	SOFR + 155 bps
	2,059.52	

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

	For the year ended March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Opening balance	4,306.95	4,325.35
Additions	-	2,161.09
Less: Payments made	(2,251.80)	(2,122.72)
Translation differences	18.04	(56.77)
Closing balance	**2,073.19**	**4,306.95**

20. Non-current financial liabilities : Lease liabilities (refer note 36)

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Lease liabilities	2,438.10	2,268.59
Less: Current portion of lease liabilities	(830.01)	(676.39)
	1,608.09	**1,592.20**

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, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Opening balance	2,268.59	1,456.87
Additions	753.59	1,230.91
Deletions	-	(260.50)
Add: Interest recognised during the year	180.02	137.86
Less: Payments made	(760.18)	(545.22)
Translation differences	(3.92)	248.67
Closing balance	**2,438.10**	**2,268.59**

Notes forming part of consolidated financial statements

21. Non current liabilities : Provisions

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits		
- Gratuity	74.24	3.52
- Long service awards	472.72	369.51
	546.96	**373.03**

22. Trade payables

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Trade payables		
- Total outstanding dues of small enterprises and micro enterprises	49.63	34.04
- Total outstanding dues of creditors other than small enterprises and micro enterprises	8,088.99	5,655.04
	8,138.62	**5,689.08**

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, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Amount remaining unpaid:		
Principal	49.63	34.04
Interest	-	-
Interest paid by the Company under MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006;	-	-
Interest accrued and remaining unpaid at the end of the year	-	-
Interest remaining due and payable (pertaining to prior years), until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of MSMED Act 2006.	-	-

23. Other current financial liabilities

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital creditors	79.97	583.07
Accrued employee liabilities	1,092.42	840.04
Unpaid dividend*	2.92	3.05
Other liabilities	78.41	12.11
Liability towards contingent consideration (refer note 44)	2,464.55	5,305.83
Less: Non-current portion of liability towards contingent consideration	-	(2,888.92)
	2,464.55	**2,416.91**
Derivative instruments at fair value through OCI		
Cash flow hedges		
Foreign exchange forward contracts	-	67.67
	3,718.27	**3,922.85**

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

Notes forming part of consolidated financial statements

24.Other liabilities

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
- Current		
Unearned revenue	1,979.70	1,043.75
Advance from customers	262.89	175.48
Other payables		
- Statutory liabilities	904.91	1,183.11
- Others*	155.32	245.37
	3,302.82	2,647.71
- Non Current		
Unearned revenue	44.44	34.83
	3,347.26	**2,682.54**

*Includes balance of ₹ 65.10 Million (Previous year: ₹ 125.39 Million) to be utilised against certain predefined activities specified in the government grant agreement. There are no unfulfilled conditions or contingencies attached to these grants.

25. Current liabilities : Provisions

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits		
- Gratuity (refer note 31)	0.13	0.09
- Leave encashment	1,651.87	1,167.97
- Long service awards	34.02	34.18
- Other employee benefits	1,644.64	3,447.00
	3,330.66	**4,649.24**

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Trade payables ageing schedule (In ₹ Million)

	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	49.63	-	-	-	49.63
Total outstanding dues of creditors other than micro enterprises and small enterprises	7,959.56	79.30	31.84	18.29	8,088.99
As at March 31, 2024	**8,009.19**	**79.30**	**31.84**	**18.29**	**8,138.62**

In ₹ Million

	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	34.04	-	-	-	34.04
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,331.22	280.89	5.95	36.98	5,655.04
As at March 31, 2023	**5,365.26**	**280.89**	**5.95**	**36.98**	**5,689.08**

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26. Revenue from operations (net)

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Software services	94,181.78	79,993.40
Software licenses	4,034.09	3,512.52
	98,215.87	**83,505.92**

Software service revenue is recognized on on time and materiality basis. 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 Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are affected by industry, market and other economic factors.

	For the year ended March 31, 2024 In ₹ Million	For the year ended March 31, 2023 In ₹ Million
Revenue by industry segments		
BFSI	31,385.58	27,231.45
Healthcare & Life Sciences	20,880.32	16,161.07
Technology Companies and Emerging Verticals	45,949.97	40,113.40
Total	**98,215.87**	**83,505.92**
Geographical disclosure		
India	9,747.39	9,432.51
North America	77,087.28	65,107.83
Rest of the World	11,381.20	8,965.58
Total	**98,215.87**	**83,505.92**
Customers' Industry wise disclosure		
IP Led	7,009.74	6,217.73
Offshore	58,230.11	48,411.12
Onsite	32,976.02	28,877.07
Total	**98,215.87**	**83,505.92**

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize 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 recognized 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.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially) satisfied performance obligations, along with the broad time band for the expected time to recognize those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognised corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts.

In respect of the contracts wherein the transaction price is in the form of revenue share, the estimated revenue for the customer is considered based on the historical trends and management's judgement with respect to customer business. The estimated revenue from these contracts included in the total revenue for the year is ₹ 40.58 million (Previous Year: ₹ 113.45 million).

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

	For the year ended March 31, 2024 In ₹ Million	For the year ended In ₹ Million
Revenue as per contract price	98,215.87	83,505.92
Discount	-	-
Revenue from contract with customers	**98,215.87**	**83,505.92**

Changes in contract assets are as follows:

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Balance at the beginning of the year	4,671.23	3,130.31
Invoices raised that were included in the contract assets balance at the beginning of the year	(4,688.21)	(3,259.71)
Increase due to revenue recognised during the year, excluding amounts billed during the year	6,521.34	4,671.23
Translation exchange difference	16.98	129.40
Balance at the end of the year	**6,521.34**	**4,671.23**

Changes in unearned and deferred revenue are as follows:

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Balance at the beginning of the year	1,078.58	978.32
Revenue recognised that was included in the unearned revenue balance at the beginning of the year	(981.16)	(900.71)
Increase due to revenue recognised during the year, excluding amounts billed during the year	1,791.38	990.30
Translation exchange difference	135.34	10.67
Balance at the end of the year	**2,024.14**	**1,078.58**

27. Other income

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
Interest income		
- On deposits carried at amortised cost	294.98	296.25
- On Others	267.47	216.38
Other non operating income		
Foreign exchange gain (net)	84.97	(133.24)
Profit on sale of property, plant and equipment (net)	22.64	1.69
Net profit on sale/ fair valuation of financial assets designated as FVTPL	289.11	196.52
Excess provision in respect of earlier years written back	27.76	32.44
Miscellaneous income	293.27	96.13
	1,280.20	**706.17**

28. Personnel expenses

	For the year ended	
	March 31, 2024 In ₹ Million	March 31, 2023 In ₹ Million
28.1 Employee benefits expense		
Salaries, wages and bonus	53,155.41	44,367.70
Contribution to provident and other funds* (refer note 31)	3,781.21	3,022.40
Staff welfare expenses	1,581.33	948.41
Share based payments to employees (refer note 35)	1,091.75	1,357.14
	59,609.70	**49,695.65**
28.2 Cost of professionals	11,492.70	10,426.01
	71,102.40	**60,121.66**

* Includes gratuity and leave encashment.

29. Other expenses

	For the year ended	
	March 31, 2024	March 31, 2023
	In ₹ Million	In ₹ Million
Travelling and conveyance	1,533.72	1,260.25
Electricity expenses (net)	140.95	120.28
Internet link expenses	132.44	82.59
Communication expenses	80.81	96.25
Recruitment expenses	250.38	414.85
Training and seminars	169.86	123.30
Royalty expenses	59.55	65.19
Purchase of software licenses	5,608.16	3,411.70
Bad debts	63.36	82.33
Allowance / (Reversal) for expected credit loss (net)	103.57	3.03
Rent (refer note 36)	145.93	147.45
Insurance	91.96	52.89
Rates and taxes	141.78	145.39
Legal and professional fees	1,063.96	926.27
Repairs and maintenance		
- Plant and Machinery	187.75	140.13
- Buildings	35.19	33.63
- Others	32.42	28.10
Selling and marketing expenses	7.98	57.38
Changes in contingent consideration payable on business combination	(743.03)	-
Advertisement, conference and sponsorship fees	185.09	159.78
Computer consumables	21.11	18.37
Auditors' remuneration (refer note 39)	14.31	11.84
Corporate social responsibility expenditure (refer note 43)	175.45	117.60
Books, memberships, subscriptions	33.15	83.12
Directors' sitting fees	8.20	8.00
Directors' commission	34.11	27.95
Loss / Impairment of non current investments	20.58	-
Miscellaneous expenses	757.87	575.34
	10,356.61	**8,193.01**

30. Earnings per share

		For the year ended	
		March 31, 2024	**March 31, 2023**
Numerator for Basic and Diluted EPS			
Net Profit after tax (In ₹ Million)	(A)	10,934.91	9,210.93
Denominator for Basic EPS			
Weighted average number of equity shares	(B)	150,952,418	148,887,386
Denominator for Diluted EPS			
Number of equity shares	(C)	153,871,858	152,850,000
Basic Earnings per share of face value of ₹ 5 each (In ₹)	(A/B)	**72.44**	**61.87**
Diluted Earnings per share of face value of ₹ 5 each (In ₹)	(A/C)	**71.07**	**60.26**

	For the year ended	
	March 31, 2024	**March 31, 2023**
Outstanding weighted average number of equity shares considered for diluted EPS	153,871,858	152,850,000
Less: Weighted average number of treasury shares	2,919,440	3,962,614
Number of shares considered as weighted average shares and potential shares outstanding	**150,952,418**	**148,887,386**

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31. Defined benefits and contribution obligation

a) Defined benefits - Gratuity

Persistent Systems Limited and Persistent Systems Lanka (Private) Limited have defined benefit (gratuity) plans. Each employee in these companies is eligible for gratuity on completion of minimum five years of service at 15 days basic salary (last drawn basic salary) for each completed year of service. The scheme is funded with an insurance Company in the form of a qualifying insurance policy.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the Balance Sheet for the respective plans.

Statement of profit and loss

Net employee benefit expense (recognized in statement of profit and loss and OCI)

(In ₹ Million)

	For the year ended	
	March 31, 2024	March 31, 2023
Current service cost	305.69	194.87
Interest cost on benefit obligation	94.48	82.38
Expected return on plan assets	(99.74)	(86.68)
Other	-	-
Net benefit expense	**300.43**	**190.57**
Net actuarial loss recognized in the year	90.52	35.01

Due to Demographic assumptions	-	-
Due to Financial assumptions	50.06	(64.18)
Due to Experience assumptions	40.46	99.19
Net actuarial loss recognized in the year	90.52	35.01

Balance sheet

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

(In ₹ Million)

	At at	
	March 31, 2024	March 31, 2023
Opening fair value of plan assets	1,331.70	1,226.01
Expected return	99.74	86.68
Contribution by employer	274.93	3.62
Benefits paid	(155.31)	(3.62)
Actuarial gains / (losses)	(7.74)	19.01
Closing fair value of plan assets	**1,543.32**	**1,331.70**

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

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Opening defined benefit obligation	1,281.99	1,193.78
Interest cost	94.48	82.38
Current service cost	305.69	194.87
Benefits paid	(155.31)	(223.55)
Actuarial losses on obligation	90.52	35.01
Exchange difference	0.32	(0.50)
Closing defined benefit obligation	**1,617.69**	**1,281.99**

Benefit asset / (liability)

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Fair value of plan assets	1,543.32	1,331.70
Less: Defined benefit obligations	(1,614.08)	(1,278.38)
Gratuity Liability / Plan asset for Persistent Systems Limited	**(70.76)**	**53.32**
Gratuity liability for Persistent Systems Lanka (Private) Limited	**(3.61)**	**(3.61)**

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

Persistent Systems Limited

	As at	
	March 31, 2024	**March 31, 2023**
Discount rate	7.22%	7.49%
Mortality	IALM (2012-14) Ult.	IALM (2012-14) Ult.
Attrition rate	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: Above 10 : 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: Above 10 : 2%
Increment rate	6.00%	6.00%
Weighted average duration of the defined benefit obligation (Years)	13.26	13.53

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

	As at	
	March 31, 2024	**March 31, 2023**
Investments with insurer including accrued interest	100%	100%

Persistent Systems Lanka (Private) Limited

	As at	
	March 31, 2024	**March 31, 2023**
Discount rate	13.40%	25.48%
Increment rate	7.00%	7.00%

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 expected compensation increase. 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.

As at March 31, 2024, every percentage point increase / decrease in discount rate will change the defined benefit obligation (gratuity) obligation to approximately ₹ 1,824.04 million / ₹ 1,445.62 million (previous year: ₹ 1,146.05 million / ₹ 1,442.92 million) respectively.

As at March 31, 2024, every percentage point increase / decrease in compensation levels will change the the defined benefit obligation (gratuity) obligation to approximately ₹ 1,758.09 million / ₹ 1,499.68 million (previous year: ₹ 1,375.82 million / ₹ 1,201.78 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:

(In ₹ Million)

	As at	
	March 31, 2024	**March 31, 2023**
Plan assets	1,543.32	1,331.70
Defined benefit obligation	(1,614.08)	(1,278.38)
Plan asset for Persistent Systems Limited	(70.76)	53.32
Gratuity liability for Persistent Systems Lanka (Private) Limited	(3.61)	(3.61)

Maturity Profiles of defined benefit obligations are as follows:

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Within 1 year	71.54	58.98
1-2 years	67.91	65.40
2-3 years	74.22	63.68
3-4 years	118.43	68.05
4-5 years	97.15	104.63
5-10 years	520.64	405.87
Above 10 years	3,639.82	2,893.73

Expected contributions to the gratuity plan for the next annual reporting period are ₹ 71.41 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 Group contributed ₹ 89.42 million and ₹ 75.66 million to superannuation fund during the years ended March 31, 2024 and March 31, 2023 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 Parent Company has certain defined contribution plans. Contributions are made to provident fund for its employees @ 12% of Basic salary as per regulation. The contributions are made to registered provident fund administered by the Government of India. The obligation of the Parent 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 ₹ 1,383.67 million (Previous year ₹ 1,159.43 million).

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32 (a) Financial assets and liabilities

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

(In ₹ Million)

Financial assets/ Financial liabilities	March 31, 2024			March 31, 2023			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:							
Investments in equity instruments, preferred stock and convertible notes	156.82	-	-	181.13	-	-	Level 3
Investments in bonds #	-	-	2,995.61	-	-	3,085.59	
Investments in mutual funds	5,113.25	-	-	3,134.94	-	-	Level 2
Loans	-	-	-	-	-	-	
Deposit with banks and financial institutions (net)	-	-	3,715.20	-	-	4,922.43	
Cash and cash equivalents (including unpaid dividend)	-	-	6,628.07	-	-	4,673.17	
Trade receivables (net)	-	-	16,761.13	-	-	15,704.64	
Foreign exchange forward contracts	-	42.54	-	-	-	-	Level 2
Unbilled revenue	-	-	6,521.34	-	-	4,671.23	
Other non current financial assets	-	-	410.90	-	-	383.36	
Other current financial assets	-	-	57.95	-	-	-	
Total Financial Assets	**5,270.07**	**42.54**	**37,090.20**	**3,316.07**	**-**	**33,440.42**	
Financial Liabilities:							
Borrowings (including accrued interest)	-	-	2,073.19	-	-	4,285.10	
Trade payables	-	-	8,138.62	-	-	5,689.08	
Lease liabilities	-	-	2,438.10	-	-	2,268.59	
Other financial liabilities (excluding borrowings)	-	-	6,182.82	-	-	12,071.78	
Foreign exchange forward contracts	-	-	-	-	67.67	-	
Total Financial Liabilities	**-**	**-**	**18,832.73**	**-**	**67.67**	**24,314.55**	

***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 Group recognises such equity instruments at cost, which is considered as appropriate estimate of fair value.

 # Investments in bonds:

(In ₹ million)

Particulars	March 31, 2024			March 31, 2023		
	Face Value	No. of Units	Cost	Face Value	No. of Units	Cost
Bonds carried at amortised cost	1,000	1,325,898	1,593.57	1,000	1,405,898	1,681.82
	5,000	53,000	361.87	5,000	53,000	361.87
	1,000,000	906	961.47	1,000,000	906	961.47
Total Cost			2,916.91			3,005.16
Designated as fair value through profit and loss			78.70			80.43
Total investments carried at amortised cost			**2,995.61**			**3,085.59**

32 (b) Financial risk management

Financial risk factors and risk management objectives

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Group'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 Group is foreign exchange risk. The Group uses derivative financial instruments to mitigate foreign exchange related risk exposures. The use of financial derivatives is governed by the Group's policies approved by the Board of Directors which provide written principles on foreign exchange hedging. The Group'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 Group. The Group's Risk Management Committee monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group operates globally with its operations spread across various geographies and consequently the Group is exposed to foreign exchange risk. Around 80% to 90% of the Group's foreign currency exposure is in USD. The Group holds plain vanilla forward contracts against expected future receivables in USD to mitigate the risk of changes in exchange rates.

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2024:

(In ₹ million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	8,346.86	505.68	979.78	360.84	10,193.16
Cash and cash equivalents and bank balances	1,851.71	13.77	94.62	117.06	2,077.16
Trade and other payables	51.88	107.04	93.52	50.15	302.59

The following table analyses unhedged foreign currency risk from financial instruments as at March 31, 2023:

(In ₹ Million)

	USD	EUR	GBP	Other currencies	Total
Trade receivables	3,124.04	424.48	200.17	95.16	3,843.86
Cash and cash equivalents and bank balances	744.67	40.38	171.71	107.93	1,064.69
Trade and other payables	11.36	110.79	62.96	31.39	216.50

Foreign currency sensitivity analysis

For the year ended March 31, 2024 and March 31, 2023, every percentage point depreciation / appreciation in the exchange rate between the Indian rupee and foreign currencies, would affect the Group's profit before tax margin (PBT) by approximately 0.12% and 0.06% 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 year and the current reporting year.

Derivative financial instruments

The Group 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 Group 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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Derivatives designated as cash flow hedges						
Forward contracts						
USD	260.00	84.16	21,881.33	230.00	82.83	19,051.50

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, 2024			As at March 31, 2023		
	Foreign currency (million)	Average rate	₹ (million)	Foreign currency (million)	Average rate	₹ (million)
Not later than 3 months	64.00	83.72	5,357.97	55.00	80.82	4,445.22
Later than 3 months and not later than 6 months	70.00	84.03	5,882.04	63.00	82.60	5,203.67
Later than 6 months and not later than 9 months	63.00	84.55	5,326.58	56.00	83.95	4,701.05
Later than 9 months and not later than 12 months	63.00	84.36	5,314.74	56.00	83.96	4,701.56
Total	**260.00**		**21,881.33**	**230.00**		**19,051.50**

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Credit risk

Credit risk refers to the risk of default on its obligation by the counter party resulting in a financial loss. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹ 17,491.31 million and ₹ 15,962.67 million as at March 31, 2024 and March 31, 2023, 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 Group by Credit Task Force through credit approvals, establishing credit limits and continuously monitoring the recovery status of customers to which the Group grants credit terms in the normal course of business.
On account of adoption of Ind AS 109, the Group uses expected credit loss model to assess the impairment loss. The Group 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 Group's historical experience for customers.

Credit risk is perceived mainly in case of receivables overdue for more than 90 days. The following table gives details of risk concentration in respect of percentage of receivables overdue for more than 90 days:

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Receivables overdue for more than 90 days *	553.19	381.32
Total receivables (gross)	17,889.95	16,151.63
Overdue for more than 90 days as a % of total receivables	3.1%	2.4%

* Out of this amount, ₹ 398.64 million (March 31, 2023: ₹ 188.96 million) have been provided for.

Ageing of trade receivables

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Within the credit period	13,810.70	11,494.47
1 to 30 days past due	2,111.36	2,625.12
31 to 60 days past due	925.83	1,100.93
61 to 90 days past due	488.87	549.79
91 to 120 days past due	151.40	161.24
121 and above past due	401.79	220.08
Less: Expected credit loss	(398.64)	(188.96)
Net trade receivables	**17,491.31**	**15,962.67**

Movement in expected credit loss allowance

(In ₹ Million)

	As at	
	March 31, 2024	March 31, 2023
Opening balance	188.96	165.78
Movement in expected credit loss allowance	103.57	3.03
Pre-acquistion ECL adjusted against contingent consideration	96.44	-
Translation differences	9.67	20.15
Closing balance	**398.64**	**188.96**

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

Liquidity risk

The Group's principal sources of liquidity are cash and cash equivalents and the cash flow that is generated from operations. The investment of surplus funds is governed by the Group's investment policy approved by the Board of Directors. The Group believes that the working capital is sufficient to meet its current fund requirements including repayment of borrowings. Accordingly, no liquidity risk is perceived.
As at March 31, 2024, the Group had a working capital of ₹ 19,390.14 million including cash and cash equivalents and current fixed deposits of ₹ 10,119.14 million and current investments of ₹ 2,726.54 million.
As at March 31, 2023, the Group had a working capital of ₹ 14,337.34 million including cash and cash equivalents and current fixed deposits of ₹ 8,899.56 million and current investments of ₹ 1,879.66 million.

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

(In ₹ Million)

	As at			
	March 31, 2024		March 31, 2023	
	Less than 1 year	More than 1 year	Less than 1 year	More than 1 year
Borrowings (including accrued interest)	1,974.04	99.15	2,227.51	2,057.59
Trade payables and deferred payment liabilities	8,138.62	-	5,689.08	-
Lease Liabilities	842.62	1,919.95	676.77	1,919.39
Other financial liabilities (excluding borrowings)	1,744.23	-	1,717.19	2,888.92

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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 (In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Borrowings	2,073.19	4,306.95
Other financial liabilities	3,718.27	6,811.77
Total Debt:	**5,791.46**	**11,118.72**
Less : Cash and cash equivalents and bank balances other than cash and cash equivalants	10,228.86	9,032.80
Net Debt #	**-4,437.40**	**2,085.92**
Total equity	49,577.07	39,650.78
Total Capital	**49,577.07**	**39,650.78**
Gearing Ratio (in %)	**-8.95%**	**5.26%**

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

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32 (c) Derivative instruments and un-hedged foreign currency exposures

(i) Forward contracts outstanding at the end of the year:

(In ₹ Million)

	As at March 31, 2024	As at March 31, 2023
Forward contracts to sell USD: Hedging of expected receivables of USD 260 million (Previous year USD 230 million)	21,881.33	19,051.50

(ii) Details of un-hedged foreign currency exposures at the end of the year:

	March 31, 2024			March 31, 2023		
	In ₹ million	Foreign currency (In million)	Conversion rate (₹)	In ₹ million	Foreign currency (In million)	Conversion rate (₹)
Bank balances	23.48	JPY 42.62	0.55	33.21	JPY 53.83	0.62
	1,851.71	USD 22.20	83.40	744.67	USD 9.06	82.17
	94.62	GBP 0.90	105.27	171.71	GBP 1.69	101.64
	80.31	CAD 1.31	61.38	48.95	CAD 0.81	60.63
	13.77	EUR 0.15	90.01	40.38	EUR 0.45	89.36
	1.46	AUD 0.27	54.17	25.77	AUD 0.46	54.92
	11.81	RON 0.65	18.08	-	-	-
Trade and other payables	51.88	USD 0.62	83.40	11.36	USD 0.14	82.17
	93.52	GBP 0.89	105.27	62.96	GBP 0.62	101.64
	107.04	EUR 1.19	90.01	110.79	EUR 1.24	89.36
	0.99	SGD 0.02	61.75	1.18	SGD 0.02	61.78
	32.49	CAD 0.52	61.38	19.01	CAD 0.31	60.63
	1.13	AUD 0.02	54.17	11.20	AUD 0.20	54.92
	14.09	ILS 0.62	22.64	-	-	-
	0.04	ZAR 0.01	4.37	-	-	-
	1.00	JPY 1.82	0.55	-	-	-
	0.41	CHF 0.004	92.11	-	-	-
Trade receivables	505.68	EUR 5.62	90.01	424.48	EUR 4.75	89.36
	8,346.86	USD 100.08	83.40	3,124.04	USD 38.02	82.17
	979.78	GBP 9.31	105.27	200.17	GBP 1.97	101.64
	183.45	CAD 2.99	61.38	54.29	CAD 0.90	60.63
	139.36	AUD 2.57	54.17	26.73	AUD 0.49	54.92
	12.38	ZAR 2.83	4.37	7.20	ZAR 1.56	4.60
	15.71	SGD 0.25	61.75	6.94	SGD 0.11	61.78
	0.01	CHF 0.01	92.11	-	-	-
	4.06	JPY 7.36	0.55	-	-	-
	5.87	MYR 0.33	17.63	-	-	-

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33. 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, 2024	March 31, 2023
	In ₹ Million	In ₹ Million
Profit before tax	14,476.06	12,408.52
Enacted tax rate in India	25.17%	25.17%
Computed tax expense at enacted tax rate	3,643.33	3,122.98
Effect of exempt income	(282.50)	(55.68)
Effect of non-deductible expenses	110.19	(6.59)
Effect of concessions (R&D allowance)	57.95	(1.35)
Effect of concessions (Tax holidays)	(6.16)	(12.33)
Effect of previously unrecognised deferred tax assets now recognised	2.64	(29.01)
Effect of different tax rates of subsidiaries operating in other jurisdictions	120.23	147.46
Effect of different tax rates for different heads of income	1.87	(0.07)
Effect of change in tax rates	-	(0.79)
Short Tax Provision of earlier years (net)	76.58	(3.54)
Reversal of Deferred tax asset created in earlier years	5.77	81.53
Tax benefit on set-off of carry-forward losses	(11.62)	(28.88)
Unused tax losses not recognised as deferred tax assets	141.26	60.33
Excess tax benefits on stock-based compensation	(262.02)	(148.64)
Others	(56.37)	72.16
Income tax expense	**3,541.15**	**3,197.59**

Following subsidiaries of the Company have carry-forward tax loss as on March 31, 2024. The details are provided in below table. The Company has recognized deferred tax asset on this loss in case of Persistent Systems Germany GmbH to the extent of Euro 1,187,525 in its financial statements. In case of other subsidiaries, no deferred tax is currently recognized. However, the Company expects that this loss shall be utilised against future taxable income.

Entity Name	Category	Country	Currency	Carry forward losses	
				March 31, 2024	March 31, 2023
				In Million	In ₹ Million
Persistent Systems UK Ltd.	Pre April 1, 2017	UK	GBP	22.47	2,364.92
	Post April 1, 2017			3.31	348.91
Persistent Systems Australia Pty Ltd.	-	Australia	AUD	1.04	56.60
Persistent Systems Germany GmbH	-	Germany	EURO	9.49	854.21

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34. Segment information

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

The operating segments of the Group are:

a. Banking, Financial Services and Insurance (BFSI)
Persistent helps financial institutions reduce complexity and simplify operating models to achieve growth and navigate disruption to evolve into next-generation financial institutions. We help our clients deliver world-class customer experiences, enabled by streamlined operations that create new business value.

b. Healthcare & Life Sciences
Persistent's healthcare expertise helps industry leaders drive revenue growth by providing end-to-end healthcare solutions and improved patient acquisition-retention. Implement next-generation solutions using cloud-based data integration and analytics.

Persistent's Life Sciences division helps analytical instruments, medical devices, and pharmaceutical companies better utilize technology to bring new products and solutions to market.

c. Software, Hi-Tech and Emerging Industries
Software innovation and engineering services to design, develop and manage next-generation software products with breakthrough operational efficiency.

(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Revenue						
	Year ended	March 31, 2024	31,385.58	20,880.32	45,949.97	98,215.87
	Year ended	March 31, 2023	27,231.45	16,161.07	40,113.40	83,505.92
Identifiable expense						
	Year ended	March 31, 2024	19,861.72	12,209.10	34,145.31	66,216.13
	Year ended	March 31, 2023	17,226.98	8,147.53	27,830.90	53,205.41
Segmental result						
	Year ended	March 31, 2024	11,523.86	8,671.22	11,804.66	31,999.74
	Year ended	March 31, 2023	10,004.47	8,013.54	12,282.50	30,300.51
Unallocable expenses						
	Year ended	March 31, 2024				18,803.88
	Year ended	March 31, 2023				18,598.16
Operating income						
	Year ended	March 31, 2024				13,195.86
	Year ended	March 31, 2023				11,702.35
Other Income (net of expenses)						
	Year ended	March 31, 2024				1,280.20
	Year ended	March 31, 2023				706.17
Profit before taxes						
	Year ended	March 31, 2024				14,476.06
	Year ended	March 31, 2023				12,408.52
Tax expense						
	Year ended	March 31, 2024				3,541.15
	Year ended	March 31, 2023				3,197.59
Profit after tax						
	Year ended	March 31, 2024				10,934.91
	Year ended	March 31, 2023				9,210.93

Note: Numbers mentioned in above table have been reconciled with the statement of profit and loss.

(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	March 31, 2024	4,657.36	3,106.66	9,727.29	17,491.31
	As at	March 31, 2023	4,074.84	2,579.81	9,308.22	15,962.87
Segmental Unbilled revenue						
	As at	March 31, 2024	1,471.00	1,129.58	3,920.76	6,521.34
	As at	March 31, 2023	1,170.85	802.11	2,698.26	4,671.23
Unallocated assets						
	As at	March 31, 2024	-	-	-	49,723.53
	As at	March 31, 2023	-	-	-	46,096.90
Unallocated liabilities						
	As at	March 31, 2024	-	-	-	24,159.11
	As at	March 31, 2023	-	-	-	27,080.02

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

Geographical Information
The following table shows the distribution of the Group's consolidated sales by geographical market regardless of from where the services were rendered.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Revenue						
	Year ended	March 31, 2024	9,747.39	77,087.28	11,381.20	98,215.87
	Year ended	March 31, 2023	9,432.51	65,107.83	8,965.58	83,505.92

The following table shows the information regarding geographical non-current assets.

(In ₹ Million)

Particulars			India	North America	Rest of the World	Total
Non-current assets						
	As at	March 31, 2024	23,287.67	6,575.97	728.25	30,591.89
	As at	March 31, 2023	22,636.18	7,452.77	580.06	30,679.01

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 9,248.88 million for the year ended March 31, 2024 (Previous year : ₹ 7,697.87 Million).

35. 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 **	4,491,000	26-Jul-14	3-Nov-14	4-5 Years
Scheme XII ***	134,600	4-Feb-16	8-Apr-16	2.5 Months
Scheme XIII	16,666,188	27-Jul-17	1-Aug-19	4-5 Years
Scheme XIV	160,000	27-Jul-17	1-May-19	3 Years

Adjusted for bonus issue of shares.
*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%

(v) 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

b) Details of activity of the ESOP schemes

Movement for the year ended March 31, 2024 and March 31, 2023:

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 I	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme II	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme III	Number of Options	31-Mar-23	216,518	-	86,514	6,002	124,002	124,002
	Weighted Average Price	31-Mar-23	15.89	-	15.21	15.34	16.39	16.39
	Number of Options	31-Mar-24	124,002	-	51,532	2,000	70,470	70,470
	Weighted Average Price	31-Mar-24	16.39	-	15.47	15.34	17.67	17.67
Scheme IV	Number of Options	31-Mar-23	492,596	-	142,114	139,282	211,200	211,200
	Weighted Average Price	31-Mar-23	27.36	-	23.60	30.56	27.79	27.79
	Number of Options	31-Mar-24	211,200	-	16,600	160,400	34,200	34,200
	Weighted Average Price	31-Mar-24	27.79	-	20.47	30.56	25.33	25.33
Scheme V	Number of Options	31-Mar-23	99,762	-	-	3,208	96,554	96,554
	Weighted Average Price	31-Mar-23	13.30	-	-	13.39	13.30	13.30
	Number of Options	31-Mar-24	96,554	-	-	26,486	70,068	70,068
	Weighted Average Price	31-Mar-24	13.30	-	-	15.57	12.41	12.41
Scheme VI	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme VII	Number of Options	31-Mar-23	282	-	282	-	-	-
	Weighted Average Price	31-Mar-23	13.14	-	13.15	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme VIII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme IX	Number of Options	31-Mar-23	231,422	-	114,070	14,320	103,032	103,032
	Weighted Average Price	31-Mar-23	27.37	-	27.37	27.37	27.37	27.37
	Number of Options	31-Mar-24	103,032	-	90,232	12,800	-	-
	Weighted Average Price	31-Mar-24	27.37	-	27.37	27.37	-	-
Scheme X	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	14,000	14,000	-	-
	Weighted Average Price	31-Mar-24	-	-	95.68	95.68	-	-
Scheme XI	Number of Options	31-Mar-23	1,023,500	669,200	287,380	395,406	1,009,914	57,114
	Weighted Average Price	31-Mar-23	5.00	5.00	5.00	5.00	5.00	5.00
	Number of Options	31-Mar-24	1,009,914	443,400	82,510	482,034	888,770	48,734
	Weighted Average Price	31-Mar-24	5.00	5.00	5.00	5.00	5.00	5.00
Scheme XII	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Scheme XIII	Number of Options	31-Mar-23	6,760,248	3,074,562	1,993,886	1,080,594	6,760,330	1,070,496
	Weighted Average Price	31-Mar-23	985.76	1,629.73	1,289.15	543.45	1,259.85	1,154.63
	Number of Options	31-Mar-24	6,760,330	3,764,950	894,394	1,940,838	7,690,048	861,540
	Weighted Average Price	31-Mar-24	1,259.85	3,261.15	1,449.31	967.64	2,286.26	1,497.72
Scheme XIV	Number of Options	31-Mar-23	-	-	-	-	-	-
	Weighted Average Price	31-Mar-23	-	-	-	-	-	-
	Number of Options	31-Mar-24	-	-	-	-	-	-
	Weighted Average Price	31-Mar-24	-	-	-	-	-	-
Total	Number of Options	31-Mar-23	8,824,328	3,743,762	2,624,246	1,638,812	8,305,032	1,662,398
	Number of Options	31-Mar-24	8,305,032	4,208,350	1,121,268	2,638,558	8,753,556	944,876

The weighted average share price for the period over which stock options were exercised was ₹ 3,013.10 (previous year ₹ 1,977.60).

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

Scheme	Range of exercise price	As at March 31, 2024		As at March 31, 2023	
		No. of Options outstanding	Weighted average remaining contractual life*	No. of Options outstanding	Weighted average remaining contractual life*
Scheme I	1.02 - 4.785	-	Note (i)	-	Note (i)
Scheme II	6.48 - 24.105	-	-	-	-
Scheme III	6.48 - 24.105	70,470	Note (i)	124,002	Note (i)
Scheme IV	11.115 - 30.56	34,200	1.31	208,400	1.73
Scheme V	11.115 - 22.07	70,068	Note (i)	99,354	Note (i)
Scheme VI	11.115 - 15.335	-	-	-	-
Scheme VII	12.085 - 30.56	-	-	282	1.73
Scheme VIII	24.105 - 24.105	-	-	-	-
Scheme IX	27.37 - 27.37	0	-	103,032	1.25
Scheme X	78.79 - 139.85	-	-	-	-
Scheme XI	5	888,770	3.72	1,009,914	4.08
Scheme XII	5	-	-	-	-
Scheme XIII	221.235 - 3300	7,690,048	3.80	6,760,248	3.59
Scheme XIV	270.41 - 270.41	-	-	-	-

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, 2024 amounted to ₹ 1091.75 million (Previous year ₹ 1360.28 million). The liability for employee stock options outstanding as at March 31, 2024 is ₹ 2,227.72 million (Previous year ₹ 2,222.02 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 financial year 2023-24:

Particulars	March 31, 2024		March 31, 2023	
	RSU Scheme XI	ESOP Scheme XIII	RSU Scheme XI	ESOP Scheme XIII
Weighted average share price (Rs.)	3108.77	3835.9	1914.18	1839.47
Weighted Exercise Price (Rs.)	5	3335.42	5	1629.99
Weighted Average Fair Value (Rs.)	3063.06	1341.98	1874.56	602.25
Expected Volatility	21.99%-30.69%	27.44%-31.15%	26.85%-28.11%	26.85%-28.11%
Life of the options granted ** (Vesting and exercise period)	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs	3 - 4 yrs
Dividend Yield	44.00	44.00	39.00	39.00
Average risk-free interest rate	7.12%	7.16%	6.98%	7.06%

** 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 group has done a share split of 1:2. the impact of this has been given to options granted to the employees of the Group ((refer note 18(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 .

36 Leases

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

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
- Less than one year	842.62	676.77
- One to five years	1,861.62	1,862.25
- More than five years	58.33	57.14

The Group 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 ₹ 145.93 million for the year ended March 31, 2024 (Previous year ₹ 147.45 million).

The Group has has recognized interest on lease liabilities of ₹ 180.02 million under finance costs (Previous year ₹ 137.86 million).

The aggregate depreciation on ROU assets has been included under depreciation and amortisation expense in the Statement of Profit and Loss (Refer note 5.6).

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37 Related Party Disclosures

(i) Names of related parties and related party relationship

Related parties with whom transactions have taken place	
Key management personnel	Dr. Anand Deshpande, Chairman and Managing Director Mr Sandeep Kalra, Executive Director and Chief Executive Officer Mr. Sunil Sapre, Executive Director and Chief Financial Officer Mr. Amit Atre, Company Secretary Ms. Roshini Bakshi, Independent Director Mr. Pradeep Bhargava, Independent Director, retired wef July 19, 2022 Dr. Anant Jhingran, Director, Persistent Systems, Inc., USA, retired w.e.f., November 20, 2022 Mr. Thomas Kendra, Independent Director, retired wef July 19, 2022 Mr. Deepak Phatak, Independent Director, resigned as an Independent Director of the Company w.e.f., April 2, 2023 Mr. Praveen Kadle, Independent Director Ms. Avani Davda, Independent Director Mr. Guy Eiferman, Independent Director Mr. Arvind Goel, Independent Director (Appointed on June 7, 2022) Mr. Ambuj Goel,Independent Director (Appointed on June 7, 2022) Mr. Dan'l Lewin , Independent Director (Appointed on June 10, 2022) Dr. Ajit Ranade (Appointed on June 6, 2022)
Relatives of Key management personnel	Mr. Suresh Deshpande (Father of the Chairman and Managing Director) Mrs. Sulabha Suresh 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) Mrs. Asha Sapre (Wife of the Executive Director and Chief Financial Officer) Mr. Yeshwant Sapre (Father of the Executive Director and Chief Financial Officer) Mr. Aditya Phatak (Son of the Independent Director) Mr. Hemant Bakshi (Husband of the Independent Director)
Members of Promoter Group	Rama Purushottam Foundation
Entities over which a key management personnel have significant influence	Persistent Foundation
Controlled Trust	PSPL ESOP Management Trust

37. (ii) Related party transactions

(In ₹ Million)

	Name of the related party and nature of relationship	For the year ended	
		March 31, 2024	March 31, 2023
Donation given	**Entity over which a key management personnel has significant influence**		
	Persistent Foundation	175.45	117.50
		175.45	**117.50**
Remuneration #	**Key Management Personnel**		
(Salaries, bonus and contribution	Dr. Anand Deshpande	37.68	36.40
to other funds)	Mr. Sunil Sapre*	163.98	102.18
	(including value of perquisites for stock options exercised ₹ 143.52 million during the year 2023-24 (Previous year: ₹ 82.77 million)		
	Mr. Amit Atre (including value of perquisites for stock options exercised ₹ 11.52 million during the year 2023-24 (Previous year: ₹ 4.66 million)	17.00	9.44
	Mr. Sandeep Kalra (including value of perquisites for stock options exercised ₹ 637.7 million during the year (Previous year: ₹486.05 million)	765.89	616.56
	Independent directors:		
	Ms. Roshini Bakshi	6.48	4.63
	Mr. Pradeep Bhargava **	-	1.55
	Dr. Anant Jhingran **	-	2.72
	Mr. Thomas Kendra **	-	1.40
	Mr. Praveen Kadle	6.65	5.03
	Mr. Guy Eiferman **	-	1.40
	Dr. Deepak Phatak ^	-	4.40
	Ms. Avani Davda $	6.58	4.73
	Mr. Arvind Goel $	6.15	3.46
	Dr. Ambuj Goyal $	6.08	3.41
	Mr. Dan'l Lewin $	5.65	3.23
	Dr. Ajit Ranade ^	4.73	-
	Relatives of Key Management Personnel		
	Mr. Arul Deshpande	0.02	5.31
	Total	**1,026.89**	**805.85**
Dividend paid	**Key Management Personnel**		
	Dr Anand Deshpande	1,235.11	891.88
	Mr. Sunil Sapre	3.67	2.82
	Mr Sandeep Kalra	2.69	3.42
	Mr. Amit Atre	0.13	0.08
	Independent directors:		
	Mr. Pradeep Bhargava	0.23	0.47
	Relatives of Key Management Personnel		
	Mr. Suresh Deshpande	0.03	0.07
	Mrs. Chitra Buzruk	25.35	18.31
	Dr. Mukund Deshpande	21.60	11.20
	Mrs. Sonali Anand Deshpande	6.05	4.37
	Mrs. Sulabha Suresh Deshpande	0.03	0.08
	Mr. Arul Deshpande	0.54	0.39
	Mr. Hemant Bakshi	0.27	0.20
	Mr. Aditya Phatak	1.53	1.13
	Ms. Alpana Ajit Ranade	0.01	-
	Total	**1,297.24**	**934.42**
Other payments	**Key Management Personnel**		
	Sunil Sapre	0.33	0.30
	Relatives of Key Management Personnel		
	Asha Sapre	0.33	0.30
	Total	**0.66**	**0.60**

Letters of comfort

i. Letters of letters of comfort of USD 24.69 Million: Rs. 2,059.15 Million (March 31, 2023: USD 51.69 Million: Rs. 4,247.37 Million) to bank for loans availed by subsidiary of the Parent Company.

Notes:

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

^ Dr. Deepak Phatak retired wef April 2, 2023. Dr Ajit Ranade has been appointed wef June 6, 2023.

$ Mr. Arvind Goel and Dr. Ambuj Goyal have been appointed wef June 7, 2022 and Mr. Dan'l Lewin has been appointed wef June 10,2022. Ms. Avani Davda has joined with effect from December 21, 2021.

**Dr Anant Jhingran retired wef November 20, 2022 and Mr. Thomas Kendra and Mr. Guy Eiferman retired wef July 19, 2022. Mr. Pradeep Bhargava, Independent Director, retired wef July 19, 2022.

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.

38 Capital and other commitments

	As at March 31, 2024 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for	396.29	186.51
Other commitments		
Forward contracts	21,881.33	19,051.50

For commitments relating to lease agreements, please refer note 36.

39 Auditors' remuneration

	For the year ended March 31, 2024 In ₹ Million	For the year ended March 31, 2023 In ₹ Million
Audit fee	13.42	11.18
Certifications	0.50	0.20
Reimbursement of expenses	0.39	0.46
	14.31	**11.84**

40 Research and development expenditure

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

	For the year ended March 31, 2024 In ₹ Million	For the year ended March 31, 2023 In ₹ Million
Revenue	282.75	147.23
	282.75	**147.23**

41 Net dividend remitted in foreign exchange

(In ₹ Million)

Particulars	No. of non-resident shareholders		No. of equity shares held on which dividend was due		For the year ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Interim dividend	11	12	0.38	0.41	12.21	11.64
Final dividend	9	5	0.39	0.40	8.55	4.39

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42. Contingent liabilities (In ₹ Million)

Sr. No		As at March 31, 2024	As at March 31, 2023
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 Parent 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 Parent 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 Parent Company will be eligible to claim credit/refund for the amount paid. The Hon'ble CESTAT decided and passed the order on January 28,2023 with the direction that the entire show cause notice passed by the Principal Commissioner of Service Tax will now be taken up for fresh adjudication and the judgments noted in the Order of the Hon'ble CESTAT and other submissions, if any, be considered while adjudicating the show cause notice. The Company has filed Appeal against the CESTAT Order with Hon'ble High Court on March 13,2023	173.78	173.78
	(ii) Other Pending litigations in respect of Indirect taxes.	7.77	8.20
2	**Income tax demands disputed in appellate proceedings**	1,102.72	1,023.34
b)	**Letter of Comfort on behalf of Subsidiaries**		
	Letters of comfort on behalf of subsidiary USD 24.69 Million (Previous year : USD 51.69 Million)	2,059.15	4,247.37

*The Parent Company, based on independent legal opinions and judgments in favour of the Parent 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 financial statements.

43 Details of Corporate Social Responsibility expenditure

(In ₹ Million)

		March 31, 2024	March 31, 2023
a)	Gross amount required to be spent by the Company during the year	175.45	140.99
b)	Amount of Expenditure incurred		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	175.45	117.60
c)	Shortfall at the end of year *	-	23.39
d)	Total of previous year shortfall	-	-
e)	Reason for shortfall	-	-
f)	Nature of CSR Activity	Donation given to the following entities: a. Persistent Foundation	Donation given to the following entities: a. Persistent Foundation b. Deepastambha Charitable Trust
g)	Details of related party transactions		
	Donation given to Persistent Foundation	175.45	117.50
h)	Deails of provision made for liability incurred by entering into a contractual obligation	-	-

* Set-off availed: The Company spent an excessive amount of INR 55.50 Million in FY 2020-21. In FY 2022-23, the Management has claimed partial set-off against this excessive CSR spend amounting to INR 23.39 Million. The Company continues to have an amount of INR 32.11 Million available in its book for set off till the end of FY 2023-24 as it is the third (last) year from the year of excessive spend.

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44 **Business Combinations**

The acquisition of the following businesses is accounted for using the acquisition method of accounting under Ind AS 103 Business Combinations.

In case of acquistions, the Goodwill is comprised of expected synergy benefit from combining operations and value of assembled work force which do not qualify for separate recognition. Deferred purchase consideration in form of Earnouts is payable upon achievement of revenue and gross margin thresholds as specified in the agreements. The estimated range of outcome of payment of the same is assumed at 90%.

Business acquisitions

MediaAgility India Priviate Limited and MediaAgility Inc.

During the year ended March 31, 2023, the Company entered into agreements to acquire Companies which have been together referred to as "Media Agility" in the notes elsewhere. On April 29, 2022, the Parent Company acquired 100% voting equity interest in MediaAgility India Private Limited. Further, on May 4, 2022, Persistent Systems Inc. USA, a wholly-owned subsidiary of the Parent Company,acquired 100% voting equity interest in MediaAgility Inc., USA and its subsidiaries in the UK, Mexico, and Singapore. This business combination is accounted by applying acquisition method. During the year ended March 31, 2023,the same was accounted on provisional basis availing the exemption under Ind AS 103.

MediaAgility is a global cloud transformation services provider with deep expertise building scalable, cloud-based solutions as a Google Cloud Premier Partner. It provides cloud-native application development and modernization, analytics and AI, cloud engineering, migrations, and managed services to its clients.

During the period, the purchase price allocation was completed. Accordingly, at the acquisition date, the identifiable assets acquired,the liabilities assumed including contingent consideration are recognised at their acquisition date fair values as follows:

Acquisition-date fair values of total purchase consideration:

Particulars	₹ Million
Upfront consideration	4,449.89
Contingent consideration	1,168.18
Total purchase consideration	**5,618.07**

Acquisition-date fair values of assets acquired and liabilities assumed:

Particulars	In ₹ Million
Assets	
Current assets	
Cash & cash equivalents	842.41
Trade receivables	1,130.77
Other current assets	116.96
Other current financial assets	1.88
Current tax assets (net)	208.82
Non-current assets	
Property, plant and equipment	11.62
Customer relations	1,548.49
Goodwill	3,322.19
Subtotal	**7,183.14**
Liabilities	
Current liabilities	
Trade payables	1,058.40
Other current financial liabilities	226.64
Other current liabilities	280.03
Subtotal	**1,565.07**
Net assets taken over	**5,618.07**

The goodwill of ₹ 3,322.19 Million (refer note 5.4) comprises the value of expected synergies arising from the acquisition and a customer list, which is not separately recognised. The customer list is non separable therefore, it does not meet the criteria for recognition as an intangible asset under Ind AS 38. Goodwill recognised is not expected to be deductible for income tax purposes.

The fair value of the trade receivables amounts to ₹ 1,130.77 Million. The gross amount of trade receivables is ₹ 1,154.69 Million. However, it is expected that the full contractual amounts can be collected except for ₹ 23.92 Million on account of preacquisition adjustments which will be recovered from the dues of selling shareholders.

Transaction costs of ₹ 56.47 Million and ₹ 118.69 Million have been expensed and are included in other expenses for the year ended March 31, 2022 and March 31, 2023 respectively.

Revenue of ₹ 2,495.99 Million for the year ended March 31, 2024 is included in the financial statements. The profit included for the year ended March 31, 2024 is ₹ 330.47 Million.

Analysis of cash flows on acquisition:

Particulars	In ₹ Million#
Transaction costs of the acquisition (included in cash flows from operating activities)*	(175.16)
Net cash acquired with the subsidiary (included in cash flows from investing activities)	842.41
Payment made towards upfront consideration (included in cash flows from investing activities, net of tax)	(3,316.02)

* Represents the expenditure incurred over the period of time on acquisition.
# Negative amount represents cash outflows

Contingent consideration

As part of the purchase agreement with the selling shareholders of Media Agility, a contingent consideration has been agreed. There will be additional cash payments to the selling shareholders of:

a)₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 39,998 Thousands of target net revenue in a 12-month period after the acquisition date,

b)₹ 678.34 Million(undiscounted), if the Company as a result of the acquisition generates up to USD 54,393 Thousands of target net revenue in a 12-month period after the acquisition date.

As at the acquisition date, the fair value of the contingent consideration was estimated to be ₹ 1,168.18 Million.

Significant unobservable valuation inputs are provided below:

Assumed probability	90%
Discount rate	3%

Significant increase / (decrease) in the probability would result in higher / (lower) fair value of the contingent consideration liability, while significant increase / (decrease) in the discount rate would result in lower / (higher) fair value of the liability.

As at March 31, 2024, the key performance indicators show that it is highly probable that the target will be achieved due to a significant expansion of the business and the synergies realised. The fair value of the contingent consideration measured as at March 31, 2024 reflects this development, amongst other factors and a re-measurement charge has been recognised through profit or loss. A reconciliation of fair value measurement of the contingent consideration liability (Level 3) is provided below:

Particulars	₹ Million
Opening balance as at April 01, 2022	-
Liability arising on business combination	1,168.18
Unrealised fair value changes recognised in profit or loss	33.88
Unrealied foreign exchange reinstatement loss	88.41
Closing balance as at March 31, 2023	**1,290.47**
Opening balance as at April 01, 2023	**1,290.47**
Unrealised fair value changes recognised in profit or loss	20.79
Payment during the year	(580.33)
Other adjustments	(100.44)
Unrealied foreign exchange reinstatement gain	18.54
Closing balance as at March 31, 2024	**649.03**

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45 Ratio Analysis and its elements

Ratio	Denomination	Numerator	Denominator	March 31, 2024	March 31, 2023	% change	Reason for variance (If more than 25%)
(a) Current ratio	Number	Current Assets	Current Liabilties	1.89	1.71	10.53%	
(b) Debt-Equity ratio	%	Debt	Shareholder's Equity	4.18%	10.86%	-6.68%	
(c) Debt Service Coverage ratio	Number	Earnings available for debt service**	Debt service within a year	8.49	6.51	30.41%	Refer note 1
(d) Return on Equity ratio	%	Net Profit after tax	Average Shareholder's Equity	24.94%	25.66%	-0.72%	
(e) Trade Receivables turnover ratio	Number	Revenue from operations	Average Trade receivables	5.51	5.13	7.29%	
(f) Trade payables turnover ratio	Number	Cost of professionals and other expenses ± non-cash adjustments	Average Trade payables	2.73	3.23	-15.62%	
(g) Net capital turnover ratio	Number	Revenue from operations	Working capital	5.07	5.82	-13.03%	
(h) Net profit ratio	%	Net Profit after tax	Turnover	11.13%	11.03%	0.10%	
(i) Return on Capital employed	%	Profit before interest and tax	Average capital employed	28.58%	30.43%	-1.85%	
(j) Return on investment	%	Income generated from treasury investments	Average invested funds in treasury investments	6.86%	5.28%	1.60%	

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

Note 1: The increase in interest rates and incremental borrowings during the year ended March 31, 2024, primarily resulted in higher finance expense.

46 The Parent Company has deposits of ₹ 430 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 Parent Company has fully provided for these deposits, along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. The Parent 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.

47 Finance costs include interest on lease liability of ₹ 180.02 million under finance costs (Previous year ₹ 137.86 million) and notional interest on amounts due to selling shareholders ₹ 51.05 million (Previous year ₹ 112.76 million).

48 The Group has working capital facilities from banks on the basis of security of trade receivables. The quarterly statements of trade receivables filed by the Group with banks are in complete agreement with the books of accounts.

49 The Group 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 Group (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security to or on behalf of the Ultimate Beneficiaries.

50 The Group has not received funds from any entities, including foreign entities (Funding Parties), with the understanding that the Group shall directly or indirectly, lend or invest in other persons or entities by or on behalf of the Funding Party (Ultimate Beneficiaries). Further, the Group has not provided any guarantee, security on behalf of the Ultimate Beneficiaries.

51 During the year Persistent Systems Germany GMBH ('PSG') (a wholly owned subsidiary of Persistent Systems Limited) has entered into restructuring arrangement and accordingly wholly owned subsidiaries Youperience GMBH and Parx Consulting GmbH are merged into Persistent Systems Germany GMBH with effect from September 01, 2023. Since both the entities are under common control of PSG, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. This transaction does not have any impact on the consolidation.

52 During the year Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branch has been transfered to Persistent Systems Australia Pty Ltd with effect from October 01, 2023. Since both the entities are under common control of PSL, it falls under purview of appendix C of Ind-AS 103 accordingly accounting is done under pooling of interest method. This transaction does not have any impact on the consolidation.

53 The Board of Directors of the Company at its meeting held on January 20, 2024, approved the Scheme of Merger of Capiot Software Private Limited (Wholly Owned Subsidiary) into Persistent Systems Limited, and accordingly, an application of Merger has been filed with the National Company Law Tribunal, Mumbai (NCLT) on March 22, 2024.

54 The Share Purchase Agreement ('SPA') for the transfer of the 100% shareholding of Persistent Systems UK Limited (subsidiary) from Aepona Group Limited, Ireland (subsidiary) to Persistent Systems Limited was executed on Tuesday, March 19, 2024.

55 During the year ended March 31, 2024, the group has done fair valuation of contingent consideration payable towards acquisition of business to the erstwhile shareholders of Data Glove Incorporated, Software Corporation International & SCI Fusion 360, LLC and Shree Partners. Based of the fair valuation, the liability has been adjusted by ₹ 743.03.

56 The Business Transfer Agreement has been executed for the transfer of the business of the UK Branch of the Company to Persistent Systems UK Limited effective from April 1, 2024. This transaction does not have any impact on the consolidation.

57 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 Group 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 level.

The database of the accounting software is operated by a third-party software service providerThe 'Independent Service Auditor's Assurance Report on the Description of Controls, their Design and Operating Effectiveness' ('Type 2 report' issued in accordance with ISAE 3402, Assurance Reports on Controls at a Service Organisation) includes suitability of the design and operating effectiveness of controls. However, the availability of audit trail (edit logs) are not covered in the said report.

In our view, the group's ERP being a SaaS based software, the audit trail at the database level is not applicable.

58 In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 million, which have been refunded under protest with interest of ₹ 41.03 million, aggregating to ₹ 296.55 million, the Holding Company had filed an application with Directorate General of Foreign Trade (DGFT). The Parent Company believes that its services were eligible for the export incentives and the dispute is purely an interpretation issue given the highly technical nature. With the intention of avoiding litigation and settling the dispute, the Company had applied before the Settlement Commission for settlement of the case and had offered to forego ₹ 296.55 million. The Parent Company had recognized a provision of ₹ 296.55 million for the quarter ended 31 December 2022, which was presented as an "exceptional item" in the statement of profit and loss for that period. During the quarter, the Settlement Commission has approved the Parent Company's application and has settled the liability of ₹ 296.55 million including interest. As the amount has already been provided for in full by the Company, no further adjustment is necessary in these financial statements.

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 to current year's classification. The impact of such regrouping is not material to financial statements.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR Digitally signed by SHASHI TADWALKAR Date: 2024.04.21 21:46:50 +05'30'

Shashi Tadwalkar
Partner
Membership No. : 101797

Place : India
Date : April 21, 2024

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

Anand Deshpande (Apr 21, 2024 10:50 EDT) Sandeep Kalra (Apr 21, 2024 10:44 EDT) PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.04.21 20:55:21 +05'30'

Dr. Anand Deshpande	**Sandeep Kalra**	**Praveen Kadle**
Chairman and Managing Director	Executive Director and Chief Executive Officer	Independent Director
DIN: 00005721	DIN: 02506494	DIN: 00016814
Place : USA	Place : USA	Place : India
Date : April 21, 2024	Date : April 21, 2024	Date : April 21, 2024

Sunil Sapre (Apr 21, 2024 10:56 EDT) Amit Atre (Apr 21, 2024 11:02 EDT)

Sunil Sapre	**Amit Atre**
Executive Director and Chief Financial Officer	Company Secretary
DIN: 06475949	Membership No. A20507
Place : USA	Place : USA
Date : April 21, 2024	Date : April 21, 2024

DISCLAIMER

The following auditor's report, prepared in accordance with § 322 HGB ["Handelsgesetzbuch": "German Commercial Code"], refers to the complete consolidated financial statements, comprising of consolidated statement of financial position as of December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the Calendar Year from January 1, 2025 to December 31, 2025, and notes to the consolidated financial statements, including significant information on the accounting policies, together with the combined management report of Nagarro SE, Munich for the Calendar Year from January 1, 2025 to December 31, 2025. The combined management report is not included in this Placement Document. The following auditor's report and consolidated financial statements are both translations of the respective German-language documents. The consolidated financial statements as of December 31, 2025 have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft and on which KPMG AG Wirtschaftsprüfungsgsellschaft has issued an audit report dated April 27, 2026.

Independent auditor's report

To Nagarro SE, Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Nagarro SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2025, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of Nagarro SE for the financial year from January 1 to December 31, 2025.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. In accordance with German legal requirements, we have not audited the cross-references and the information to which the cross-references refer.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2025, and of its financial performance for the financial year from January 1 to December 31, 2025, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report. The combined management report contains cross-references that are not provided for by law and which are marked as unaudited. Our audit opinion does not extend to the cross-references and the information to which the cross-references refer.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of revenue

For information on the accounting policies please refer to Section B Note 6a and Section D Note 1 in the notes to the consolidated financial statements.

The financial statement risk

The Group's revenue in financial year 2025 amounted to EUR 999.3 million.

Nagarro SE generates its revenue from IT services mainly provided as part of staff leasing in return for payment based on time and costs, or from other IT services provided as part of fixed-price projects, monthly recurring services and the sale of IT licenses.

Revenue is an important target achievement indicator for Nagarro and also provides an important basis for decision-making.

Regarding the invoicing of the respective IT service, there is a risk for the consolidated financial statements that revenue for which no payment has been received as of the reporting date does not exist.

Our audit approach

We first obtained an understanding of the process and assessed the setup and implementation – and for individual subgroups/companies also the effectiveness – of the established internal controls designed to ensure that contract-related staff expenses and other expenses are recorded correctly in the internal contract accounts.

In addition, we assessed the amount of revenue recognized for which no payment had been received as of the reporting date by obtaining third-party confirmations, or alternatively by comparing the invoices with the corresponding contractual bases, any proof of delivery and performance, internal time records and approvals and – where available – payments received after the reporting date. The basis for this was revenue selected using a statistical procedure.

We reviewed a sample of credit notes issued after the reporting date and verified that they had been recorded correctly.

Our observations

Nagarro SE's approach for recognizing revenue is appropriate.

Other Information

The Management Board and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the Group's separate non-financial report, which is referred to in the combined management report,
- the combined corporate governance statement for the Company and Group, which is contained in Section IV of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes the remaining parts of the annual report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Management Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Management Board is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In

addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Management Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Management Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Management Board and the reasonableness of estimates made by the Management Board and related disclosures.
- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Management Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Management Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file “nagarrose-2025-12-31-1-de.zip” (SHA256 hash value: 18797b8b5a666de25dcc0bb5b68df4677dbbb83daf5c2333290228cb1488af29) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2025, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

Basis for the Assurance Opinion

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described in the "Auditor’s Responsibilities for the Assurance Work on the ESEF Documents" section. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

Responsibilities of Management and the Supervisory Board for the ESEF Documents

The Company's Management Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's Management Board is responsible for such internal control as they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Group Auditor’s Responsibilities for the Assurance Work on the ESEF Documents

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.

- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on June 30, 2025. We were engaged by the Supervisory Board on November 5, 2025. We have been the auditor of the consolidated financial statements of Nagarro SE without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Maximilian Bergler.

Munich, April 27, 2026
KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hanshen	Bergler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Consolidated statement of financial position

Assets	Note	December 31, 2025	December 31, 2024
in kEUR			
Intangible assets	C.1.	44,434	43,396
Goodwill	C.2.	206,362	214,242
Property, plant and equipment	C.3.	8,312	10,029
Right-of-use assets	C.4.	69,942	53,274
Non-current contract assets	C.8.	399	432
Other non-current financial assets	C.5.	3,902	2,133
Other non-current assets	C.6.	1,133	663
Deferred tax assets	C.7.	26,864	16,491
Non-current assets		**361,349**	**340,660**
Current contract assets	C.8.	20,725	15,529
Trade receivables	C.9.	198,263	219,332
Other current financial assets	C.5.	11,686	7,850
Other current assets	C.6.	14,866	13,324
Income tax receivables		11,456	6,440
Cash and cash equivalents	C.10.	124,617	192,567
Current assets		**381,614**	**455,041**
Total assets		**742,963**	**795,701**

Equity and liabilities	Note	December 31, 2025	December 31, 2024
in kEUR			
Share capital	C.11.	12,922	13,776
Treasury shares, at cost	C.11.	(40,213)	(39,757)
Capital reserve	C.11.	241,794	241,030
Profit carried forward	C.11.	185,624	215,631
Net profit for the period	C.11.	39,492	49,156
Changes in equity recognized directly in equity	C.11.	(260,612)	(260,612)
Other comprehensive income	C.11.	(23,984)	3,436
Total equity		**155,024**	**222,660**
Non-current loans and borrowings	C.12.	307,112	320,835
Non-current lease liabilities	C.4.	53,818	36,086
Long-term employee benefits liabilities	C.13.	33,827	22,581
Other long-term provisions	C.16.	212	434
Other non-current financial liabilities	C.15.	5,861	5,743
Non-current liabilities from acquisitions	C.14.	5,349	4,468
Deferred tax liabilities	C.7.	13,869	13,785
Non-current liabilities		**420,048**	**403,932**
Current loans and borrowings	C.12.	2,948	8,777
Current lease liabilities	C.4.	18,269	18,396
Short-term employee benefits liabilities	C.13.	14,315	16,085
Other short-term provisions	C.16.	26,989	26,365
Current contract liabilities	C.8.	14,285	14,105
Trade payables		19,036	17,076
Current liabilities from acquisitions	C.14.	3,871	1,405
Other current financial liabilities	C.15.	42,305	40,478
Other current liabilities	C.17.	15,711	17,022
Income tax liabilities		10,163	9,399
Current liabilities		**167,891**	**169,108**
Total liabilities		**587,939**	**573,041**
Equity and liabilities		**742,963**	**795,701**

Consolidated statement of comprehensive income

Profit or loss	Note	2025	2024
in kEUR			
Revenue	D.1.	999,296	971,987
Own work capitalized		127	259
Other operating income	D.2.	9,085	30,597
Cost of freelancers and other direct costs	D.3.	(82,869)	(68,879)
Staff costs	D.4.	(706,247)	(703,022)
Reversal of impairment/(impairment) of trade receivables, contract assets and other financial assets	F.9.	380	(3,015)
Other operating expenses	D.5.	(101,076)	(93,878)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		**118,694**	**134,049**
Depreciation, amortization and impairment	D.6.	(35,688)	(37,317)
Earnings before interest and taxes (EBIT)		**83,007**	**96,732**
Finance income	D.7.	2,503	3,500
Finance costs	D.8.	(20,062)	(21,133)
Earnings before taxes (EBT)		**65,448**	**79,099**
Income taxes	C.7.	(25,955)	(29,943)
Profit for the period		**39,492**	**49,156**

Other comprehensive income	Note	2025	2024
in kEUR			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)	C.13.	1,701	559
Tax effects		(329)	(336)
		1,373	**223**
Items that may be reclassified to profit or loss			
Foreign exchange differences		(29,205)	14,223
Tax effects		412	(720)
		(28,793)	**13,503**
Other comprehensive income for the period		**(27,420)**	**13,726**
Total comprehensive income for the period		**12,072**	**62,882**

Basic earnings per share ('Basic EPS') in EUR:	D.9.		
- based on weighted average		3.08	3.69
- based on outstanding shares		3.18	3.69

Diluted earnings per share ('Diluted EPS') in EUR:	D.9.		
- based on weighted average		3.08	3.69
- based on outstanding shares		3.18	3.69

Consolidated statement of changes in equity

in kEUR	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign exchange differences	Actuarial gain or loss on pension provisions	
Balance at January 1, 2025	**13,776**	**(39,757)**	**241,030**	**215,631**	**49,156**	**(260,612)**	**6,539**	**(3,102)**	**222,660**
Profit for the year	–	–	–	–	39,492	–	–	–	39,492
Other comprehensive income for the year	–	–	–	–	–	–	(28,793)	1,373	(27,420)
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**39,492**	**–**	**(28,793)**	**1,373**	**12,072**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,156	(49,156)	–	–	–	–
Purchase of treasury shares	–	(67,835)	–	–	–	–	–	–	(67,835)
Dividends	–	–	–	(12,638)	–	–	–	–	(12,638)
Redemption of treasury shares	(854)	67,379	–	(66,525)	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Stock option (SOP) and employee share participation program expense	–	–	765	–	–	–	–	–	765
Balance at December 31, 2025	**12,922**	**(40,213)**	**241,794**	**185,624**	**39,492**	**(260,612)**	**(22,255)**	**(1,729)**	**155,024**

in kEUR	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign exchange differences	Actuarial gain or loss on pension provisions	
Balance at January 1, 2024	**13,776**	**(39,757)**	**251,717**	**166,476**	**49,155**	**(260,612)**	**(6,964)**	**(3,325)**	**170,466**
Profit for the year	–	–	–	–	49,156	–	–	–	49,156
Other comprehensive income for the year	–	–	–	–	–	–	13,503	223	13,726
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**49,156**	**–**	**13,503**	**223**	**62,882**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,155	(49,155)	–	–	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Transfer of capital reserves to provisions on modification of equity-settled SOP to cash-settled SOP	–	–	(13,893)	–	–	–	–	–	(13,893)
Stock option and employee share participation program expense	–	–	3,206	–	–	–	–	–	3,206
Balance at December 31, 2024	**13,776**	**(39,757)**	**241,030**	**215,631**	**49,156**	**(260,612)**	**6,539**	**(3,102)**	**222,660**

Consolidated statement of cash flows

Cash flows	Note	2025	2024
in kEUR			
Cash flows from operating activities			
EBIT		83,007	96,732
Depreciation, amortization and impairments of non-current assets		35,688	37,317
Change in long-term employee benefits liabilities		13,237	3,346
Other non-cash income and expenses		20,834	5,263
Income taxes paid		(43,045)	(32,885)
Cash flows from changes in net working capital	E.1.	(9,221)	(16,723)
Net cash (outflows) / inflows from non-recourse factoring	E.2.	2,310	(6,530)
Net cash inflow from operating activities		**102,809**	**86,520**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(7,765)	(7,372)
Proceeds from sale of property, plant and equipment		34	141
Investment in fixed deposits		(728)	4,761
Interest received		2,526	3,843
Acquisition of subsidiaries, net of cash acquired	E.4.	(16,126)	(18,216)
Net cash outflow from investing activities		**(22,059)**	**(16,842)**
Cash flows from financing activities			
Dividend paid		(12,637)	-
Purchase of treasury shares	C.11.	(67,835)	-
Proceeds from bank loans	E.3.	19,758	56,229
Repayment of bank loans	E.3.	(35,339)	(4,587)
Payment of principal portion of lease liabilities	E.3.	(22,600)	(23,895)
Interest paid		(17,528)	(17,885)
Net cash (outflow)/ inflow from financing activities		**(136,182)**	**9,862**
Total cash flow		**(55,431)**	**79,540**
Effects of exchange rate changes on cash and cash equivalents		(8,464)	(438)
Total changes in cash and cash equivalents		**(63,896)**	**79,102**
Cash and cash equivalents at the beginning of the period	C.10.	186,879	107,777
Cash and cash equivalents at the end of the period	C.10.	122,984	186,879

Notes to the consolidated financial statements

A. General information

1. Corporate information

The consolidated financial statements comprise Nagarro SE (the "parent company") and its subsidiaries (together referred to as "Nagarro") and are prepared in compliance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU) and the additional requirements pursuant to Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). Nagarro SE's registered office is Baierbrunner Str. 15, 81379 Munich, Germany. It is registered with the commercial register of the District Court of Munich under commercial register sheet number HRB 254410. Nagarro's bouquet of specialized services includes digital product engineering, digital commerce and customer experience, Big Data and AI services, new-gen ERP consulting and managed services. The shares of Nagarro SE are traded under ISIN DE000A3H2200 in the Prime Standard (Regulated Market) in Frankfurt a. M. (Xetra) and in the over-the-counter markets in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart and Tradegate Exchange.

2. Basis of accounting

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements of Nagarro SE were prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and according to the commercial law regulations pursuant to Section 315e of the German Commercial Code (HGB).

These consolidated financial statements of Nagarro SE, prepared in accordance with IFRS, consist of the consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the consolidated financial statements. The consolidated financial statements of Nagarro SE are based on the going concern assumption.

The consolidated financial statements are presented in euros, which is Nagarro SE's functional currency. Amounts are stated in thousands of euros (kEUR), except where otherwise indicated. Decimal values of 0.5 or greater are rounded upward and decimal values below 0.5 are rounded downward. Rounding differences may arise when individual amounts or percentages are added together. The figures reported in the consolidated financial statements for the financial year are presented with comparative figures from the previous year.

The consolidated financial statements were prepared on April 27, 2026 by the Management Board of Nagarro SE and approved for publication.

Details of Nagarro's accounting policies, including changes thereto, are included in Note B. Material accounting policies.

B. Material accounting policies

Nagarro has consistently applied the following material accounting policies to the whole period presented in these consolidated financial statements.

1. New and amended standards adopted

The group applied for the first time the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after January 1, 2025:

Standard / interpretation	Title of the standard, interpretation or amendment
Amendments to IAS 21	Lack of exchangeability

Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have an impact on Nagarro's consolidated financial statements.

2. Standards and interpretations not yet applied

The IASB and IFRIC have issued the standards as detailed in the table below, the application of which was not yet mandatory for the periods presented in the consolidated financial statements according to the EU regulations.

Nagarro has not applied for early adoption of any of the standards/interpretations that were allowed.

Standard / interpretation	Title of the standard, interpretation or amendment	First time application
Endorsed by the EU		
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments and Contracts referencing nature-dependent electricity	January 1, 2026
Annual Improvements - Volume 11	Amendments to: IFRS 1 First-time adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated financial statements; and IAS 7 Statement of cash flows	January 1, 2026
IFRS 18	Presentation and disclosure in financial statements	January 1, 2027
Not yet endorsed by the EU		
IFRS 19	Subsidiaries without public accountability: Disclosures	January 1, 2027
Amendments to IAS 21	IAS 21 The effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency	January 1, 2027

Amendments to IFRS 9 and IFRS 7

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are not expected to have a significant impact on Nagarro's consolidated financial statements.

Annual improvements – Volume 11

Annual improvements contain amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The amendments are intended to improve the consistency of the standards by clarifying wording, correcting errors, and simplifying the standards. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The annual improvements are not expected to have a significant impact on Nagarro's consolidated financial statements.

IFRS 18

IFRS 18 will replace IAS 1 Presentation of Financial Statements and the new standard introduces the following key new requirements.

• Nagarro will be required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Nagarro will also be required to present a newly-defined operating profit subtotal. Nagarro's net profit will not change.

• Management-defined performance measures (MPMs) will be disclosed in a single note in the financial statements.

• Enhanced guidance will be provided on how to group information in the financial statements.

In addition, Nagarro will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Nagarro is still in the process of assessing the impact of the new standard, particularly with respect to the structure of Nagarro's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. Nagarro is also assessing the impact on how information is grouped in the financial statements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

IFRS 19

IFRS 19 will allow eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As Nagarro's equity is publicly traded, it is not eligible to elect to apply IFRS 19.

Amendments to IAS 21

The amendments clarify the translation requirements when an entity presents its financial statements in a hyperinflationary presentation currency. As Nagarro's presentation currency is the Euro (EUR), which is not a hyperinflationary currency, the amendments are not expected to be applicable. Accordingly, Nagarro does not expect the amendments to have a material impact on its consolidated financial statements.

The amendments will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

3. Basis of consolidation

Consolidation

The consolidated financial statements of Nagarro group include Nagarro SE and its subsidiaries (together "Nagarro"). Subsidiaries are entities which are controlled by Nagarro. Nagarro controls an entity, in particular, if and only if it possesses all of the following characteristics:

- the power of disposal over the investee company (i.e., Nagarro has the possibility to control those activities of the investee company that have a significant influence on its return on the basis of currently existing rights),

- a risk burden due to or entitlement to fluctuating returns from its involvement in the investee company, and

- the ability to use its power of disposal over the investee company in such a way that the return of the investee company is thereby influenced.

If Nagarro does not hold a majority of the voting rights or comparable rights in an investee company, it takes all facts and circumstances into account when assessing whether it has the power of disposal of this investee company. These include:

- a contractual agreement with the other voters,

- rights resulting from other contractual agreements,

- voting rights and potential voting rights of the Group.

The financial statements of the subsidiaries are prepared in accordance with uniform accounting policies, on the same reporting date as the financial statements of Nagarro SE and the financial statements of Nagarro group. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. In the event of loss of control, deconsolidation takes place at that time. Intra-group balances and business transactions and the resulting unrealized intra-group gains and losses as well as dividends are eliminated in full. The tax deferrals required by IAS 12 are applied to temporary differences from consolidation.

The same consolidation methods were used for the 2025 and 2024 consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to Nagarro. In determining whether a particular set of activities and assets is a business, Nagarro assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Nagarro has an option to apply the 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred in the acquisition, for the identifiable net assets acquired, is measured at fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase price is recognized in the consolidated statement of profit or loss. Transaction costs are expensed as incurred and included in other operating expenses.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognized in the consolidated statement of profit or loss. If the obligation to pay contingent consideration to the selling shareholders, who become employees of Nagarro, is forfeited upon termination of employment subject to the assessment of the likelihood of this happening, the contingent consideration, whether earnout or retention payments, is remuneration for post-combination services and not part of the consideration for the acquisition and accordingly not capitalized. These post-combination services are accounted for as an expense as staff costs, based on best estimates to meet the agreed targets for the reporting period and satisfy the earnout and retention criteria.

Subsidiaries

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The following table presents an overview of the legal entities that are in scope of consolidation for the reporting periods presented in the consolidated financial statement.

	December 31,	
	2025	2024
Nagarro SE, Munich, Germany	100.00%	100.00%
Nagarro Inc., San Jose, USA	100.00%	100.00%
Nagarro Software Pvt. Ltd., Gurugram, India	100.00%	100.00%
Nagarro Software S.A. De C.V., Monterrey, Mexico	100.00%	100.00%
Nagarro Software Inc., Fishers, USA	100.00%	100.00%
Nagarro Software Solutions (Beijing), Inc. (China)	100.00%	100.00%
Advanced Technology Consulting Service Inc., San Jose, USA	100.00%	100.00%
Advanced Technology Consulting Service Canada Inc., Toronto, Canada	100.00%	100.00%
Ace Outsource LC, Salt Lake City, USA	100.00%	100.00%
RipeConcepts Incorporated, Cebu, Philippines	100.00%	100.00%
Nagarro GS Inc., San Jose, USA	100.00%	100.00%
Telesis7 LLC, Missouri, USA	100.00%	100.00%
Charles Hudson Technology Solutions Inc., Cambridge, USA [1)]	100.00%	-
CH Technology Solutions India Private Limited, Karnataka, India [1)]	100.00%	-
Nagarro Global Services Asia Pte. Ltd., Singapore	100.00%	100.00%
Nagarro Enterprise Services Pvt. Ltd., Gurugram, India	100.00%	100.00%
Advanced Technology Consulting Service Private Limited, Jaipur, India	100.00%	100.00%
Nagarro SDN. BHD., Kuala Lumpur, Malaysia	100.00%	100.00%
Nagarro K.K., Tokyo, Japan	100.00%	100.00%
Inaho Digital Solutions Co. Ltd., Tokyo, Japan [1)]	100.00%	-
Nagarro (Private) Limited, Colombo, Sri Lanka	100.00%	100.00%
Techmill Global Pte Ltd, Singapore [2)]	-	100.00%
Tech Mills (Australia) Pty Ltd, Sydney, Australia [3)]	-	100.00%
Nagarro LLC, Almaty, Kazakhstan [4)]	100.00%	-
Nagarro Software AB, Stockholm, Sweden	100.00%	100.00%
Nagarro GmbH, Vienna, Austria	100.00%	100.00%
Nagarro ATCS GmbH, Stuttgart, Germany [5)]	-	100.00%
Nagarro GmbH, Munich, Germany	100.00%	100.00%
Nagarro SRL, Cluj-Napoca, Romania	100.00%	100.00%
Nagarro iQuest Schweiz AG, Zurich, Switzerland	100.00%	100.00%
iQuest SPZOO, Warsaw, Poland	100.00%	100.00%
Nagarro Software Ltd., London, United Kingdom	100.00%	100.00%
FWD View Ltd., London, United Kingdom	100.00%	100.00%
Nagarro AS, Oslo, Norway	100.00%	100.00%
Nagarro Pty. Ltd., Sydney, Australia	100.00%	100.00%
Nagarro Oy, Espoo, Finland [3)]	-	100.00%
Nagarro Ltd., Valetta, Malta	100.00%	100.00%
Nagarro Pty. Ltd., Pretoria, South Africa	100.00%	100.00%
Nagarro Company Ltd., Bangkok, Thailand	100.00%	100.00%
Nagarro Ltd., Port Louis, Mauritius	100.00%	100.00%
Nagarro MENA LLC, Dubai, UAE	100.00%	100.00%
Nagarro Software Co. W.L.L, Manama, Bahrain	100.00%	100.00%
Nagarro for Information Technology, Riyadh, Saudi Arabia	100.00%	100.00%
Nagarro Software FZCO, Dubai, UAE [3)]	-	100.00%

Nagarro Software Co. W.L.L, New Cairo, Egypt	100.00%	100.00%
Nagarro AI Limited, Dubai, United Arab Emirates [4]	100.00%	-
Nagarro ES GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Nagarro ES France SAS, Entzheim, France	100.00%	100.00%
Nagarro Denmark A/S, Herlev, Denmark	100.00%	100.00%
Nagarro S.A.S., Quito, Ecuador	100.00%	100.00%
Nagarro Software S.A.S., Bogotá D.C., Colombia	100.00%	100.00%
Nagarro, UNIPESSOAL LDA, Funchal, Portugal	100.00%	100.00%
Nagarro Software, S.L., Madrid, Spain [6]	-	100.00%
Nagarro Co., Ltd., Taipei, Taiwan	100.00%	100.00%
Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Advanced Programming Solutions, S.L., Palma de Mallorca, Spain	100.00%	100.00%
M.B.İ.S Bilgisayar Otomasyon Danışmanlık ve Eğitim Hizmetleri Sanayi ve Ticaret A.Ş., Istanbul, Türkiye	100.00%	100.00%
Novaline Bilişim Teknolojileri Danışmanlığı A.Ş., Istanbul, Türkiye	100.00%	100.00%
Analytica Bilgi Teknolojileri A.Ş., Istanbul, Türkiye	100.00%	100.00%
Nagarro Korlátolt Felelősségű Társaság, Budapest, Hungary	100.00%	100.00%
Nagarro Software Limited, Dublin, Ireland	100.00%	100.00%

1) These companies were acquired in 2025
2) This company was merged with Nagarro Global Services Asia Pte. Ltd., Singapore in 2025
3) These companies were closed in 2025
4) These companies were incorporated in 2025
5) This company was merged with Nagarro GmbH, Germany in 2025
6) This company was merged with Advanced Programming Solutions, S.L., Spain in 2025

Nagarro has merged the following legal entities during the year:

(i) Nagarro Software, S.L., Spain has been merged with Advanced Programming Solutions, S.L., Spain with an effective merger date of January 1, 2025.

(ii) Nagarro ATCS GmbH, Germany, merged with Nagarro GmbH, Germany. The merger became legally effective on August 7, 2025 and applies retroactively to January 2, 2025 for internal and accounting purposes.

(iii) Techmill Global Pte Ltd, Singapore has been merged with Nagarro Global Services Asia Pte. Ltd., Singapore with an effective merger date of December 24, 2025.

4. Currency translation

The functional currency of the entities located in the Eurozone is the Euro. The functional currency of all other entities is the respective local currency. As part of the preparation of the consolidated financial statements, the annual financial statements of the entities prepared in a foreign currency were translated into Euro, the reporting currency of Nagarro.

Transactions and balances

Transactions in foreign currencies different from the functional currency of the respective Nagarro company are translated at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. If it results in exchange rate gains or losses due to payments or measurements of monetary assets and liabilities at later points in time, these are recognized in profit or loss of the respective Nagarro company. These incomes and expenses from currency translation are shown on a net basis in these consolidated financial statements.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions of the respective Nagarro company. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined by the respective Nagarro company. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other

Comprehensive Income ("OCI") or profit or loss are also recognized in OCI or profit or loss, respectively) of the respective Nagarro company.

Non-Eurozone Nagarro entities

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) At the consolidation level, items of the statement of comprehensive income are translated at the yearly average rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) from the respective functional currency of the subsidiaries to Euro.

(ii) The closing rates at the period end were used for the translation of assets and liabilities.

(iii) Differences arising from translation to Nagarro's reporting currency are reported directly in other comprehensive income not impacting profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit or loss as part of the gain or loss on disposal. If Nagarro disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative interest is reattributed to non-controlling interests.

The following exchange rates are applied for the translation of annual financial statements prepared in foreign currencies:

		Average rate		Period-end rate	
		per 1 EUR		per 1 EUR	
	Currency	**2025**	**2024**	**Dec 31, 2025**	**Dec 31, 2024**
Australian Dollar	AUD	1.752	1.640	1.757	1.674
Bahraini Dinar	BHD	0.426	0.408	0.443	0.392
Canadian Dollar	CAD	1.579	1.482	1.609	1.493
Chinese Yuan Renminbi	CNY	8.121	7.777	8.213	7.581
Colombian Peso	COP	4573.092	4405.814	4418.540	4578.940
Danish Krone	DKK	7.463	7.459	7.469	7.458
Egyptian Pound	EGP	55.624	52.807	55.991	52.807
Indian Rupee	INR	98.534	90.531	105.518	88.906
Japanese Yen	JPY	169.076	163.822	183.926	162.897
Malaysian Ringgit	MYR	4.836	4.949	4.764	4.642
Mauritian Rupee	MUR	51.741	49.980	54.248	48.817
Mexican Peso	MXN	21.674	19.813	21.128	21.553
Norwegian Krone	NOK	11.724	11.632	11.823	11.788
Philippine Peso	PHP	64.975	61.974	69.162	60.320
Polish Zloty	PLN	4.241	4.306	4.229	4.274
Romanian Leu	RON	5.041	4.975	5.096	4.976
Saudi Riyal	SAR	4.240	4.060	4.403	3.902
Singapore Dollar	SGD	1.476	1.446	1.509	1.415
South African Rand	ZAR	20.192	19.827	19.469	19.559
Sri Lankan Rupee	LKR	340.079	326.680	363.953	304.454
Swedish Krona	SEK	11.067	11.437	10.814	11.460
Swiss Franc	CHF	0.947	0.964	0.937	0.947
Thai Baht	THB	37.125	38.163	37.027	35.620
UAE Dirham	AED	4.151	3.974	4.312	3.815
United Kingdom Pound	GBP	0.857	0.847	0.872	0.829
US Dollar	USD	1.130	1.082	1.174	1.039
Hungarian Forint	HUF	397.831	395.327	385.084	411.275
Turkish Lira	TRY	50.544	36.802	50.544	36.802
New Taiwan Dollar	TWD	35.177	34.738	36.839	34.036
Kazakhstani Tenge	KZT	598.802	0.000	595.238	0.000

5. Notes to the consolidated statement of financial position

The consolidated statements of financial position are prepared in accordance with IAS 1 Presentation of Financial Statements. Assets that are realized within the next twelve months and liabilities that are due within one year are generally reported as current.

a. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is aligned to the single cash-generating unit.

Where goodwill has been aligned to the single cash-generating unit (CGU) and part of the operation within that single 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 of in these circumstances is measured based on the relative values of the disposed of operation and the portion of the cash-generating unit retained.

b. Intangible assets

Orders on hand, customer lists, websites, and products acquired in business combinations are initially recognized at fair value and subsequently measured at its cost less accumulated amortization and any accumulated impairment. Orders on hand are amortized on a straight-line basis over one to four years. Acquired products are amortized on a straight-line basis over four years. Customer lists are amortized on a straight-line basis over four to fifteen years.

In-house developments are recognized as intangible assets, if the development costs can be measured reliably, and from which an economic benefit from a sale of the services anticipated in the future is probable. Capitalized costs for in-house developments are measured at cost less accumulated amortization and impairment. In-house developments are amortized for the first time from the month of completion on a straight-line basis with a term of four years. Interest on borrowings is not included in the cost of production.

Purchased software, licenses and rights are measured at cost less any accumulated amortization and any accumulated impairment losses. Brands and domains are amortized on a straight-line basis over a term of 15 years. Otherwise, software, licenses and rights are subject to amortization on a straight-line basis over three to six years.

Goodwill arising from business combinations is recognized as an intangible asset with an indefinite useful life. Goodwill, and other intangible assets with indefinite useful lives or intangible assets that are not yet available for use are subject to impairment tests at least once a year. For the aforementioned assets impairment tests are also performed whenever there is an indication or specific event ("triggering event") that an asset may be impaired. If the recoverability is no longer given as the carrying amount exceeds the recoverable amount of capitalized goodwill, an impairment loss must be recognized. This is also applicable for other intangible assets with indefinite useful lives or intangible assets that are not yet available for use. Assets in use and other intangible assets with finite useful lives are tested for impairment only if there are specific indications that they may be impaired.

c. Property, plant and equipment

Property, plant and equipment are recognized at cost of acquisition or production, less accumulated depreciation and any accumulated impairment losses. For internally generated assets, cost of production includes costs that can be directly allocated, proportionate overhead costs and depreciation. Interest on borrowings directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Repair and maintenance costs are recognized as an expense directly in the consolidated statement of profit or loss. Straight-line depreciation is applied over the expected, estimated useful life of the assets. The carrying amounts of property and equipment are subject to an impairment test as soon as an impairment is indicated. Land, land rights and buildings, including constructions on third party property, are measured using the cost model. Straight-line depreciation on buildings is recognized over a maximum useful life of 58 years. Other plant, operating and office equipment is subject to straight-line depreciation over a period of three to 15 years.

d. Leases

Nagarro applies IFRS 16 for lease accounting and assesses each individual lease contract as to whether it contains a lease in accordance with IFRS 16. At the time of inception of the lease, Nagarro recognizes an asset for the right-of-use in this contract and a lease liability for the present value of future lease payments. The right-of-use asset corresponds to the present value at lease inception, adjusted for the payments made before the commencement date, plus initial direct costs incurred and estimated costs to dismantle or restore the underlying asset.

The right-of-use asset is depreciated on a straight-line basis from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to Nagarro by the end of the lease term or the cost of the right-of-use asset reflects that Nagarro will exercise purchase option. In that case, the right-of-use asset will be depreciated over the useful life of that underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that have not yet been paid. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets are not recognized for leases with a useful life of less than twelve months (short-term leases) and for leases where the respective acquisition cost does not exceed kEUR 5 (leases of low-value assets). These leases are recognized in other operating expenses in the consolidated statement of comprehensive income.

For leases acquired in the course of a business combination, Nagarro recognizes a lease liability at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date and recognizes the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The Nagarro group leases land and buildings as well as equipment and vehicles. Lease contracts for equipment and vehicles are typically made for fixed periods of three to five years, for buildings up to 18 years, but several contracts have extension or termination options. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

e. Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of an asset or liability and its tax base as well as for tax loss carryforwards.

Deferred tax is not recognized for:

(i) temporary differences on the initial recognition of an asset or a liability in a transaction that

- is not a business combination; and
- at the time of the transaction (a) affects neither accounting nor taxable profit or loss and (b) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investment in subsidiaries to the extent that Nagarro is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in Nagarro. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the future taxable profits improve.

Deferred taxes are calculated at the applicable or expected tax rates at the time of realization according to the current legal situation in the respective countries. Deferred tax assets and liabilities are calculated using country-specific tax rates. The country-specific tax rates, which are material and used for deferred taxes, are as follows:

Tax rates	2025	2024
Germany*	28.1% - 31.0%	29.8% - 31.0%
Austria	23.0%	23.0%
USA	25.7% - 27.0%	25.5% - 28.1%
India	25.2% - 29.1%	25.2% - 29.1%
France	25.0%	25.0%
Romania	16.0%	16.0%
Japan	34.7%	34.7%
Singapore	17.0%	17.0%
South Africa	27.0%	27.0%
United Arab Emirates	15.0%	9.0%
United Kingdom	25.0%	25.0%
Spain	25.0%	25.0%
Türkiye	25.0%	25.0%

*On 18 July 2025, the law for an immediate tax investment program was promulgated to strengthen Germany as a business location. Accordingly, the corporate tax rate is to be gradually reduced by one percentage point annually from 15% to 10% starting from 2028 and ending in 2032. Consequentially, deferred taxes for the German entities have been calculated using the lower future tax rates based on when the temporary differences between book and tax values reverse over time. However, it doesn't have any material effect on the Group's financial position.

Deferred tax assets and liabilities are set off if the entity has a legally enforceable right to set off current tax positions and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets and liabilities are reported under non-current assets and non-current liabilities.

f. Contract costs

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if Nagarro expects to recover them.

Costs that are incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract – are expensed as they are incurred unless they meet the criteria to be capitalized as fulfilment costs.

As a practical expedient, Nagarro does not capitalize the incremental costs to obtain a contract if the amortization period of the resulting asset would not exceed one year. The assessment of whether the practical expedient applies is made at the contract level.

Certain eligible, non-recurring costs (e.g., set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of Nagarro that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to the customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when the present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

No contract costs were incurred during the reporting period.

g. Contract assets and liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. If payment is received in respect of services prior to the delivery of services, the payment is recognized as an advance from customers and classified as contract liabilities.

With the fulfillment of contractual obligations of one of the contractual parties, either Nagarro or a customer, a contract asset or a contract liability is recognized, depending on the net balance of the performed contract work and the customer's advanced payment. Contract assets are recognized when there is an excess of revenues earned over billings on contracts. Contract liabilities are recognized when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance-based payments and /or milestone-based progress payments. Invoices are payable within a contractually agreed credit period. Contract assets and contract liabilities relating to the same customer contract have been offset and presented on a net basis in the consolidated financial statements.

Contract assets and contract liabilities are generally reported as current, as they generally arise within the normal operating cycle of less than one year.

A contract asset is Nagarro's right to consideration in exchange for goods or services that Nagarro has transferred to the customer. A contract asset becomes receivable when Nagarro's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

h. Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand and in bank including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank deposits under other financial assets.

i. Dividend

Nagarro recognizes a liability to pay a dividend when the distribution is authorized, and the distribution is no longer at the discretion of Nagarro. As per the corporate laws of Germany, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

j. Employee benefits

Employee benefits liabilities in the consolidated statement of financial position comprise only defined benefit obligations (net of fair value of plan assets), shared-based payment arrangements and liabilities from acquisitions (remuneration-linked) because of the estimation uncertainty inherent in these positions.

i. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided by the employee. A liability is recognized for the amount expected to be paid if Nagarro has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

Key colleagues (including senior executives) of Nagarro receive remuneration in the form of share-based payments, whereby these colleagues render services in exchange for granting of equity instruments (equity-settled transactions) or cash award (cash-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost of cash-settled transactions is determined by the fair value at the date when the grant is made, at the modification date and at each reporting date using an appropriate valuation model, further details of which are given in D.4. Staff costs.

The cost of equity-settled transactions is recognized in staff costs together with a corresponding increase in equity (capital reserves) and the cost of cash-settled transactions is recognized in staff costs together with a corresponding increase in liability, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions and cash-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Nagarro's best estimate of the number of equity instruments that will ultimately vest or get cash-settled. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

A change from equity-settled to cash-settled arising from a modification occurs if a cash alternative at the employee's discretion is subsequently added to an equity-settled share-based payment that results in a reclassification as a financial liability. Such a modification leads to a reclassification, at the date of modification, of an amount equal to the fair value of the liability from equity to liabilities.

If the amount of the liability recognized on the date of modification is less than the amount previously recognized as an increase in equity, then no gain is recognized for the difference between the amount recognized to date in equity and the amount reclassified for the fair value of the liability; that difference remains in equity. If the amount of the liability recognized on the date of modification is greater than the amount previously recognized as an increase in equity, then the excess is recognized as an expense in consolidated statement of profit or loss at the date of modification. Subsequent to the modification, the entity continues to recognize the grant-date fair value of equity instruments granted as the cost of the share-based payment. However, any subsequent remeasurement of the liability (from the date of modification until the settlement date) is also recognized in the consolidated statement of profit or loss. In effect, the cumulative amount recognized in the consolidated statement of profit or loss over the life of the award is the grant-date fair value plus or minus any subsequent changes in fair value after the change in classification. Therefore, the cumulative amount may be less than the original grant-date fair value.

At each reporting date, and ultimately at the settlement date, the fair value of the recognized liability is remeasured for the cash-settled transactions.

The dilutive effect of outstanding equity settled options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in D.9. Earnings per share).

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related services are provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plans

Nagarro's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current year and prior year periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit plan obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for Nagarro, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains or losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Nagarro determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in the consolidated statement of profit or loss. Nagarro recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

Nagarro's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in the consolidated statement of profit or loss in the period in which they arise.

vi. Termination benefits

Termination benefits are expensed at the earlier of when Nagarro can no longer withdraw the offer to those benefits and when Nagarro recognizes costs for restructuring. If benefits are not expected to be settled wholly within next 12 months of the reporting date, then they are discounted.

k. Other provisions

Other provisions are recognized when a legal or constructive obligation to a third party exists due to a past event, which is expected to result in a future outflow of resources to settle the obligation, and this future outflow of resources can be estimated reliably. The provisions are recognized for all identifiable risks as well as contingent liabilities acquired in a business combination at the expected amounts. The provisions are not offset against recourse claims. Warranty provisions are recognized based on past and/or estimated future claims experience. Non-current portions of the provisions are discounted.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, Nagarro recognizes any impairment loss on the assets associated with that contract.

l. Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when Nagarro becomes a party at the trade date.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as subsequent measured at:

- amortized cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition unless Nagarro changes its business model for managing financial assets, in which all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of the principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, Nagarro may irrevocably designate a financial asset at FVTPL, that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

Nagarro makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sale for this purpose, consistent with Nagarro's continuing recognition of the assets.

The business models available to Nagarro are as follows:

Held to collect	Nagarro has two portfolios of financial assets that have held to collect business model. The objective of the business model for these financial instruments is to collect the amount due from Nagarro's receivables including recourse factoring receivables and to earn contractual interest income on the amount collected.
Held for trading	Nagarro has separate portfolio of customers / receivables which will be factored. Nagarro has only one portfolio of financial assets that are held for trading business model. Nagarro enters in factoring arrangement with the factor which has both recourse factoring and non-recourse factoring. Nagarro's receivables from recourse factoring are held to collect whereas Nagarro's receivables from non-recourse factoring are held for trading.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

In assessing whether the contractual cash flows are SPPI, Nagarro considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it will not meet this condition. In making this assessment, Nagarro considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit Nagarro's claim to cash flows from specified assets (e.g., non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation of early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – subsequent measurement and gains or losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost under effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost under effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Nagarro derecognizes a financial asset when, and only when a) the contractual rights to the cash flows from the financial asset expire, or b) it transfers the financial asset and the transfer qualifies for derecognition.

Nagarro transfers a financial asset if, and only if, it either:

(a) transfers the contractual rights to receive the cash flows of the financial asset, or

(b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets all the following three conditions:

(i) it has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset.

(ii) it is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

(iii) it has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, Nagarro is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents.

iv. Offsetting

Nagarro offsets a financial asset and a financial liability and thus presents the net amount in the consolidated statement of financial position if it has a legally enforceable right to set off, and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivatives

Nagarro holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts is generally a bank. This category has derivative financial assets or liabilities which are not designated as hedges. Accordingly, hedge accounting has not been applied.

Forward exchange contracts are taken to hedge foreign currency risk exposure relating to foreign currency assets. Nagarro provides for net loss/net gain in respect of such outstanding derivative forward contracts at the reporting date by marking them to market. The contracts are aggregated category-wise to determine the net gain/loss based on the fair value which is either positive or negative market value. Positive market values result in the recognition of a financial asset and negative market values in the recognition of a financial liability. Gains and losses due to changes in fair value are recognized through consolidated statement of profit or loss and presented on a net basis in these consolidated financial statements.

m. Impairment

i. Non-derivative financial assets

General approach of expected credit losses (ECLs)

Nagarro uses the general approach for impairment of financial assets measured at amortized cost (cash and cash equivalents and other financial assets) wherein the impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Nagarro considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Nagarro's historical experience and informed credit assessment, that includes forward-looking information.

Nagarro assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Nagarro considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to Nagarro in full, without recourse by Nagarro to actions such as realizing security (if any is held); or

- the financial asset is more than 360 days past due except for public sector customers if these are more than 1,080 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which Nagarro is exposed to the credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e., difference between the cash flows due to Nagarro in accordance with the contract and cash flows that Nagarro expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Simplified approach of expected credit losses (ECLs)

Nagarro recognizes loss allowances for expected credit losses (ECLs) on the (i) financial assets measured at amortized cost for trade receivables and (ii) contract assets for which it uses the practical expedients while measuring ECLs under the simplified approach.

In simplified approach, the lifetime ECLs are considered, using a provision matrix for trade receivables and contract assets as Nagarro does not have trade receivables and contract assets with significant financing component.

While using provision matrix, Nagarro segments its trade receivables based on their industry and geographic region as the historical credit loss experience will have different loss patterns for different customer segments.

Nagarro also considers whether the changes in economic circumstances of any previous segmentation of the portfolio, based on historical data, continues to be appropriate at the reporting date and uses historical loss experience on its trade receivables and contract assets and adjusts historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions.

Credit-impaired financial assets

At each reporting date, Nagarro assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets has occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;

- a breach of contract such as a default or being more than 360 days past due except for public sector customers if these are more than 1,080 days past due;

- the restructuring of a loan or advance by Nagarro on terms that Nagarro would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial reorganization; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amounts of the assets.

The gross carrying amount of a financial asset is written off when Nagarro has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, Nagarro individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Nagarro expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Nagarro's procedure of recovery of amount due.

ii. Non-financial assets

At each reporting date, Nagarro reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at least once a year. Impairment testing is also conducted if events or circumstances occur that indicate that it may no longer be possible to recover the carrying amount.

An impairment loss is recognized if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-financial assets.

If, at some later date, following an impairment recognized in previous years a higher recoverable amount is applicable for the asset or for the cash-generating unit, a reversal of the impairment to no higher than the amortized cost is carried out. Reversals of impairment of goodwill are not permitted.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the cash-generating unit or the individual asset. If one of these amounts is greater than the carrying amount, it is not necessary to calculate both values.

The fair value is the price that independent market participants would pay at the reporting date under normal market conditions if the asset or cash-generating unit were sold. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

n. Share capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

ii. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity. The sale or reissue of treasury shares does not affect profit or loss for the period.

iii. Redemption of treasury shares

Upon redemption of treasury shares, the nominal value of the cancelled shares is deducted from share capital. Any excess of the carrying amount of the treasury shares over the nominal value is recognized against retained earnings. Carrying amount of the treasury shares disposed of or cancelled is determined using a weighted average cost method. The redemption of treasury shares does not affect profit or loss for the period.

o. IAS 29 financial reporting in hyperinflationary economies

With the acquisition of the MBIS group in Türkiye in 2023, Nagarro implemented IAS 29, financial reporting in hyperinflationary economies, as the management has considered Türkiye a hyperinflationary environment country due to Türkiye's cumulative three-year inflation rate exceeding the threshold of 100%. The financial statements of MBIS Türkiye were restated for inflation to reflect the purchasing power at the reporting date using the consumer price index and then the reported amounts were translated to Nagarro SE's presentation currency, Euro, applying the exchange rate at the reporting date. Since Nagarro's presentation currency, Euro, is a non-hyperinflationary currency, Nagarro does not restate the comparative figures which is in line with IAS 29.

i. Inflation restatement

Non-monetary items, which are carried at historical cost, are restated for the effect of inflation based on changes in the price index for the period from initial recognition to the date of reporting or to the date of disposal, where relevant.

Management assesses whether the restatement of non-monetary items represents an indication of impairment to ensure that the restated amounts do not exceed the recoverable amounts of the assets.

Monetary items are not subject to restatement for the effects of inflation as these items already reflect the purchasing power at the reporting date.

Nagarro also concluded that the combination of restatement and translation effects meets the definition of exchange difference as per IAS 21 and hence both the effects are recognized in OCI.

Profit or loss transactions in the period are restated to reflect changes in the price index from the time of transaction to the end of the reporting period, with the exception of depreciation and amortisation. The latter are recalculated based on the inflation-adjusted costs of intangible assets and right-of-use assets and property, plant and equipment. The recalculations are based on the useful lives of the relevant assets based on Nagarro's accounting policies.

Cash flow statement – Earnings before income tax includes a non-cash effect from the inflation restatement, which has been eliminated in the line "other non-cash income and expenses".

ii. Price index

Restatement for hyperinflation of the financial statements of the Turkish subsidiaries is based on the development in the consumer price index provided by the Turkish Statistical Institute. On December 31, 2025, the one-year inflation rate was 30.9% (December 31, 2024: 44.4%).

iii. Retranslation from TRY to EUR

The financial statements of the Turkish subsidiaries, including effects of inflation restatement, have been translated into Euro applying the EUR/TRY exchange rate at the reporting date as opposed to Nagarro's normal practice of translating the profit or loss using the exchange rate at the transaction date or an average exchange rate for the period. The closing EUR / TRY exchange rate increased from 36.8 at the beginning of January 2025 to 50.5 at December 31, 2025.

The average EUR/TRY exchange rate for the reporting period was 44.7 (December 31, 2024: 35.6).

6. Notes to the consolidated statement of comprehensive income

The consolidated statement of comprehensive income was prepared by applying the cost by nature method.

a. Revenue

Nagarro primarily generates revenue through consulting services, digital engineering, and other IT services in the areas of digital product engineering, digital commerce and customer experience, big data and AI services, new-gen ERP consulting and managed services and hosting. Revenue from these services is primarily generated through time and expense contracts, fixed price contracts (both milestone-based and periodic) and a small amount of license sales.

The following table summarizes Nagarro's contract clusters currently as they may map to our reported contract types and Invoicing method.

Contract type/Services	Description	Invoicing method / reported contract type
Time and Material (T&M)	These are the contracts where services are billed based on the actual person hours/days/months worked. Common in agile development or projects with evolving scope. In some cases, there is a capping on total spending under the contract for the defined duration. e.g., Agile development services	Time and expenses
Fixed Price	These are the contracts where a fixed scope and a fixed total price Is defined for the work to be delivered. The contracts have defined milestones and invoices can be tied to achievement of them. e.g., Defined scope projects	Fixed price
Periodic services (incl multiple elements)	These are the contracts which cover the support services for existing applications under a defined scope of activities for a fixed monthly price.	
	- Hosting services	Periodic service
	- Application support and maintenance services	Periodic service
	- Additional services	Time and expenses
Licenses	These are sales/services where Nagarro earns revenue either through selling/reselling third party licenses or our own IP which may be followed by maintenance services. The selling services may involve implementation wherever required.	
	- Sale of license	Other revenues
	- Maintenance services	Periodic service

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

Nagarro assesses the services promised in a contract and identifies distinct performance obligations within the contract. Nagarro 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 the standalone selling price is the expected cost plus a margin, under which Nagarro estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Nagarro's contracts may include variable consideration including rebates, volume discounts and penalties. Nagarro 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 recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Variable considerations are netted off against the revenues. Value added taxes or goods and services tax or taxes of similar nature which are recovered from customers on behalf of the Government, are deducted from revenues. Reimbursements of out-of-pocket expenses received from clients are included as part of revenues.

Revenues in time-and-material contracts are recognized over time as the related services are performed, consistent with the transfer of control to the customer. Revenue is measured by the units of service delivered and the corresponding bill rates agreed upon in the contract. This approach aligns revenue recognition directly with the delivery of services, ensuring that revenue is recognized in proportion to the level of effort expended.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the input method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is determined based on the ratio of costs or efforts incurred to date relative to the estimated total costs or efforts. The transaction price and estimated costs are reviewed and updated regularly throughout the duration of the contract. Any revisions to estimates are recognized in the period in which they are identified. Provisions for estimated losses, if any, are recognized immediately. Change requests that amend the scope or pricing of the original contract are evaluated as contract modifications in accordance with IFRS 15 and are accounted for either as adjustments to the existing contract (and accounted on a cumulative catch-up basis), or where applicable, as separate contracts (and accounted as a distinct performance obligation with standalone selling price).

Contracts that establish a fixed monthly billing amount for continuous service delivery are recognized as revenue over time, reflecting the transfer of services to the customer as they are performed. These contracts typically involve recurring services, such as maintenance activities, where services are delivered through an indefinite number of repetitive acts over a specified period. In such cases, revenue is recognized on a straight-line basis as the pattern of service delivery and the customer's receipt of benefits are uniform over the contract term, and there is no significant judgment required in measuring progress.

Licensing contracts entered by Nagarro generally fall into two broad categories based on the principal-agent assessment under IFRS 15. When reselling third-party software licenses, Nagarro typically acts as an agent, arranging for the transfer of licenses to customers without obtaining control, and therefore recognizes revenue on a net basis. These third-party licenses may involve either right-to-use or right-to-access models depending on the underlying agreement with the customer. In contrast, when Nagarro sells its proprietary intellectual property (IP), whether under a perpetual (right-to-use) model or a subscription (right-to-access) model, Nagarro acts as a principal, controlling the IP before transfer and recognizing revenue on a gross basis. Maintenance services (if any) are recognized over time, typically on a straight-line basis, reflecting the ongoing delivery of support services over the maintenance term.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenue recognized in excess of amounts billed is presented as a contract asset, reflecting the Company's right to consideration for services provided. Conversely, amounts paid by the customers in advance of revenue recognition are presented as a contract liability, representing the Company's obligation to transfer goods or services in the future. The payment terms generally ranges from 14 days to 120 days from the date of invoicing.

Contracts with customers can include subcontractor services or third-party vendor software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when Nagarro is acting as an agent between the customer and the vendor, and gross when Nagarro is the principal for the transaction.

A contract modification is a change in the scope or price or both of a contract that is approved by the parties to the contract. A contract modification that results in the addition of distinct performance obligations is accounted for either as a separate contract if the additional services are priced at the standalone selling price or as a termination of the existing contract and creation of a new contract if they are not priced at the standalone selling price. If the modification does not result in a distinct performance obligation, it is accounted for as part of the existing contract on a cumulative catch-up basis.

b. Staff costs

Staff costs are recognized when incurred. Obligations for defined contribution plans are recognized directly as an expense after the related employee service. For further details please refer B.5.j. Employee benefits under Notes to the consolidated statement of financial position.

c. Operating expenses

Operating expenses are recognized when incurred.

d. Financial result

Interest income or expense is recognized under the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets or the amortized cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs are interest expenses incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

e. Taxes

Income tax expense comprises current and deferred tax. It is recognized in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in consolidated statement of equity or consolidated statement of comprehensive income.

Nagarro has determined that interest and penalties related to income taxes, including uncertain treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

Nagarro has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. Nagarro has applied a temporary mandatory exception from deferred tax accounting for the impact of the top-up tax and accounts for it as a current tax when it is incurred.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or subsequently enacted at the reporting date.

Current tax assets or liabilities are offset only if certain conditions are met.

Income taxes are determined according to the tax law provisions of the countries where the respective Nagarro company is based.

Tax risks

Income tax items are regularly assessed, particularly in light of the numerous changes in tax laws, tax regulations, legal decisions, ongoing tax audits, and the possibility that local tax authorities may review transfer prices, which could in some cases result in additional tax liabilities; Nagarro responds to this circumstance by applying IFRIC 23 and continuously identifying and assessing the tax environment and the resulting effects.

7. Estimates and assumptions

When preparing the consolidated financial statements, management has made judgements and estimates about future, including climate-related risks and opportunities, that affect the application of Nagarro's accounting policies and amount and recognition of the reported assets and liabilities, as well as the recognition of revenue and expenses. Even though these estimates and assumptions were made based on our best understanding of the situation, actual amounts can deviate.

The estimates and assumptions are reviewed on an ongoing basis and are consistent with Nagarro's risk management and client-related commitments where appropriate. Necessary adjustments are recognized prospectively.

Judgements

There are no significant judgements which are made in applying accounting policies that have significant effects on the amount recognized in the consolidated financial statements.

Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

i. Note C.13. Employee benefits liabilities: measurement of defined benefits obligations: key actuarial assumptions

Information about other assumptions and estimation uncertainties at the reporting date that do not have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

i. Note C.7. Income taxes: recognition of deferred tax assets; availability of future taxable profit against which temporary differences and tax losses carried forward can be utilized
ii. Note F.1. Business combinations: fair value of consideration transferred (including contingent consideration) and fair value of the acquired assets and liabilities assumed
iii. Note F.8. Share-based payment arrangements: key assumptions underlying valuation of fair values; and
iv. Note F.9. b. Credit risk: measurement of ECL allowances for trade receivables and contract assets -key assumption in determining the weighted average loss rate

8. Measurement of fair values

A number of Nagarro's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Nagarro has an established control framework with respect to the measurement of fair values. Nagarro regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then Nagarro assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	Prices for identical assets and liabilities are used that are available in active markets.
Level 2	Other measurement factors are used for an asset or a liability that can be observed directly or indirectly, or that can be derived from market prices.
Level 3	Measurement factors are used that are not based on observable market data.

When measuring the fair value of an asset or a liability, Nagarro uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Nagarro recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note C.18. Financial instruments

Note F.1. Business combinations

Note F.8. Share-based payment arrangements including liabilities for cash-settled share-based arrangement.

C. Notes to the consolidated statement of financial position

1. Intangible assets

Intangible assets developed as follows:

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2025	1,785	53,760	16,774	4,272	3,381	79,971
Acquisitions through business combinations	1,449	6,230	193	-	-	7,872
Hyperinflation restatement	3	1,254	2,221	-	-	3,478
Additions	-	-	2,448	2,794	-	5,242
Disposals	-	-	(1,341)	(17)	(277)	(1,635)
Currency differences	(226)	(5,620)	(2,935)	(203)	(2)	(8,986)
Gross carrying amount as at Dec 31, 2025	**3,010**	**55,623**	**17,361**	**6,846**	**3,102**	**85,941**
Accumulated amortization and impairment as at Jan 1, 2025	(1,018)	(22,230)	(8,394)	(2,010)	(2,923)	(36,575)
Hyperinflation restatement	(4)	(618)	(1,150)	-	-	(1,771)
Amortization for the year	(262)	(4,569)	(1,162)	(1,569)	(205)	(7,766)
Impairment	-	-	-	-	-	-
Disposals	-	-	1,341	17	277	1,635
Currency differences	191	1,969	657	152	1	2,970
Accumulated amortization and impairment as at Dec 31, 2025	**(1,093)**	**(25,447)**	**(8,709)**	**(3,410)**	**(2,849)**	**(41,508)**
Net carrying amount as at Dec 31, 2025	**1,917**	**30,176**	**8,652**	**3,436**	**253**	**44,434**

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2024	1,120	47,256	11,953	4,783	3,375	68,486
Acquisitions through business combinations	738	3,222	-	132	-	4,091
Hyperinflation restatement	5	2,029	2,780	-	-	4,815
Additions	-	-	2,651	1,265	-	3,916
Disposals	(16)	-	-	(1,978)	-	(1,993)
Currency differences	(63)	1,253	(610)	69	6	655
Gross carrying amount as at Dec 31, 2024	**1,785**	**53,760**	**16,774**	**4,272**	**3,381**	**79,971**
Accumulated amortization and impairment as at Jan 1, 2024	(1,024)	(15,867)	(6,100)	(2,958)	(2,486)	(28,435)
Hyperinflation restatement	1	(846)	(964)	-	-	(1,810)
Amortization for the year	(82)	(4,827)	(1,393)	(970)	(431)	(7,703)
Impairment	-	-	-	-	-	-
Disposals	16	-	-	1,977	-	1,993
Currency differences	71	(690)	63	(58)	(6)	(620)
Accumulated amortization and impairment as at Dec 31, 2024	**(1,018)**	**(22,230)**	**(8,394)**	**(2,010)**	**(2,923)**	**(36,575)**
Net carrying amount as at Dec 31, 2024	**766**	**31,530**	**8,380**	**2,262**	**458**	**43,395**

The intangible assets include software, licenses and rights acquired for business operations, order backlog, customer lists, products (for e.g., security products, e-documents, e-invoicing, attribute-based access control etc.) and websites for companies acquired.

With the exception of in-house developments, all intangible assets were acquired.

In the 2025 financial year, orders on hand of kEUR 1,449 (December 31, 2024: kEUR 738) were acquired as part of business combinations. The orders on hand were measured at their expected net amount determined as the order value for the orders less full costs.

In the 2025 financial year, customer lists of kEUR 6,230 (December 31, 2024: kEUR 3,222) were acquired as part of business combinations. To measure customer lists, historical revenues were analyzed for regular and other customers, in order to determine what revenue with regular customers can be expected within the next four to fifteen years. Customer lists were recognized at the amount of expected revenues less full costs, risk discounts due to aging and technical obsolescence, and amounts already recognized as orders on hand.

In the 2025 financial year, products of kEUR 193 (December 31, 2024: kEUR 0) were acquired as part of business combinations.

2. Goodwill

Goodwill developed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Gross carrying amount as at Jan 1	214,242	194,836
Acquisitions through business combinations	11,435	10,025
Hyperinflation restatement	-	-
Additions	-	-
Disposals	-	-
Currency differences	(19,315)	9,381
Gross carrying amount as at Dec 31	**206,362**	**214,242**
Accumulated amortization and impairment as at Jan 1	-	-
Hyperinflation restatement	-	-
Amortization for the year	-	-
Impairment	-	-
Disposals	-	-
Currency differences	-	-
Accumulated amortization and impairment as at Dec 31	-	-
Net carrying amount as at Dec 31	**206,362**	**214,242**

Goodwill results from the difference between the purchase costs of interest in business combinations and the fair value of the assets, liabilities, and contingent liabilities of shares in the acquired companies on the acquisition date. Goodwill of kEUR 11,435 was recognized on account of business acquisitions during the year, details of which are as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Notion Edge	300	-
The Marlo Group	655	-
Inaho Digital Solutions (IDS)	863	-
Charles Hudson Technology Solutions (CHTS)	9,617	-
FWD View	-	10,025
	11,435	**10,025**

The translation of goodwill related to companies not acquired in euros resulted in negative currency differences of kEUR 19,315 (December 31, 2024: positive impact of kEUR 9,381). The currency differences are mainly on account of weakening of the US dollar against the Euro and were recognized in the consolidated statement of comprehensive income under other comprehensive income.

Nagarro has a single reportable segment which aligns to how Nagarro's Chief Operating Decision Maker (CODM) manages the Company. Accordingly, for the purpose of goodwill impairment testing, the Nagarro group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets in Nagarro and thus Goodwill is aligned to a single reportable segment.

At the end of the 2025 financial year, an impairment test of goodwill was carried out for the single cash-generating unit. The recoverable amount was calculated based on the fair value less costs of disposal. Measurement of fair value was based on the quoted share price of Nagarro SE. The assessment indicated that the recoverable amount exceeded the carrying amount by a significant margin. Accordingly, no impairment loss was recognized in the reporting period.

3. Property, plant and equipment

The changes in property, plant and equipment were as follows:

	Land and buildings	Other plant, vehicles and office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2025	**5,520**	**17,987**	**23,507**
Acquisitions through business combinations	-	15	15
Hyperinflation restatement	-	71	71
Additions	47	2,164	2,211
Disposals	(2)	(1,233)	(1,235)
Currency differences	(850)	(1,272)	(2,121)
Gross carrying amount as at Dec 31, 2025	**4,716**	**17,733**	**22,448**
Accumulated depreciation and impairment as at Jan 1, 2025	**(882)**	**(12,596)**	**(13,478)**
Hyperinflation restatement	-	(50)	(50)
Depreciation for the year	(121)	(2,776)	(2,896)
Impairment	-	-	-
Disposals	2	1,212	1,214
Currency differences	137	936	1,074
Accumulated depreciation and impairment as at Dec 31, 2025	**(863)**	**(13,273)**	**(14,136)**
Net carrying amount as at Dec 31, 2025	**3,853**	**4,459**	**8,312**

	Land and buildings	Other plant, vehicles & office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**5,549**	**20,081**	**25,630**
Acquisitions through business combinations	-	8	8
Hyperinflation restatement	-	(106)	(106)
Additions	123	2,340	2,462
Disposals	(328)	(4,526)	(4,854)
Currency differences	177	191	367
Gross carrying amount as at Dec 31, 2024	**5,520**	**17,987**	**23,507**
Accumulated depreciation and impairment as at Jan 1, 2024	**(1,041)**	**(12,963)**	**(14,004)**
Hyperinflation restatement	-	(150)	(150)
Depreciation for the year	(128)	(3,510)	(3,638)
Impairment	-	-	-
Disposals	318	4,190	4,509
Currency differences	(31)	(163)	(194)
Accumulated depreciation and impairment as at Dec 31, 2024	**(882)**	**(12,596)**	**(13,478)**
Net carrying amount as at Dec 31, 2024	**4,638**	**5,391**	**10,029**

4. Right-of-use assets and lease liabilities

According to IFRS 16, assets used under lease agreements were determined and respective right-of-use assets were recognized, unless relating to leases of low-value assets or short-term leases. The right-of-use assets developed as follows:

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2025	**65,426**	**13,278**	**46,636**	**125,340**
Acquisitions through business combinations	261	-	-	261
Hyperinflation restatement	211	234	-	444
Additions	37,795	4,716	8,519	51,030
Disposals	(16,587)	(2,761)	(6,124)	(25,473)
Lease modification	1,786	(2)	5	1,788
Currency differences	(5,433)	(651)	(2,082)	(8,166)
Gross carrying amount as at Dec 31, 2025	**83,459**	**14,812**	**46,954**	**145,225**
Accumulated depreciation and impairment as at Jan 1, 2025	**(37,448)**	**(7,327)**	**(27,291)**	**(72,066)**
Hyperinflation restatement	(211)	(331)	-	(541)
Depreciation for the year	(10,045)	(3,090)	(9,528)	(22,663)
Impairment	-	-	-	-
Disposals	7,689	2,761	6,117	16,568
Currency differences	2,033	344	1,043	3,420
Accumulated depreciation and impairment as at Dec 31, 2025	**(37,981)**	**(7,643)**	**(29,659)**	**(75,283)**
Net carrying amount as at Dec 31, 2025	**45,477**	**7,170**	**17,295**	**69,942**

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**63,315**	**10,754**	**43,011**	**117,080**
Acquisitions through business combinations	59	-	-	59
Hyperinflation restatement	364	562	-	926
Additions	14,829	3,378	8,172	26,378
Disposals	(15,728)	(1,503)	(4,984)	(22,215)
Lease modification	1,446	225	13	1,684
Currency differences	1,141	(137)	424	1,428
Gross carrying amount as at Dec 31, 2024	**65,426**	**13,278**	**46,636**	**125,340**
Accumulated depreciation and impairment as at Jan 1, 2024	**(42,071)**	**(5,570)**	**(21,807)**	**(69,448)**
Hyperinflation restatement	(223)	(399)	-	(622)
Depreciation for the year	(10,296)	(2,898)	(10,200)	(23,394)
Impairment	-	-	-	-
Disposals	15,728	1,503	4,969	22,200
Currency differences	(586)	37	(253)	(802)
Accumulated depreciation and impairment as at Dec 31, 2024	**(37,448)**	**(7,327)**	**(27,291)**	**(72,066)**
Net carrying amount as at Dec 31, 2024	**27,978**	**5,951**	**19,346**	**53,274**

The lease liabilities are as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	46,546	39,190	7,356	28,544	21,215	7,329
Vehicles	7,362	4,289	3,073	5,900	3,303	2,596
Office equipment	18,179	10,340	7,840	20,039	11,568	8,471
	72,087	**53,818**	**18,269**	**54,483**	**36,086**	**18,396**

The classification of lease liabilities is as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Lease liabilities (secured)	7,341	4,207	3,134	6,151	3,183	2,968
Lease liabilities (unsecured)	64,746	49,611	15,135	48,331	32,904	15,428
	72,087	**53,818**	**18,269**	**54,483**	**36,086**	**18,396**

Certain lease liabilities in Nagarro Software Pvt. Ltd., India are secured by hypothecation of assets received under the lease.

The maturity profile of the lease liabilities is as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Maturity within a year	18,269	18,396
Maturity between one and five years	34,081	29,792
Maturity later than five years	19,737	6,294
	72,087	54,483

Undiscounted lease liabilities are as follows:

	Dec 31, 2025			
		of which:		
	Total	Within 1 year	Within 1-5 years	More than 5 years
	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	67,346	10,939	30,463	25,944
Vehicles	8,312	3,656	4,656	-
Office equipment	19,529	8,471	11,058	-
	95,187	23,065	46,178	25,944

	Dec 31, 2024			
		of which:		
	Total	Within 1 year	Within 1-5 years	More than 5 years
	kEUR	kEUR	kEUR	kEUR
Land use rights and buildings	33,010	8,629	17,212	7,169
Vehicles	6,607	3,025	3,582	-
Office equipment	21,557	9,137	12,420	-
	61,174	**20,791**	**33,214**	**7,169**

Amount recognized in consolidated statement of comprehensive income

	2025	2024
	kEUR	kEUR
Interest on lease liabilities	4,854	2,125
Depreciation on right-of-use assets (including hyperinflation restatement)	23,204	24,016
Gain on lease modification	(617)	(71)
Loss on lease modification	0	35
Expenses for short-term leases	960	151
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	474	292
	28,875	**26,548**

Amount recognized in consolidated statement of cash flows

	2025	2024
	kEUR	kEUR
Total cash outflow for leases	28,888	26,463

Extension options

Some lease properties contain extension options exercisable by Nagarro before the renewal of contract period. When practicable, Nagarro seeks to include extension options in new leases to provide operational flexibility. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

5. Other financial assets

Other financial assets break down as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Security deposits	3,029	2,618	411	2,566	1,894	672
Factoring reserve	3,477	-	3,477	2,594	-	2,594
Receivables from factor	4,364	-	4,364	460	-	460
Receivables from employees	947	-	947	934	-	934
Derivative financial instruments	72	-	72	890	-	890
Bank deposits	1,331	1,191	140	711	235	476
Deposits for performance bond	983	-	983	333	-	333
Interest accrued on deposits	24	-	24	53	-	53
Other	1,589	242	1,347	1,680	152	1,528
	15,817	**4,051**	**11,766**	**10,220**	**2,281**	**7,939**
Less: Impairment of other financial assets	(229)	(150)	(80)	(238)	(149)	(89)
	15,588	**3,902**	**11,686**	**9,982**	**2,133**	**7,850**

Factoring reserve is the security retention by the factor to secure the risk that the receivables purchased by the factor are not legally valid (verity risk) and any other claims of the factor arising from the business relationship with the customer but not for a del-credere case.

In 2024, receivables from factor related to money-in-transit which has been paid by the factor for the factored receivables but not received by Nagarro. In 2025, it represents amount not drawn by Nagarro net of liabilities from factoring as explained in C.9. Trade receivables.

6. Other assets

The other assets are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Prepayments	12,848	1,133	11,715	11,417	663	10,753
VAT receivables	3,152	-	3,152	2,570	-	2,570
	16,000	**1,133**	**14,866**	**13,987**	**663**	**13,324**

Prepayments mainly include advance payments towards software licenses and insurances.

7. Income taxes

Amount recognized in consolidated statement of profit or loss

The income tax expense recognized in consolidated statement of profit or loss is composed as follows:

	2025	2024
	kEUR	kEUR
Current tax expense	38,532	31,524
Global minimum top-up tax	-	500
Deferred tax expense (income)	(12,577)	(2,081)
	25,955	**29,943**

Amount recognized in consolidated statement of comprehensive income

The income tax expense recognized in consolidated statement of comprehensive income is composed as follows:

	Dec 31, 2025			Dec 31, 2024		
	Before tax	Tax impact	After tax	Before tax	Tax impact	After tax
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Items that will not be reclassified to profit or loss						
Actuarial gains (losses)	1,701	(329)	1,373	559	(336)	223
Items that may be reclassified to profit or loss						
Foreign exchange differences (including effects of Türkiye hyperinflation)	(29,205)	412	(28,793)	14,223	(720)	13,503
	(27,504)	**83**	**(27,420)**	**14,782**	**(1,056)**	**13,726**

Reconciliation of effective tax rate

Income taxes are calculated based on the applicable or expected tax rates of the countries and municipalities in which the Nagarro companies are domiciled.

On 18 July 2025, the law for an immediate tax investment program was promulgated to strengthen Germany as a business location. Accordingly, the corporate tax rate is to be gradually reduced by one percentage point annually from 15% to 10% starting from 2028 and ending in 2032. Consequentially, deferred taxes for the German entities have been calculated using the lower future tax rates based on when the temporary differences between book and tax values reverse over time. However, it doesn't have any material effect on the Group's financial position.

In the following tax reconciliation, the expected income tax result is reconciled to the actual tax result. The expected tax result is based on a group tax rate of 27%.

The management has assessed the tax rate of 27% (based on weighted average tax rates of the significant tax jurisdictions of Nagarro group entities which are mainly India, Germany, US, Austria, Romania, China and United Arab Emirates) for the Nagarro Group.

	2025	2024
	kEUR	kEUR
Earnings before income taxes	65,448	79,099
Tax rate	27.0%	27.0%
Expected income taxes	17,671	21,357
Changes in tax rates	(40)	-
Tax rate differences	(1,387)	(2,178)
Effect of intragroup dividends	1,807	2,435
Non-deductible expenses	2,189	1,290
Income tax free companies / branches (Bahrain, Sri Lanka, ATCS India)	(304)	(108)
Other tax-free income	(758)	(1,433)
Tax loss carryforwards, for which no deferred tax assets were recognized	997	1,989
Temporary differences, for which no deferred tax assets were accrued	6	62
Use of tax loss carry forwards, for which no deferred tax assets were recognized	(1,382)	(48)
Reversal of valuation allowance on deferred tax assets	(4,627)	(59)
Additions to valuation allowance on deferred tax assets	2,401	465
Withholding Taxes on Dividends	10,949	5,402
Adjustment of earn-out liabilities	90	(376)
Expenses relating to IFRS 2 (SOP, ESPP)	9	(3,855)
Interest barrier	-	3,788
Pillar Two - Minimum Income Taxes	-	500
Acquisition costs IFRS 3	-	83
Tax effects relating to prior periods	(2,238)	484
Others	572	145
Effective income taxes	**25,955**	**29,943**

The line “Income tax free companies” refers to countries that are completely income tax free, having income tax free trade zones (Bahrain, Sri Lanka) or income tax free branches (ATCS India).

Movement in deferred tax balances

Deferred tax assets and liabilities are recognized in respect of the following types of temporary differences and unused tax losses:

	Dec 31, 2025			Dec 31, 2024		
	Deferred tax assets	Deferred tax liabilities	Deferred tax income (expense)	Deferred tax assets	Deferred tax liabilities	Deferred tax income (expense)
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Intangible assets	63	8,538	1,845	82	9,736	474
Goodwill	-	5,503	(1,977)	52	4,125	(1,753)
Property, plant and equipment	156	525	(57)	241	615	152
Right-of-use assets	-	16,419	(3,875)	-	13,782	(1,748)
Contract assets and liabilities	518	739	448	91	748	(778)
Other financial assets	756	627	(464)	1,106	392	(759)
Other assets	149	-	55	130	-	149
Employment benefits liabilities	7,783	6	3,800	4,983	59	1,413
Other provisions	3,259	179	1,027	2,430	-	(2,529)
Liabilities to banks	-	387	(179)	-	208	76
Lease liabilities	17,045	-	4,170	13,988	5	1,495
Other financial liabilities	10,320	61	5,882	5,316	182	4,617
Other liabilities	9	-	10	-	-	-
Temporary differences	40,058	32,984	10,685	28,419	29,852	809
Loss carryforwards	1,368	-	(2,661)	4,139	-	1,272
Interest carryforwards	4,553	-	4,553	-	-	-
Offsetting	(19,115)	(19,115)	-	(16,067)	(16,067)	-
	26,864	**13,869**	**12,577**	**16,491**	**13,785**	**2,081**

The recoverability of previously unrecognized interest carryforwards was reassessed in the financial year 2025, taking into account the current financing structure. Based on this reassessment, it is considered probable that these carryforwards will be utilized within a five-year period. Accordingly, a deferred tax asset amounting to kEUR 4,553 in respect of interest carryforwards has been recognized for the first time in the financial year 2025, in accordance with IAS 12 Income Taxes.

Unrecognized deferred tax liabilities

Deferred tax liabilities on temporary differences associated with investments in subsidiaries have not been recognized as it is not likely that these temporary differences will be reversed in the foreseeable future. They amount to kEUR 4,992 (December 31, 2024: kEUR 9,380).

Tax losses carried forward

As of December 31, 2025, Nagarro had corporate income tax loss carryforwards of kEUR 28,121 (December 31, 2024: kEUR 44,876) and trade tax loss carryforwards of kEUR 196 (December 31, 2024: kEUR 5,352). Deferred tax assets of kEUR 1,368 (December 31, 2024: kEUR 4,139) on tax loss carry-forwards of kEUR 5,410 (December 31, 2024: kEUR 18,122) were recognized.

Deferred tax assets exceeding deferred tax liabilities in the amount of kEUR 597 (December 31, 2024: kEUR 2,848) for companies that generated a loss in the current or previous period were recognized as it is probable that future taxable profits will be available against which such losses can be used. In the companies with deferred tax assets, based on management's assessment, investments in generating new business and cost optimization measures will make the respective companies profitable in the near future. Hence, it is probable that sufficient future taxable profits will be available against which the deductible temporary differences and unused tax losses can be offset.

The expiry dates of the tax losses carried forward and unrecognized deferred taxes are as follows:

	Dec 31, 2025	Dec 31, 2025	Dec 31, 2024	Dec 31, 2024
	Tax losses	Deferred tax thereon	Tax losses	Deferred tax thereon
	kEUR	kEUR	kEUR	kEUR
Forfeiture less than 4 years	12,279	1,842	9,180	1,344
Forfeiture between 4 and 7 years	4,016	656	2,876	638
Forfeiture more than 7 years	1,498	448	3,102	921
Non-forfeitable	4,741	1,059	11,419	2,368
	22,535	**4,005**	**26,577**	**5,271**

Unrecognized deferred tax assets

An amount of kEUR 4,005 (December 31, 2024: kEUR 5,271) on tax loss carryforwards of kEUR 22,535 (December 31, 2024: kEUR 26,577) was not recognized as it is not considered probable that sufficient taxable profits will be available against which these tax losses can be utilized.

The amount of deductible temporary differences, that are impaired at year-end for which no deferred tax asset was recognized in the consolidated statement of financial position is kEUR 387 (December 31, 2024: kEUR 2,752).

Global minimum top-up tax

Nagarro is within the scope of the OECD Pillar Two model rules (Global Minimum Tax), and it applies the IAS 12 exception to recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes.

Pillar Two legislation continues to apply to the Group for 2025. It is estimated that the global minimum taxation (Pillar Two) does not result in any material charges for the Group in 2025. The Group applies IAS 12 exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes. In 2024 an amount of kEUR 500 was recognized as global minimum top-up tax on account of entities in the United Arab Emirates.

8. Contract assets and liabilities

Contract assets and liabilities as of the reporting dates were as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Customer projects measured according to the percentage-of completion method	21,124	399	20,725	15,961	432	15,529
Contract assets	**21,124**	**399**	**20,725**	**15,961**	**432**	**15,529**
Accruals and deferred income	14,285	-	14,285	14,105	-	14,105
Contract liabilities	**14,285**	**-**	**14,285**	**14,105**	**-**	**14,105**

The timing of revenue recognition, billings and cash collections results in receivables, contract assets, and contract liabilities in Nagarro's consolidated statement of financial position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Invoicing to the clients for other fixed-price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the time of invoicing to the customers. Contract assets for other fixed-price contracts are therefore recognized as such, as the right to consideration is dependent on completion of contractual milestones.

Contract liabilities are recognized for payments received that exceed the level of performance achieved.

Trade receivables and contract assets are presented net of impairment on the consolidated statement of financial position.

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Trade receivables	198,263	219,332
Current contract assets	20,725	15,529
Non-current contract assets	399	432
Current contract liabilities	(14,285)	(14,105)

The acquisition of subsidiaries resulted in increase in trade receivables of kEUR 2,341 in 2025 (2024: kEUR 414), contract assets of kEUR 0 in 2025 (2024: kEUR 0) and contract liabilities of kEUR 0 in 2025 (2024: kEUR 28) (Refer F.1. Business combination).

As at December 31, 2025, kEUR 5,055 (2024: kEUR 7,552) has been recognized as provision for expected credit losses on trade receivables and contract assets.

Contract assets and liabilities developed as follows in the financial years 2025 and 2024:

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2025	**15,961**	**14,105**
Revenue recognition	26,743	(13,491)
Currency effect	(1,175)	(547)
Reclassification to trade receivables	(20,405)	-
Advance payments received from customers	-	14,218
Balance on December 31, 2025	**21,124**	**14,285**

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2024	**18,470**	**15,002**
Addition due to business combinations	-	28
Revenue recognition	15,383	(14,714)
Currency effect	887	(208)
Reclassification to trade receivables	(18,778)	-
Advance payments received from customers	-	13,998
Balance on December 31, 2024	**15,961**	**14,105**

Revenue recognized in financial year 2025 includes kEUR 13,491 (2024: kEUR 14,714) which was reported under contract liabilities at the beginning of the financial year 2025.

The aggregate value of performance obligations that are completely or partially unsatisfied and presented as contract liability as of December 31, 2025 is kEUR 14,285 (December 31, 2024: kEUR 14,105). Nagarro expects to recognize this as revenue amounting to kEUR 14,285 (December 31, 2024: kEUR 13,910) within next year and balance kEUR 0 (December 31, 2024: kEUR 195) within next 2-3 years. This also includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

9. Trade receivables

Trade receivables are composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Customer receivables	203,318	226,884
Allowance for expected credit losses	(5,055)	(7,552)
	198,263	**219,332**

Trade receivables comprising revenues in excess of billings from time and material contracts and fixed-price maintenance contracts are classified as financial assets when the right to consideration is unconditional and is due only after a passage of time. Nagarro's receivables are rights to consideration that are unconditional.

Factoring arrangements

As of December 31, 2025, Nagarro has factoring arrangements in two geographies:

(a) Germany: recourse and non-recourse factoring (2024: recourse factoring)

As of December 31, 2025, Nagarro maintained a factoring facility in Germany with a total limit of kEUR 20,000 (December 31, 2024: kEUR 20,000). Up to 2024, this amount was classified as recourse factoring. In 2025, the factoring partner assumed the del-credere risk up to a certain amount per customer and thus, this portion has now been classified as non-recourse while the remaining portion continues to be classified as recourse. Accordingly, under this arrangement, the facility comprises both non-recourse and recourse factoring components. During 2025, Nagarro did not utilize any of the available recourse factoring limit. Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.75% (December 31, 2024: 1.65%) during the year. During the year 2025, an interest rate of 3.87% (December 31, 2024: 5.15%) was applied.

(b) United States of America: non-recourse factoring

Nagarro has a non-recourse factoring facility with a limit of kEUR 29,812 [kUSD 35,000] (December 31, 2024: kEUR 33,695 [kUSD 35,000]) in the United States of America. Interest on the factored receivables in the United States of America is calculated at three-month SOFR plus a margin of up to 2.20% (December 31, 2024: 2.20%). During the year 2025, an interest rate of 6.37% was applied (December 31, 2024: 7.29%) and as at the year end, an interest rate of 5.92% (December 31, 2024: 6.56%) was applied.

Nagarro has sold its trade receivables under aforesaid factoring arrangements to respective factoring partners for cash proceeds. The factors make the payment against submitted receivables' lists on a weekly basis. The arrangement with the banks is such that the customers remit cash directly to Nagarro and Nagarro transfers the due amount to the factoring partners.

Derecognition of trade receivables – non-recourse factoring

For the non-recourse factoring arrangement, trade receivables have been derecognized from the consolidated statement of financial position, as Nagarro has transferred substantially all of the risks and rewards – primary being the credit risk irrespective of the extent to which proceeds have been drawn. To the extent that consideration for the transferred receivables has not yet been drawn by Nagarro, the corresponding amount is recognized as "Receivables from factor" within C.5. Other financial assets. The amount collected by Nagarro on behalf of the factor is shown as "Liabilities from factoring" under C.12. Loans and Borrowings. Receivables from factor and liabilities from factoring are presented on a net basis in the consolidated financial statements where a legally enforceable right of set-off exists and there is an intention to settle on a net basis, in accordance with the applicable presentation requirements under IFRS.

Nagarro has derecognized trade receivables amounting to kEUR 34,302 (December 31, 2024: kEUR 25,274) out of which kEUR 20,278 (December 31, 2024: Nil) relates to Germany and kEUR 14,024 (December 31, 2024: kEUR 25,274) relates to United States of America (USA) under the non-recourse factoring facility. Nagarro has drawn the entire amount in respect of its non-recourse factoring arrangement with its USA partner, a partial amount of kEUR 7,019 (December 31, 2024: Nil) has been drawn in respect of German non-recourse factoring arrangement. Balance undrawn amount which is receivable from factor of kEUR 11,174 (December 31, 2024: Nil) has been offset with the liabilities from factoring amounting to kEUR 6,810 (December 31, 2024: Nil). The net receivable of kEUR 4,364 (December 31, 2024: Nil) has been disclosed as a receivable from factor.

The carrying amounts mentioned above represent the maximum exposure to the loss and approximate the fair value of the assets and liabilities.

Transfer of trade receivables – recourse factoring

For the recourse factoring arrangement, trade receivables have not been derecognized from the consolidated statement of financial position, as Nagarro retains substantially all of the risks and rewards – primary being the credit risk. These "due to factor" payments are shown as "Loan from factor of Nagarro GmbH, Germany" under C.12. Loans and Borrowings and are in the nature of short-term loan. The trade receivables are held within a held-to collect model consistent with Nagarro's continuing recognition of the receivables.

The following table shows the carrying amount of trade receivables that has been transferred but not been derecognized and the associated liabilities:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Carrying amount of trade receivables transferred to a factor	-	2,441
Carrying amount of associated liabilities	-	(2,441)

The carrying amounts mentioned above represent the maximum exposure to the loss and approximate the fair value of the assets and liabilities.

Credit and market risk, and impairment losses

Information about Nagarro's exposure to credit risk and impairment losses for trade receivables is included in note F.9. Financial risk management.

10. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Bank balances	101,096	94,782
Cash on hand	23	21
Cash	**101,119**	**94,803**
3-months deposit (cash equivalent)	23,490	94,231
Investment in T-bills for less than 3-months (cash equivalent)	8	3,533
Cash and cash equivalents in the consolidated statement of financial position	**124,617**	**192,567**
Liabilities from factoring	(1,633)	(5,688)
Cash and cash equivalents in the consolidated statement of cash flows	**122,984**	**186,879**

Deposits with banks and investment in T-bills are subject to insignificant risk of changes in value.

Term deposits of original maturity of more than 3 months amounting to kEUR 140 (2024: kEUR 476) are included in other current financial assets (note C.5. Other financial assets).

Term deposits with remaining maturity of more than 12 months amounting to kEUR 1,191 (2024: kEUR 235) are included in other non-current financial assets (note C.5. Other financial assets).

11. Equity

Equity is composed as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Share capital	12,922	13,776
Treasury shares, at cost	(40,213)	(39,757)
Capital reserve	241,794	241,030
Profit carried forward	185,624	215,631
Net profit for the year	39,492	49,156
Changes in equity recognized directly in equity	(260,612)	(260,612)
Other comprehensive income		
Foreign currency reserve (including effect of Türkiye hyperinflation)	(22,255)	6,539
Actuarial gain or loss on pension provisions	(1,729)	(3,102)
Total Equity	**155,024**	**222,660**

Share capital

As of December 31, 2025, Nagarro SE had a share capital of EUR 12,992,297 (December 31, 2024: EUR 13,775,985), divided into 12,992,297 (December 31, 2024: 13,775,985) registered no-par value shares, each with a notional interest in the share capital of €1.00 per share.

Each share has a calculated share in the share capital of €1.00. All the Nagarro SE shares are of the same class. The shares are fully paid in.

The changes in share capital are as follows:

	2025	2025	2024	2024
	Numbers	kEUR	Numbers	kEUR
Opening balance	13,775,985	13,776	13,775,985	13,776
Redemption of treasury shares	(853,688)	(854)	-	-
Closing balance	**12,922,297**	**12,922**	**13,775,985**	**13,776**

Please refer below note: 'Treasury shares' for details regarding redemption of treasury shares.

In Xetra trading on the Frankfurt Stock Exchange, on December 30, 2025, the closing price of the Nagarro SE share was EUR 76.25 (December 30, 2024: EUR 79.15).

Authorized capital

The Management Board is authorized, subject to the consent of the Supervisory Board, to increase Nagarro SE's registered share capital during the period ending on September 29, 2029 in one or more tranches by up to EUR 4,132,795.00 in the aggregate by issuing up to 4,132,795 new no-par value registered shares against cash and/or non-cash contribution. The subscription rights of existing shareholders may be excluded under the conditions specified in Section 6 of the Articles of Association of Nagarro SE.

Treasury shares

On February 5, 2025, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of October 30, 2020, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase shares of the Company until September 23, 2025, provided that these shares, together with other treasury shares which the Company has already acquired and still holds or which are attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG), do not at any time account for more than 10% of the share capital.

On November 14, 2025, the Management Board of Nagarro SE resolved on reduction of nominal share capital through redemption of treasury shares and on new share buyback program with a volume of up to EUR 20 million. Accordingly, the Management Board of Nagarro SE, resolved, on the basis of the authorization granted by the shareholders' meeting on June 30, 2025, for the acquisition and use of treasury shares, to redeem 853,688 treasury shares which represents 75% of the 1,138,251 treasury shares held by the Company as on the date of resolution and to consequentially reduce the Company's nominal share capital.

Further, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of June 30, 2025, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase shares of the Company until February 28, 2026. In aggregate, up to 450,000 shares of Nagarro SE were to be repurchased subject to an overall purchase volume limit of EUR 20 million (excluding ancillary costs of purchase).

Accordingly, the 2025 share buyback program was carried out in two tranches. First tranche being carried out between February 06, 2025 and May 22, 2025 (hereinafter to be referred as 'Tranche 1') and the second tranche was carried out between November 24, 2025 to December 30, 2025 (hereinafter to be referred as 'Tranche 2').

Tranche 1 - A total of 684,384 shares were bought at an average share price of EUR 73.2 per share with a total cost of kEUR 50,082, corresponding to a portion of then nominal share capital of 5.0%. The total cost of treasury share's buyback includes transaction cost of kEUR 63.

Tranche 2 - A total of 235,037 shares were bought at an average share price of EUR 75.5 per share with a total cost of kEUR 17,754, corresponding to a portion of the current nominal share capital of 1.8%. The total cost of treasury share's buyback includes transaction cost of kEUR 22.

Accordingly, Nagarro SE has purchased 919,421 treasury shares amounting to kEUR 67,835 during the year.

As mentioned above, the Company has redeemed 853,688 shares at an average share price of EUR 78.9 per share amounting to kEUR 67,379. The nominal value of these redeemed shares amounting to kEUR 854 has been reduced from the Company's share capital and the excess of the carrying amount of the treasury shares over the nominal value amounting to kEUR 66,525 is adjusted against retained earnings.

The changes in treasury shares are composed as follows:

	2025	2025	2024	2024
	Numbers	kEUR	Numbers	kEUR
Opening balance	453,867	39,757	453,867	39,757
Acquired during the year				
Tranche 1	684,384	50,082	-	-
Tranche 2	235,037	17,754	-	-
Total treasury shares acquired during the year	919,421	67,835	-	-
Redemption during the year	(853,688)	(67,379)	-	-
Sale during the year	-	-	-	-
Closing balance	**519,600**	**40,213**	**453,867**	**39,757**

Capital reserves

The changes in capital reserves are composed as follows:

	2025	2024
	kEUR	kEUR
Opening balance as at Jan 1	241,030	251,717
Share based payment expense		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	2	504
Stock option expense of SOP 2020/III	-	71
Stock option expense of SOP 2020/II - Tranche 2a	112	2,281
Stock option expense of SOP 2020/II - Tranche 2b	2	142
Stock option expense of SOP 2020/II - Tranche 3	317	-
	432	**2,999**
Employee share participation program - ESPP		
Employee share participation program expense - ESPP 2023 - Tranche 1a	171	127
Employee share participation program expense - ESPP 2023 - Tranche 1b	4	3
Employee share participation program expense - ESPP 2023 - Tranche 2	64	54
Employee share participation program expense - ESPP 2024 - Tranche 1	44	22
Employee share participation program expense - ESPP 2025 - Tranche 1	47	-
Employee share participation program expense - ESPP 2025 - Tranche 2	2	-
	332	**207**
Reclassification to financial liabilities on modification		
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	-	(8,879)
Stock option expense of SOP 2020/III	-	(1,211)
Stock option expense of SOP 2020/II - Tranche 2a	-	(3,583)
Stock option expense of SOP 2020/II - Tranche 2b	-	(219)
	-	**(13,893)**
Closing balance as at Dec 31	**241,794**	**241,030**

Nagarro has recognized a reversal of expense of kEUR 1,525 (2024: expense of kEUR 550) from cash-settled options for both SOP 2020/II and SOP 2020/III program.

Profit carried forward

The changes in profit carried forward are as follows:

	2025	2024
	kEUR	kEUR
Opening balance	215,631	166,476
Transfer of profit or loss for the previous year to profit carried forward	49,156	49,155
Dividend paid	(12,638)	-
Redemption of treasury shares	(66,525)	-
Closing balance	**185,624**	**215,631**

Dividend paid

For the 2024 financial year, Nagarro paid a dividend of EUR 1.00 per no par value share amounting to kEUR 12,638 (December 31, 2024: Nil) in July 2025.

Proposed dividend

Subsequent to the year-end, the Management Board and Supervisory Board of Nagarro SE propose to the Annual General Meeting that a dividend of EUR 1.00 per no-par value share carrying dividend rights be paid to shareholders from the unappropriated net income amounting to kEUR 49,714 and that the remaining amount be carried forward. The dividend has not been recognized as liability and there are no tax consequences.

The final amount of the total dividend payment depends on the number of no-par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Annual General Meeting.

- Redemption of treasury shares

Please refer above note 'Treasury shares' for details regarding redemption of treasury shares.

Changes in equity recognized directly in equity

Nagarro spun off from Allgeier SE (the erstwhile shareholder of Nagarro) in the year 2020 for which a total purchase consideration of kEUR 339,051 (including minority shareholders share of purchase consideration of kEUR 23,519) was paid. The spin-off transaction was preceded by business combinations under common control of Allgeier SE. As such, Nagarro applied the predecessor value approach by carrying forward the historical carrying amounts recorded by Allgeier Group without stepping up to fair value. Accordingly, Nagarro's share of the purchase consideration, namely, of kEUR 315,533, was reduced from equity under changes in equity recognized directly in equity. This was adjusted for the capital reserve and other transactions in total of kEUR 54,921 due to re-organization resulting in a net negative amount of kEUR 260,612 under changes in equity recognized directly in equity.

There has been no change in the amounts under changes in equity recognized directly in equity since the year 2020.

Changes in other comprehensive income

The changes in other comprehensive income are composed as follows:

	2025	2024
	kEUR	kEUR
Opening balance	3,437	(10,289)
Foreign exchange differences (including effect of Türkiye hyperinflation of kEUR 1,062 [2024: kEUR 831])	(28,793)	13,503
Actuarial gain or loss on pension provisions	1,373	223
Closing balance	**(23,984)**	**3,437**

12. Loans and borrowings

Outstanding balance of loans and borrowings is as follows:

	Dec 31, 2025			Dec 31, 2024		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings from banks						
Syndicated loan of Nagarro SE, Germany (unsecured)	303,207	303,950	(743)	318,273	318,721	(448)
Liabilities from factoring (unsecured)	1,633	-	1,633	5,688	-	5,688
Loan from factor of Nagarro GmbH, Germany (partly secured by factored receivables)	-	-	-	2,441	-	2,441
Bank loan of Nagarro GmbH, Austria (unsecured)	347	347	-	492	240	252
Bank loan of Advanced Programming Solutions, S.L., Spain (unsecured)	51	-	51	153	52	102
Bank loan of FWD View Limited, United Kingdom (unsecured)	80	38	41	131	84	47
Bank loan of Inaho Digital Solutions Co. Ltd., Japan (unsecured)	153	113	41	-	-	-
Loans and borrowings from other financial institutions						
Loan of Nagarro ES GmbH, Germany (unsecured)	4,589	2,664	1,925	2,433	1,737	695
	310,060	**307,112**	**2,948**	**329,612**	**320,835**	**8,777**

The classification between secured and unsecured loans and borrowings is as follows:

	Dec 31, 2025			Dec 31, 2024		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Partly secured loans	-	-	-	2,441	-	2,441
Unsecured loans	310,060	307,112	2,948	327,171	320,835	6,336
	310,060	**307,112**	**2,948**	**329,612**	**320,835**	**8,777**

On September 23, 2022, Nagarro SE, as original borrower along with certain subsidiaries, as mentioned below, as guarantors, entered into a revolving syndicated credit facility agreement with five European credit institutions amounting to €350 million with an option to further increase the loan facility amount to €450 million. The term of the financing arrangement is five years, which can be extended twice by one year each (5+1+1). Also, it has the possibility to issue Schuldscheine (promissory notes) or similar instruments for a volume of up to in aggregate €125 million. Further, the non-recourse factoring is limited to 15% of the value of assets of the group.

The following subsidiaries, who are guarantors for the syndicated loan facility, are liable for Nagarro SE's liabilities to banks:

- Nagarro ES GmbH, Germany
- Nagarro ES France SAS, France
- Nagarro Denmark A/S, Denmark
- Nagarro SRL, Romania
- Nagarro Inc., USA
- Nagarro Software Inc., USA
- Nagarro GmbH, Germany
- Nagarro GmbH, Austria
- Advanced Technology Consulting Service Inc., USA
- Nagarro Software AB, Sweden
- Nagarro AS, Norway
- Nagarro Software Ltd., UK
- Nagarro GS Inc., USA
- Infocore Engineering & IT Services GmbH, Germany

- Nagarro for Information Technology, Kingdom of Saudi Arabia
- Nagarro MENA LLC, UAE
- Ace Outsource LC, USA
- FWD View Ltd., UK
- Nagarro Global Services Asia Pte. Ltd., Singapore
- Nagarro Pty. Ltd., Australia
- Nagarro Unipessoal Lda., Portugal

As per the syndicated loan facility agreement, a material affiliate, other than Indian and Chinese group entities, is required to become additional guarantor after 60 days of publishing the annual results. To be eligible as additional guarantor, the affiliate of the company should be a material affiliate and the EBITDA of the affiliate should be 5% or more of group EBITDA or the revenue should be 5% or more of consolidated revenue of the group.

Furthermore, there is a negative clause on the unsecured part of the loan in which Nagarro assures the banks that it will not provide any credit collateral to other creditors apart from a group-wide pledge of participations or other assets of a maximum of € 20.0 million and, in addition, an assignment of receivables or bank balances customary for the factoring process.

Nagarro's syndicated loan has a covenant package which includes customary restrictions on total net leverage, minimum equity thresholds for pre-agreed milestones, permitted disposal and acquisitions, permitted financial indebtedness, and guarantees, dividend payments and change of control. In general, a breach of financial covenants, non-payment of interest amounts payable, any non-compliance with the provisions of the loan agreement and insolvency of the company, carry the risk of an event of default, which if not cured within the remedy period, will lead to a default on the credit facility. The loan contains a covenant stating that at the end of each quarter the total net leverage (the ratio of net debt to Adjusted EBITDA, as defined per the loan agreement) has not exceeded 3.5 and that a minimum equity of €100 million is maintained, otherwise the loan will be repayable on demand. Nagarro monitors all the covenants to ensure its compliance. The covenants are well within the acceptable range and Nagarro expects to comply with the quarterly covenants within 12 months after the reporting date. As per the terms of the loan agreement, Nagarro needs to provide the consolidated group financial statement to the banks together with a covenant statement by April 30 following the end of financial year. Nagarro is not in default of this covenant.

Further, as per the terms of the loan agreement, Nagarro should comply with the Guarantor Threshold Test ('GTT') wherein downstream subsidiaries of Nagarro contributing to a certain threshold of revenue and EBITDA are required to be the guarantors in this loan agreement. To ensure continuing compliance with GTT, Nagarro has added certain additional guarantors as per the provisions of syndicate loan agreement. Nagarro is not in default of this covenant.

As of December 31, 2025, these loans under the syndicated credit facility denominated in euros totaled kEUR 304,500 (December 31, 2024: kEUR 319,500). These loans have a floating interest rate based on three-month or six-month Euribor (depending upon the interest period) plus a margin of 1.75 (December 31, 2024: 1.75) percentage points as at December 31, 2025. The unutilized portion of the loan carries interest at 35% of the margin interest rate of the utilized loan. In financial year 2025, the loans had an average interest rate of 4.02% p.a. (2024: 5.54% p.a.). Further the unutilized portion of the loan carried an average interest rate of 0.61% p.a. (2024: 0.61% p.a.).

Nagarro has a non-recourse factoring facility in United States of America for its American entities and the liabilities from factoring represents cash collected from customers on behalf of the factor.

Nagarro has a recourse and non-recourse factoring facility in Germany for its two German entities (Nagarro ES GmbH and Nagarro GmbH, Munich), with a limit of kEUR 20,000 (December 31, 2024: recourse factoring: kEUR 20,000). Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.75 (December 31, 2024: 1.65) percentage points during the year. During the year 2025, an interest rate of 3.87% p.a. was applied (December 31, 2024: 5.15% p.a.). In 2024, since it was a recourse factoring arrangement, it was disclosed as loan from factor and was partly secured by the underlying factored receivables. For further details, please refer C.9. Trade receivables.

Nagarro Austria has been granted unsecured loans for certain government related project amounting to kEUR 347 (2024: kEUR 492) and carries fixed interest rate. In the financial year 2025, the loans had an average interest rate of 1.21% (2024: 1.05%) p.a.

Advanced Programming Solutions, S. L., Spain, had taken an unsecured loan amounting to kEUR 400 in 2022 for 48 months and carries fixed interest rate of 1.75% p.a. In the financial year 2025, the loan had an average interest rate of 1.75% (2024: 1.75%) p.a.

FWD View Limited, United Kingdom, had taken two unsecured loans denominated in GBP amounting to kGBP 50 (kEUR 60) in 2020 for 72 months and kGBP 154 (kEUR 186) in 2022 for 72 months and carries fixed interest rate of 2.50% p.a. and 8.3% p.a. respectively. In the financial year 2025, these loans had an average interest rate of 6.88% (2024: 6.88%) p.a.

As of December 31, 2025 Nagarro ES GmbH, Germany, has taken unsecured loans amounting to kEUR 4,589 (2024: kEUR 2,433) ranging from 12 months to 60 months and carrying a fixed interest rate of 0.39% p.a. to 10.32% p.a. (2024: 2.11% p.a. to 13.43% p.a.). In the financial year 2025, the loan had an average interest rate of 3.59% (2024: 3.96%) p.a.

Inaho Digital Solutions Co. Ltd. had taken two unsecured loans denominated in JPY amounting to kJPY 11,479 (kEUR 62) in 2021 for 61 months and kJPY 40,000 (kEUR 217) in 2021 for 114 months and carries fixed interest rate of 2.92% p.a. and 2.00% p.a. respectively.

13. Employee benefits liabilities

Employee benefits liabilities comprise only defined benefit obligations (net of fair value of plan assets), shared-based payment arrangements and liabilities from acquisitions (remuneration-linked) because of the estimation uncertainty inherent in these positions.

Employee benefits liabilities are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Defined benefit obligations	33,940	29,685	4,255	22,184	19,610	2,574
Fair value of plan asset	(307)	-	(307)	(420)	-	(420)
	33,633	**29,685**	**3,948**	**21,764**	**19,610**	**2,154**
Liabilities for cash-settled stock-based arrangements	12,918	3,251	9,667	14,443	2,971	11,471
Liabilities for performance based restricted stock units	890	890	-	-	-	-
Liabilities from acquisitions - remuneration linked	700	-	700	2,460	(0)	2,460
	14,508	**4,142**	**10,367**	**16,902**	**2,971**	**13,931**
Total employee benefits liabilities	**48,142**	**33,827**	**14,315**	**38,666**	**22,581**	**16,085**

For more details on liabilities for cash-settled stock-based arrangements and performance based restricted stock units, see note F.8. Share based payment arrangement.

Defined benefit obligations

Defined benefits obligations, net of fair value of plan assets is detailed above.

The Sri Lankan company and Indian companies have obligations for future gratuity payments to employees (gratuity obligations) who have worked with the company for a minimum period of five years that become payable when employees depart, regardless of termination by the employer or employee.

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. Up to the reporting date, the Ministry of Labour & Employment had published draft Central Rules and FAQs to enable assessment of the financial impact due to changes in regulations. Nagarro has assessed and disclosed the incremental impact of these changes on the basis of best information available. Considering the materiality and regulatory-driven, non-recurring nature of this impact, Nagarro has adjusted such incremental impact in Adjusted EBITDA (refer F.3. Adjusted EBITDA) as "Statutory impact of new Labour Codes in India". The incremental one-time impact in 2025 is kEUR 12,415 primarily on account of defined benefit obligations due to change in wage definition which has been clubbed in staff costs in the consolidated statement of comprehensive income. Nagarro continues to monitor the finalization of Indian 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.

The UAE companies have obligations for future end of service benefits payment to employees (end of service benefits obligation) who have worked with the company and are paid lumpsum amount calculated as follows: for first 5 years of employment at 21 days' salary for each completed year of service or part thereof and after first 5 years of employment at 30 days' salary for each completed year of service or part thereof with maximum end of service benefit payable being equal to 24 months' salary. This amount is payable when an employee departs from the company.

The company in Philippines does not have an established retirement plan and provides the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which provides a retirement benefit equal to 22.5 days' pay for every year of credited

service for employees who attain the retirement age of sixty (60) with at least five (5) years of service. The regulatory benefit is paid in a lump sum upon retirement.

The company in Türkiye, in accordance with the Turkish Labor Law, is obliged to pay severance pay to every employee who retires after 25 years of working (58 years for women and 60 years for men), whose employment relationship is terminated, who is called up for military service or who dies.

The company in Saudi Arabia has an obligation for future end of service benefits payment to employees (end of service benefits obligation) who have worked with the company for at-least two years and are paid lumpsum amount calculated as follows: calculated as half a month's wage for the first five years and a full month's wage for subsequent years, if terminated by the employer or the employee resigns for a valid reason. If an employee resigns, the benefit is reduced to one-third for 2-5 years of service, two-thirds for 5-10 years, and the full amount after 10 years.

These severance payouts represent a defined benefits plan in accordance with IAS 19. To cover these post–employment benefits obligations, provisions of kEUR 33,940 were recognized as of December 31, 2025 (December 31, 2024: kEUR 22,184). The amounts can be reconciled as follows:

	2025	2024
	kEUR	kEUR
Present value of the defined benefit obligation on January 1	22,184	17,252
Acquisitions through business combinations	248	-
Current service cost	4,695	4,722
Past service cost	12,413	-
Interest cost	1,263	1,176
Currency translation - relating to income statement	(3,938)	539
Currency translation - relating to OCI	(488)	169
Actuarial gains or losses - relating to OCI	(1,224)	(728)
Benefits paid	(1,213)	(946)
Present value of the defined benefit obligation on December 31	**33,940**	**22,184**

The fair value of plan assets relates to ATCS India having 400 (December 31, 2024: 485) employees at the year end. The plan assets are invested in investment funds managed by a life insurance company. The fair value of plan assets is based on the latest fund statement provided by the life insurance company.

	2025	2024
	kEUR	kEUR
Fair value of plan assets on January 1	420	448
Acquisitions through business combinations	-	-
Interest income	26	33
Currency translation - relating to income statement	(63)	14
Currency translation - relating to OCI	-	-
Actuarial gains or losses on plan assets - relating to OCI	(11)	(2)
Contributions from the employer	-	-
Benefits paid	(66)	(72)
Fair value of plan assets on December 31	**307**	**420**

The change in defined benefits obligations affected the consolidated statement of comprehensive income as follows:

	2025	2024
	kEUR	kEUR
Staff costs		
Current service cost	4,695	4,722
Past service cost	12,413	-
	17,108	4,722
Finance expenses		
Interest cost	1,263	1,176
Interest income on plan assets	(26)	(33)
Net interest expense	1,238	1,143
Foreign exchange (loss) gain		
Currency translation	(3,938)	539
	(3,938)	539
Recognized in consolidated statement of comprehensive income	**14,407**	**6,404**
Losses (Gains) from remeasurement of defined benefit obligations and plan assets		
due to experience adjustments	907	324
due to changes in financial assumptions	(3,230)	(2,950)
due to changes in demographic assumptions	1,100	1,899
Actuarial gains or losses on plan assets	11	-
Currency translation - relating to OCI	(488)	169
Included in other comprehensive income	**(1,701)**	**(559)**

These end of service benefits/gratuity payments constitute a defined benefits plan according to IAS 19 and are measured using actuarial methods. Calculating the present value of defined benefits obligations is based on country-specific mortality tables for India, UAE, Sri-Lanka, Philippines and Türkiye and the following general assumptions on weighted average basis:

	Dec 31, 2025	Dec 31, 2024
Weighted average		
Calculated interest rate	6.9%	7.5%
Salary increase p.a.	8.4%	9.9%
Rate of staff turnover p.a.	13.4%	18.4%
Remaining term of service to retirement in years	27	28

As of December 31, 2025, the average expected length of service of a colleague with the Indian companies is assumed to be 7.3 years (December 31, 2024: 6.1 years), for UAE companies is assumed to be 6.0 years (December 31, 2024: 6.3 years), for the Sri Lankan company is assumed to be 3.5 years (December 31, 2024: 3.2 years), for the Philippines company is assumed to be 5.2 years (December 31, 2024: 4.3 years), for the Turkish company is assumed to be 10.9 years (December 31, 2024: 11.9 years) and for the Saudi company is assumed to be 5.9 years (December 31, 2024: 5.9 years) respectively.

The following are the expected payments or contributions to the defined benefits plan in future years:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Within the next 12 months	3,614	2,289
Between 2 and 5 years	15,813	11,388
Between 6 and 10 years	16,820	12,585
Beyond 10 years	26,769	14,768
Total expected payments	**63,017**	**41,030**

Sensitivity analysis

As a result of the existing benefits commitments, Nagarro is exposed to the following actuarial risks:

Longevity risk	The life expectancy is higher than the best possible estimate according to the mortality tables. This increases actual pension obligations at a later date.
Interest rate risk	The calculated interest rate to determine the present value of the defined benefit obligations is derived from the yield on high-quality corporate bonds. A decrease in interest on corporate bonds leads to an increase in benefit obligations.
Salary risk	Subsequent, unexpected salary increases lead to an increase in benefit obligations linked to remuneration.

The actuarial parameters used for calculating the present value of defined benefits obligations are the calculated interest rate, the expected annual salary increases for commitments linked to remuneration (salary trend), and the annual increase in current pensions (pension trend). On the assumption that the remaining parameters are constant, the present value of the defined benefits obligations as of December 31, 2025 and 2024 increases or decreases by changing one assumption at a time according to the following sensitivity analysis:

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2025		
Calculated interest rate (1.00% change)	(2,150)	2,432
Salary trend (1.00% change)	1,968	(1,900)

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2024		
Calculated interest rate (1.00% change)	(1,357)	1,524
Salary trend (1.00% change)	1,316	(1,247)

The above sensitivity analyses were performed by extrapolating the effects of realistic changes in key assumptions at the end of the reporting period on the defined benefits obligation.

Defined contribution plans

Nagarro also supports private contribution through deferred compensation schemes.

Employer contributions of kEUR 2,061 (2024: kEUR 2,239) for defined contribution plans were recognized as an expense in the financial year under review.

Liabilities from acquisitions - remuneration linked

The amounts can be reconciled as follows:

	Liabilities from acquisitions - remuneration linked
	kEUR
Balance as at Jan 1, 2024	**268**
Additions - through statement of comprehensive income	2,361
Reduction due to payments	(274)
Currency differences	104
Balance as at Dec 31, 2024	**2,460**
Additions - through statement of comprehensive income	960
Reduction due to payments	(1,796)
Reduction due to reversal of provision	(724)
Currency differences	(199)
Balance as at Dec 31, 2025	**700**

Reversal of earnout payable of kEUR 724 (December 31, 2024: Nil) is related to RipeConcepts. For more details on liabilities from acquisitions - remuneration linked, see note F.1. Business combinations.

14. Liabilities from acquisitions

The liabilities from acquisitions are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities from acquisitions	9,220	5,349	3,871	5,873	4,468	1,405
	9,220	**5,349**	**3,871**	**5,873**	**4,468**	**1,405**

For details on liabilities from acquisitions refer to notes C.18. Financial instruments and F.1. Business combinations.

15. Other financial liabilities

Other financial liabilities are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Wages and salaries	11,178	-	11,178	12,828	-	12,828
Leave obligations	21,048	5,688	15,360	19,918	5,662	14,256
Outstanding incoming invoices	7,279	-	7,279	8,177	-	8,177
Derivative financial instruments	3,030	-	3,030	1,631	-	1,631
Audit fees	2,016	-	2,016	1,015	-	1,015
Working time accounts	379	-	379	350	-	350
Accrued interest on bank loans	436	-	436	776	-	776
Others	2,798	172	2,626	1,527	81	1,445
	48,166	**5,861**	**42,305**	**46,222**	**5,743**	**40,478**

Obligations arising from vacation days not yet taken and granted to employees of Nagarro companies as of the reporting date are recognized as leave obligations. Expenditure per vacation day is calculated according to the individual average salary (excluding one-time payments) of the employees in the financial year under review, including social security contributions.

Others include credit card and other payables.

16. Other provisions

Other provisions are composed as follows:

	Dec 31, 2025			Dec 31, 2024		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	22,504	-	22,504	22,135	-	22,135
Employers' liability insurance association	91	-	91	101	-	101
Restructuring, severance pay	614	212	402	914	434	480
Warranties to customers	1,296	-	1,296	1,452	-	1,452
Miscellaneous	2,696	-	2,696	2,196	-	2,196
	27,201	**212**	**26,989**	**26,799**	**434**	**26,365**

Provision for bonuses relate to performance-based remuneration of management and employees of Nagarro companies.

Non-current portion of restructuring, severance pay are expected to be paid within 2-5 years from the end of the reporting period.

Other provisions developed as follows:

	Jan 1, 2025	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	22,135	1	(21,642)	(572)	-	24,184	(1,603)	22,504
Employers' liability insurance association	101	-	(101)	-	-	91	-	91
Restructuring, severance pay	914	-	(846)	(70)	-	616	-	614
Warranties to customers	1,452	-	(550)	(908)	-	1,344	(42)	1,296
Miscellaneous	2,196	-	(1,530)	(22)	-	2,228	(176)	2,696
	26,799	**1**	**(24,670)**	**(1,572)**	**-**	**28,464**	**(1,821)**	**27,201**

	Jan 1, 2024	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	20,149	-	(19,252)	(776)	-	21,524	490	22,135
Employers' liability insurance association	162	-	(160)	(2)	-	101	-	101
Restructuring, severance pay	454	-	(60)	-	-	520	-	914
Warranties to customers	1,719	-	(487)	(1,155)	-	1,349	27	1,452
Miscellaneous	1,974	-	(1,921)	(36)	-	2,139	40	2,196
	24,458	**-**	**(21,880)**	**(1,969)**	**-**	**25,632**	**557**	**26,799**

17. Other liabilities

Other liabilities are composed as follows:

	Dec 31, 2025		Dec 31, 2024	
	of which:		of which:	
	Total	Current	Total	Current
	kEUR	kEUR	kEUR	kEUR
Liabilities from VAT	10,121	10,121	11,868	11,868
Social security liabilities	5,558	5,558	5,037	5,037
Other	31	31	117	117
	15,711	**15,711**	**17,022**	**17,022**

18. Financial instruments

a. Accounting classifications and carrying values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
Dec 31, 2025	**at FVTPL**	**at amortized cost**	**at FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	72	-	-	72	-	72	-	72
	72	-	-	72	-	72	-	72
Financial assets not measured at fair value - non-current								
Other financial assets	-	3,902	-	3,902	-	-	-	-
	-	3,902	-	3,902	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	198,263	-	198,263	-	-	-	-
Other financial assets - others	-	11,614	-	11,614	-	-	-	-
Cash and cash equivalents	-	124,617	-	124,617	-	-	-	-
	-	334,495	-	334,495	-	-	-	-
	72	**338,396**	**-**	**338,468**	**-**	**72**	**-**	**72**

Dec 31, 2025	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	5,349	-	-	5,349	-	-	5,349	5,349
	5,349	-	-	5,349	-	-	5,349	5,349
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	3,871	-	-	3,871	-	-	3,871	3,871
Other financial liabilities - foreign exchange forward transactions	3,030	-	-	3,030	-	3,030	-	3,030
	6,901	-	-	6,901	-	3,030	3,871	6,901
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	303,950	-	303,950	-	311,797	-	311,797
Loans and borrowings - others (unsecured)	-	3,162	-	3,162	-	3,162	-	3,162
	-	307,112	-	307,112	-	314,959	-	314,959
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(743)	-	(743)	-	-	-	-
Loans and borrowings (unsecured)	-	3,692	-	3,692	-	3,692	-	3,692
Trade payables	-	19,036	-	19,036	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	7,279	-	7,279	-	-	-	-
Other financial liabilities - audit fees	-	2,016	-	2,016	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	436	-	436	-	-	-	-
Other financial liabilities - others	-	2,798	-	2,798	-	-	-	-
	-	34,514	-	34,514	-	3,692	-	3,692
	12,249	**341,626**	**-**	**353,875**	**-**	**321,680**	**9,220**	**330,900**

Dec 31, 2024	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	890	-	-	890	-	890	-	890
	890	-	-	890	-	890	-	890
Financial assets not measured at fair value - non-current								
Other financial assets	-	2,133	-	2,133	-	-	-	-
	-	2,133	-	2,133	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	216,890	-	216,890	-	-	-	-
Trade receivables - factored	-	2,441	-	2,441	-	-	-	-
Other financial assets - others	-	6,960	-	6,960	-	-	-	-
Cash and cash equivalents	-	192,567	-	192,567	-	-	-	-
	-	418,859	-	418,859	-	-	-	-
	890	**420,991**	**-**	**421,881**	**-**	**890**	**-**	**890**

Dec 31, 2024	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	4,468	-	-	4,468	-	-	4,468	4,468
	4,468	-	-	4,468	-	-	4,468	4,468
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	1,405	-	-	1,405	-	-	1,405	1,405
Other financial liabilities - foreign exchange forward transactions	1,631	-	-	1,631	-	1,631	-	1,631
	3,036	-	-	3,036	-	1,631	1,405	3,036
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	318,721	-	318,721	-	325,006	-	325,006
Loans and borrowings - others (unsecured)	-	2,113	-	2,113	-	2,113	-	2,113
	-	320,835	-	320,835	-	327,119	-	327,119
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(448)	-	(448)	-	-	-	-
Loans and borrowings (unsecured)	-	6,784	-	6,784	-	6,784	-	6,784
Loans and borrowings (partly secured)	-	2,441	-	2,441	-	-	-	-
Trade payables	-	17,076	-	17,076	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	8,177	-	8,177	-	-	-	-
Other financial liabilities - audit fees	-	1,015	-	1,015	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	776	-	776	-	-	-	-
Other financial liabilities - others	-	1,527	-	1,527	-	-	-	-
	-	37,348	-	37,348	-	6,784	-	6,784
	7,504	**358,183**	**-**	**365,686**	**-**	**335,534**	**5,873**	**341,407**

Contract assets (December 31, 2025: kEUR 21,124; December 31, 2024: kEUR 15,961) and lease liabilities (December 31, 2025: kEUR 72,087; December 31, 2024: kEUR 54,483) are not allocated to any of the measurement categories under IFRS 9 and are therefore not included in the tables above.

b. Measurement of fair value

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in Level 2 and Level 3 fair value for financial instruments in the consolidated statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Forward foreign exchange contracts	Marked to market values of derivative instruments based on forward rates at the reporting date using present value calculations based on high credit quality yield curves in the respective currencies	Not applicable	Not applicable
Liabilities from acquisitions	Monte-carlo valuation model - The valuation model considers the probability and present value of expected payments using risk-adjusted discount rate	(i) Expected contribution margin / EBITDA relevant to earn-out (ii) Risk-adjusted discount rate of 3.5% -5.9% p.a. (31 December 2024: 5.6% -7.1% p.a.)	The estimated fair value would increase (decrease) if: (i) the expected contribution margin / EBITDA relevant to earn-out were higher (lower) (ii) the risk-adjusted discount rate was higher (lower)

ii. Transfers between the hierarchy levels

In the periods under consideration there were no reclassifications between hierarchy levels.

iii. Level 3 recurring fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Contingent purchase price liabilities measured at fair value
	kEUR
Balance as at Jan 1, 2024	**11,504**
Additions	4,577
Additions - through statement of comprehensive income	755
Interest effect	407
Reduction due to payments	(9,290)
Currency differences	219
Purchase price adjustment	(2,299)
Balance as at Dec 31, 2024	**5,873**
Additions	5,358
Additions - through statement of comprehensive income	326
Interest effect	186
Reduction due to payments	(1,695)
Currency differences	(481)
Purchase price adjustment	(347)
Balance as at Dec 31, 2025	**9,220**

Additions represent fair value of contingent consideration using Monte carlo simulations. Breakdown as follows:

Entity acquired	Year of acquisition	2025	2024
		kEUR	kEUR
Additions i.e., initial measurement at the time of business combination			
Charles Hudson Technology Solutions	2025	5,280	-
Inaho Digital Solutions	2025	79	-
FWD View	2024	-	4,577
		5,358	**4,577**
Additions - through statement of comprehensive income i.e., subsequent measurement			
FWD View	2024	170	-
Infocore Germany	2023	155	755
		326	**755**

Purchase price adjustment represents reversal of earnout payable of kEUR 347 (December 31, 2024: kEUR 2,299) mainly on account of acquisition of APSL and Telesis (December 31, 2024: Techmill, Infocore, APSL and Telesis) as the acquired entities were not able to achieve the earnout targets. Further, there is a reversal of earnout payable of kEUR 724 (December 31, 2024: Nil) related to RipeConcepts which has been considered as remuneration linked liability from acquisitions. The same has been recognized as income (refer D.2. Other operating income).

c. Sensitivity analysis

For the fair values of the contingent consideration, a change (increase or decrease) of input factors while keeping the remaining input factors constant has the following effects:

	Profit for the period			
	2025		2024	
	Increase	Decrease	Increase	Decrease
	kEUR	kEUR	kEUR	kEUR
Contingent consideration				
Change in the earn-out relevant EBITDA by 5% relative to plan	1,846	(1,883)	352	(369)
Risk-adjusted discount rate (5% movement (500bps))	(556)	626	(743)	843

d. Derivative financial instruments

Nagarro concludes foreign exchange forward transactions to hedge foreign currency risks of future cash flows.

In the Nagarro Indian companies, the Euro (EUR), US dollar (USD), the Swedish krone (SEK), the British pound (GBP), and the Australian dollar (AUD) are the currencies that were hedged with respect to the Indian rupee (INR), since the customer receivables are mainly in these currencies while purchasing costs (staff costs and the purchase of third-party services) are incurred in Indian rupees (INR).

In each case, the maturity of the foreign exchange forward contract is less than one year.

The foreign exchange forward contracts were concluded as follows:

	Dec 31, 2025			Dec 31, 2024		
Foreign exchange forward contracts	**Nominal amount**	**Assets**	**Liabilities**	**Nominal amount**	**Assets**	**Liabilities**
	thousands	kEUR	kEUR	thousands	kEUR	kEUR
USD-INR	122,193	72	1,675	92,625	-	1,552
EUR-INR	35,800	-	939	31,350	636	43
SEK-INR	23,945	-	130	34,295	92	9
GBP-INR	5,910	-	162	5,720	70	24
AUD-INR	6,185	-	124	4,675	92	3
		72	3,030		890	1,631

There are no derivative master netting agreements for the year 2025 and 2024.

The gain or loss from the foreign exchange forward transactions is as below:

	2025	2024
	kEUR	kEUR
Net gain (loss) from foreign exchange forward transactions		
Income from foreign exchange forward transactions	-	4,023
Expense from foreign exchange forward transactions	(2,499)	(3,685)
	(2,499)	**338**

As described in D.2. Other operating income, in 2025, Nagarro has presented income and expenses from foreign exchange forward transactions on a net basis.

e. Net gains and losses from financial instruments

Net gains and losses from financial instruments are comprised as follows:

		2025					
in kEUR	**Category in accordance with IFRS 9**	**Other operating income**	**Staff costs**	**Other operating expenses**	**Finance income**	**Finance costs**	**Total net gains (losses)**
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(1,423)	(1,423)
		-	**-**	**-**	**-**	**(1,423)**	**(1,423)**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	-	-	380	-	-	380
Other financial assets	AC	-	-	-	462	-	462
Cash and cash equivalents	AC	-	-	-	2,041	-	2,041
		-	**-**	**380**	**2,503**	**-**	**2,883**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	347	(326)	-	-	(186)	(164)
Liabilities from acquisitions - employment linked	n/a	724	(960)	-	-	-	(236)
Derivative financial instruments	FVTPL	-	-	(2,499)	-	-	(2,499)
		1,071	**(1,285)**	**(2,499)**	**-**	**(186)**	**(2,899)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(2,674)	-	-	(12,219)	(14,893)
Employee benefits liabilities (under IAS 19)	n/a	-	-	-	-	(1,263)	(1,263)
Leases (under IFRS 16)	n/a	-	-	-	-	(4,854)	(4,854)
		-	**(2,674)**	**-**	**-**	**(18,336)**	**(21,011)**
		1,071	**(3,960)**	**(2,120)**	**2,503**	**(19,946)**	**(22,451)**

in kEUR	Category in accordance with IFRS 9	Other operating income	Staff costs	Other operating expenses	Finance income	Finance costs	Total net gains (losses)
			2024				
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(1,403)	(1,403)
Derivative financial instruments	FVTPL	4,023	-	-	-	-	4,023
		4,023	**-**	**-**	**-**	**(1,403)**	**2,619**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	-	-	(3,015)	-	-	(3,015)
Trade receivables - factored - recourse	AC	-	-	-	-	(113)	(113)
Other financial assets	AC	-	-	-	640	-	640
Cash and cash equivalents	AC	-	-	-	2,860	-	2,860
		-	**-**	**(3,015)**	**3,500**	**(113)**	**372**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	2,299	(755)	-	-	(407)	1,136
Liabilities from acquisitions - employment linked	n/a	-	(2,361)	-	-	-	(2,361)
Derivative financial instruments	FVTPL	-	-	(3,685)	-	-	(3,685)
		2,299	**(3,117)**	**(3,685)**	**-**	**(407)**	**(4,910)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(3,382)	-	-	(15,816)	(19,197)
Employee benefits liabilities (under IAS 19)	n/a	-	-	-	-	(1,176)	(1,176)
Leases (under IFRS 16)	n/a	-	-	-	-	(2,125)	(2,125)
		-	**(3,382)**	**-**	**-**	**(19,117)**	**(22,498)**
		6,321	**(6,498)**	**(6,700)**	**3,500**	**(21,041)**	**(24,417)**

D. Notes to the consolidated statement of comprehensive income

1. Revenue

Disaggregated revenue information

The revenue by industry is as follows:

	2025	2024
	kEUR	kEUR
Automotive, manufacturing and industrial	248,648	219,794
Energy, utilities and building automation	66,488	73,544
Financial services and insurance	123,573	124,757
Horizontal tech	50,868	61,489
Life sciences and healthcare	71,399	70,893
Management consulting and business information	75,895	60,509
Public, non-profit, education	90,184	88,876
Retail and CPG	135,136	132,417
Telecom, media and entertainment	44,679	54,180
Travel and logistics	92,427	85,529
	999,296	**971,987**

The revenue by contract type is as follows:

	2025	2024
	kEUR	kEUR
Time and expenses	685,662	678,389
Fixed price	107,408	130,048
Periodic services	199,556	157,639
Other revenues	6,670	5,911
	999,296	**971,987**

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when Nagarro expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, Nagarro has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of Nagarro's performance completed to date, typically those contracts where invoice is on time and expenses and periodic services.

For customer contracts whose original duration was at least one year, expected revenue from performance obligations yet to be fulfilled are as follows:

as of:	Total kEUR	2025 kEUR	2026 kEUR	2027 kEUR	2028 kEUR	2029 kEUR	2030 kEUR
December 31, 2025	56,196	-	42,186	10,258	2,390	971	391
December 31, 2024	169,078	122,460	27,916	12,079	3,311	3,311	-

2. Other operating income

Other operating income is broken down as follows:

	2025 kEUR	2024 kEUR
Income from currency translation	-	16,328
Income from foreign exchange forward transactions	-	4,023
Income from the sale of property, plant and equipment	34	141
Release of provisions	1,217	1,969
Profit from purchase price adjustment	1,071	2,299
Gain on lease modification	617	71
Net monetary gain (hyper inflationary)	1,598	2,630
Grant income	1,005	396
Miscellaneous	3,543	2,740
	9,085	**30,597**

Profit from purchase price adjustment represents reversal of earnout payable of kEUR 1,071 (December 31, 2024: kEUR 2,299) on account of acquisition of RipeConcepts, APSL and Telesis (December 31, 2024: Techmill, Infocore, Telesis and APSL) as the acquired entities were not able to achieve the earnout targets (refer C.18. Financial instruments).

Until December 31, 2024, Nagarro presented income and expenses from currency translation and foreign exchange forward transactions on a gross basis. Effective 2025, Nagarro presents these items on a net basis i.e., net income/(expense) from currency translation and net income/(expense) from foreign exchange forward transactions under other operating income or other operating expenses in case of net income and net expense respectively. Management believes that this presentation better reflects the nature of these items as part of the Group's overall foreign currency risk management activities and provides more relevant information to users of the financial statements. The change represents a voluntary change in presentation in accordance with IAS 1. The change affects presentation only and has no impact on profit before tax, net profit or equity. Had the net presentation been applied in 2024, net income from currency translation would have been kEUR 6,036 and net income from foreign exchange forward transactions would have been kEUR 338. Accordingly, total other operating income would have been reduced by kEUR 13,977 with a corresponding reduction in other operating expenses.

3. Cost of freelancers and other direct cost

The cost of freelancers and other direct costs are composed as follows:

	2025	2024
	kEUR	kEUR
Purchased services	72,988	62,277
Software and other costs	9,756	6,486
Provision for onerous contracts	125	117
	82,869	**68,879**

Purchased services include external temporary staff and subcontractors engaged on a project-specific basis.

4. Staff costs

Staff costs are composed as follows:

	2025	2024
	kEUR	kEUR
Salaries and wages	584,674	586,417
Social security contributions	51,904	49,672
Gratuity	17,108	4,722
Defined contribution expenses	2,061	2,239
Bonuses	46,411	49,718
Equity-settled share-based payments	765	3,206
Cash-settled share-based payments	(1,525)	550
Retention bonuses - acquisition related	2,674	3,382
Earnout expense - acquisition related	1,285	3,117
Performance-based Restricted Stock Units	890	-
	706,247	**703,022**

Gratuity includes past service cost of kEUR 12,413 (2024: Nil) related to one-time cumulative statutory impact of new Labour Codes implemented in India with effect from November 21, 2025. Please refer to note C.13. Employee benefits liabilities for further details.

Staff costs of kEUR 3,631 (2024: kEUR 3,333) were incurred for non-capitalizable activities in connection with product development.

Up to the year 2024, Nagarro had considered only on-roll employees under the category of "Professionals" for the purpose of headcount disclosure. The Company has certain W-2 employees in USA who are employed on a contractual basis but their payroll is processed through same payroll cycle with social security and tax deductions similar to any other full-time employee. Their cost is also charged to staff costs. Accordingly, effective 2025, Nagarro has included these W-2 employees within category of "Professionals", and the comparative figures for previous years have been restated accordingly.

At year-end, Nagarro had 18,003 [2024: 17,825 (previously reported: 17,695)] number of professionals out of which 16,429 [2024: 16,453 (previously reported: 16,192)] were professionals in engineering and 1,574 [2024: 1,372 (previously reported: 1,503)] were professionals in sales and administration. During the year, Nagarro had 17,665 [2024: 18,241 (previously reported: 18,124)] number of average professionals out of which 16,127 [2024: 16,770 (previously reported: 16,627)] were professionals in engineering and 1,538 [2024: 1,471 (previously reported: 1,497)] were professionals in sales and administration. The average values were calculated based on the number of employees on January 1, March 31, June 30, September 30 and December 31.

5. Other operating expenses

Other operating expenses are composed as follows:

	2025	2024
	kEUR	kEUR
Travel expenses	16,029	16,539
Vehicle costs	3,586	3,085
IT costs	12,405	13,259
Services	4,195	3,899
Land and building costs	3,982	4,004
Other staff costs	8,335	9,046
Advertising expenses	4,997	4,204
Communication expenses	2,294	2,630
Maintenance	1,222	1,549
Expense from currency translation	17,742	10,292
Expenses for foreign exchange forward transactions	2,499	3,685
Insurance, contributions	3,891	3,510
Legal, consulting and audit fees	9,889	4,714
Entertainment expenses	980	934
Office supplies	572	759
Direct selling expenses	566	911
Supervisory board remuneration	876	713
Loss on lease modification	0	35
Residual book value from disposal of property, plant and equipment	21	361
Acquisition costs	851	334
Expenses relating to the exploration of the take-private option	-	3,861
Expenses relating to strategic review of listing and privatization choices	-	1,234
Independent investigation expenses following past external allegations	1,992	-
Miscellaneous	4,152	4,322
	101,076	**93,878**

Audit fees include fees for the auditor of the consolidated financial statements for the following services:

	2025	2024
	kEUR	kEUR
Audit services	2,531	700
Other assurance services	208	11
Other services	62	119
	2,801	**830**

The fee for audit services relates to the audit of the annual financial statements of Nagarro SE, the consolidated financial statements of Nagarro group (including the audit of certain subsidiaries and selected component reporting packages) and the formal audit of the remuneration report. It also includes additional audit fee amounting to kEUR 1,251 (2024: Nil) for the year 2024. Other assurance services relate to certification of loan covenants and the audit of sustainability reports with limited assurance. Other services relate to quality assurance of regulatory requirements.

Expense from currency translation is mainly on account of revaluation loss on intra-group loans within Nagarro group because of weakening of the US dollar against the Euro. Further, as described in D.2. Other operating income, Nagarro has presented income and expenses from currency translation and foreign exchange forward transactions on a net basis. Had the net presentation been applied in 2024, net expense from currency translation and foreign exchange forward transactions would have been Nil.

6. Depreciation, amortization and impairment

For information on depreciation, amortization and impairment, please refer to Notes C.1. Intangible assets, C.2. Goodwill, C.3. Property, plant and equipment and C.4. Right-of-use assets and lease liabilities.

7. Finance income

Finance income is composed as follows:

	2025	2024
	kEUR	kEUR
Interest income	2,503	3,500
	2,503	**3,500**

Interest income mainly includes interest income on bank balances, deposits with banks and plan assets relating to retirement benefits in India.

8. Finance costs

Finance costs are composed as follows:

	2025	2024
	kEUR	kEUR
Interest on bank loans	12,219	15,816
Interest on leases	4,854	2,125
Factoring interest (non-recourse)	1,423	1,403
Interest portion of additions to pension provisions	1,263	1,176
Interest on liabilities from acquisitions	186	407
Factoring interest (recourse)	-	113
Other interest expenses	116	93
	20,062	**21,133**

For further information please refer to Note C.12. Loans and borrowings.

9. Earnings per share (EPS)

	2025	2024
	kEUR	kEUR
Profit for the period	39,492	49,156
Weighted average number of shares outstanding - basic	12,803,961	13,322,118
Number of shares outstanding - basic	12,402,697	13,322,118
Effect of dilutive share-based payment (Employee Share Participation Plan)	5,460	2,627
Total effect of dilution	5,460	2,627
Weighted average number of shares outstanding - diluted	12,809,421	13,324,745
Number of shares outstanding - diluted	12,408,157	13,324,745
Basic earnings per share in EUR (based on weighted average)	3.08	3.69
Basic earnings per share in EUR (based on shares outstanding)	3.18	3.69
Diluted earnings per share in EUR (based on weighted average)	3.08	3.69
Diluted earnings per share in EUR (based on shares outstanding)	3.18	3.69

Earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 12,803,961 (December 31, 2024: 13,322,118) after excluding treasury shares.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 12,809,421 (December 31, 2024: 13,324,745) after excluding treasury shares and adding for the effects of all dilutive potential shares.

As at December 31, 2025, 120,375 equity-settled options and 1,783 employee share participation plan (ESPP) shares (December 31, 2024: 396,068 equity-settled options and 1,927 ESPP shares) were excluded for the diluted weighted average number of shares calculations because their effect would have been anti-dilutive. Performance-based restricted stock units (PB RSUs) are

excluded from diluted earnings per share as the performance condition will only be assessed at the end of the four-year performance period and is not determinable at the reporting date.

The average market value of Nagarro SE's shares for the purpose of calculating the dilutive effect of share options and ESPP shares was based on quoted market price for the year during which these share options and ESPP shares were outstanding.

E. Notes to the consolidated statement of cash flows

1. Reconciliation of cash flows from changes in net working capital

Cash flows from changes in net working capital reconcile to the cashflows from operating activities as follows:

in kEUR	2025	2024
Changes in:		
Trade receivables, contract assets and contract liabilities	(15,596)	(22,540)
Trade payables	2,465	(8,020)
Employee benefits liabilities	2,239	143
Provisions	4,971	3,567
Other assets including other financial assets	(5,370)	5,256
Other liabilities including other financial liabilities	2,071	4,871
Cash flows from changes in net working capital	**(9,221)**	**(16,723)**

2. Reconciliation of net cash flows from non-recourse factoring

Net cash flows from non-recourse factoring reconcile to the cashflows from operating activities as follows:

		Cash flows	Currency differences	Interest	
	Jan 1, 2025	2025	2025	2025	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	25,274	9,953	(2,348)	1,423	34,302
Receivables from factor	-	(4,364)	-	-	(4,364)
Liabilities from factoring	(5,688)	(3,279)	524	-	(8,443)
	19,586	**2,310**	**(1,824)**	**1,423**	**21,495**

		Cash flows	Currency differences	Interest	
	Jan 1, 2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	26,188	(3,463)	1,145	1,403	25,274
Liabilities from factoring	(2,346)	(3,067)	(275)	-	(5,688)
	23,842	**(6,530)**	**870**	**1,403**	**19,586**

The changes in trade receivables derecognized and liabilities from factoring are disclosed as net cash flows from non-recourse factoring while change in gross trade receivables is shown as "Trade receivables, contract assets and contract liabilities" under changes in net working capital.

Liabilities from factoring include kEUR 6,810 (2024: Nil) related to German non-recourse factoring arrangement which has been offset with receivables from factor in these consolidated financial statements. Accordingly, this has not been disclosed in loans and borrowings and loans and borrowings only include liabilities from factoring amounting to kEUR 1,633 (2024: kEUR kEUR 5,688) which represents Nagarro's liabilities towards USA factoring arrangement.

For more details on non-recourse factoring, refer to Note C.9. Trade receivables.

3. Reconciliation of financial liabilities

Financial liabilities reconcile to the cashflows from financing activities (i.e., excluding non-recourse factoring and including recourse factoring) as follows:

			Non-cash transactions						
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expense (income)	Lease termination	
	Jan 1, 2025	2025	2025	2025	2025	2025	2025	2025	Dec 31, 2025
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings	323,924	(15,581)	-	158	(8)	-	(67)	-	308,427
Lease liabilities	54,483	(22,600)	51,030	261	(3,970)	1,788	-	(8,905)	72,087
	378,407	**(38,181)**	**51,030**	**420**	**(3,978)**	**1,788**	**(67)**	**(8,905)**	**380,514**

			Non-cash transactions					
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expensed	
	Jan 1, 2024	2024	2024	2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings	272,401	51,641	-	137	55	-	(310)	323,924
Lease liabilities	48,692	(23,895)	26,378	59	1,563	1,684	-	54,483
	321,094	**27,747**	**26,378**	**195**	**1,618**	**1,684**	**(310)**	**378,407**

Cash flows from operating activities are reported using the indirect method. Interest paid is included in cash flows from financing activities. Interest received is included in cash flows from investing activities.

4. Net cash flows from business combinations

Cash outflows for the acquisition of subsidiaries from third parties, net of cash acquired are reconciled as follows:

Entity acquired	Year of acquisition	2025	2024
		kEUR	kEUR
At the time of business combination			
Notion Edge	2025	300	-
Marlo Group, Australia	2025	563	-
Inaho Digital Solutions	2025	980	-
Charles Hudson Solutions Technologies	2025	10,794	-
FWD View	2024	-	8,651
		12,636	**8,651**
Contingent consideration			
FWD View	2024	621	-
APSL	2023	-	1,350
Telesis	2023	-	982
Infocore Germany	2023	1,074	389
Techmill	2022	-	100
ATCS	2021	-	6,470
		1,695	**9,290**
Liabilities from acquisitions - remuneration linked			
Infocore UAE	2023	743	274
RipeConcepts	2022	1,053	-
		1,796	**274**
		16,126	**18,216**

Also refer Note C.18. Financial instruments.

Cash outflows for the acquisition of subsidiaries from third parties at the time of business combination in the financial year 2025, net of cash acquired, reconcile as follows:

	Notion Edge, France	Marlo Group, Australia	Inaho Digital Solutions	Charles Hudson Solutions Technologies	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Purchase consideration	300	563	1,155	16,880	18,898
Contingent purchase price liabilities	-	-	79	5,280	5,358
Purchase price paid in cash in current year	300	563	1,077	11,601	13,540
Acquired cash and cash equivalents	–	–	(97)	(807)	(904)
Outflow (inflow) of cash and cash equivalents	**300**	**563**	**980**	**10,794**	**12,636**

Cash outflows for the acquisition of subsidiaries from third parties at the time of business combination in the financial year 2024, net of cash acquired, reconcile as follows:

	FWD View
	kEUR
Purchase consideration	14,829
Contingent purchase price liabilities	(4,478)
Purchase price paid in cash in current year	10,351
Acquired cash and cash equivalents	(1,700)
Outflow (inflow) of cash and cash equivalents	**8,651**

F. Other disclosures

1. Business combinations

Notion Edge France SAS

By way of a business transfer agreement dated April 2, 2025, Nagarro France SAS, entered into a strategic business transfer of assets transaction with Notion Edge France SAS ("Notion Edge"). Notion Edge specializes in SAP CX (Customer Experience) suite and delivers end-to-end SAP-enabled innovative solutions particularly within retail, CPG, B2B manufacturing and digital commerce sectors to help businesses with digital transformation. This transaction strengthens Nagarro's access to key industry players and allows clients to benefit from an expanded portfolio of customized end-to-end CX solutions that are aligned with the high standards of delivery quality. The transfer also enables wider access to the African market while reinforcing Nagarro's market position in Europe.

A maximum purchase price of EUR 3.5 million (including earn-out payment of EUR 1.5 million, contingent payment of EUR 0.7 million and retention bonus of EUR 1 million) was agreed for the business transfer of Notion Edge. The closing of the deal has been done and the fixed component of purchase price of EUR 0.3 million was paid on April 2, 2025. The contingent payment of EUR 0.7 million is dependent on the achievement of certain targets for FY2025. The remaining purchase price is due between 2026 and 2029, depending on the achievement of targets set in the agreement. The earnout and contingent payment amounting to EUR 2.2 million are dependent upon continuing employment of the seller's representative with Nagarro and thus not part of the capitalized purchase price. Accordingly, these will be recognized as an expense based on the undiscounted amounts expected to be paid for the respective year(s) considering them to be short-term employee benefits.

The closing of the deal has been done and the business of Notion Edge has been acquired. Accordingly, the acquired business of Notion Edge has been included for the first time with Nagarro from April 2, 2025. Below is the breakdown of net assets acquired from Notion Edge:

	Fair value
	kEUR
Intangible assets	-
Assets acquired	-
Deferred tax liabilities	-
Liabilities assumed	-
Total identifiable net assets at fair value	-
Goodwill arising on acquisition	300
Purchase consideration	300

From the date of acquisition, Notion Edge has generated revenue of kEUR 703 and earnings before interest, taxes, depreciation and amortization of kEUR 125. If the combination had taken place at the beginning of the year, revenues from Notion Edge would have been kEUR 975 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 98. In connection with the transaction there were costs of kEUR 75 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

The Marlo Group Pty Ltd., Australia

By way of a business sale agreement dated September 5, 2025, Nagarro Pty Ltd, Australia, entered into a strategic business sale of assets with The Marlo Group Pty Ltd. ("Marlo"). Marlo specializes in providing digital enablement services including DevOps, API management, data engineering and application development services to its customers primarily in BFSI and financial services verticals. This transaction gives Nagarro access to some key customers in the Australian market and allows them to benefit from an expanded portfolio of customized end-to-end solutions.

A maximum purchase price of AUD 1 million (including purchase price bonus payment of AUD 0.1 million) was agreed for the business sale of Marlo. The closing of the deal has been done and the fixed component of purchase price of AUD 0.9 million (€0.5 million) was paid in September 2025. The contingent payment of AUD 0.1 million (€0.1 million) is dependent on the novation of key customer contracts and acceptance of offer of employment by the transferred employees as stipulated in the business sale agreement.

The closing of the deal has been done and the business of Marlo has been acquired. Accordingly, the acquired business of Marlo has been included for the first time with Nagarro from September 19, 2025. Below is the breakdown of net assets acquired from Marlo:

	Fair value
	kEUR
Total identifiable net assets at fair value	681
Deferred tax assets	30
Assets acquired	**711**
Other financial liabilities	803
Liabilities assumed	**803**
Total identifiable net assets at fair value	**(92)**
Goodwill arising on acquisition	655
Purchase consideration	**563**

From the date of acquisition, Marlo has generated revenue of kEUR 461 and losses before interest, taxes, depreciation and amortization of kEUR 313. If the combination had taken place at the beginning of the year, revenues from Marlo would have been kEUR 3,871 and losses before interest, taxes, depreciation, and amortization would have been kEUR 1,115. In connection with the transaction there were costs of kEUR 241 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

Inaho Digital Solutions ('IDS')

By way of a stock purchase agreement (SPA) dated November 26, 2025, Nagarro K.K., Japan, acquired Inaho Digital Solutions Co. Ltd., Japan. Also, Nagarro Software Private Limited, India, signed an asset purchase and employment transfer agreement (APA) on November 26, 2025 with Inaho Digital Solutions Private Limited, India, to acquire its certain assets and employees in an asset deal. Through these agreements, Nagarro acquired the entire business of Inaho Digital Solutions (together called "IDS").

IDS is a boutique IT service provider specialized in modernizing legacy applications and in SAP S/4HANA transformations in Japan and for Japanese clients worldwide. IDS also supports its clients with cloud solutions, data and analytics initiatives, and other digital services. The acquisition of the IDS business will help in growing Nagarro's business with Japan Inc. worldwide.

A fixed purchase price of USD 1.4 million (including USD 0.1 million related to IDS, India) plus payment of the excess working capital was agreed for the acquisition of IDS. Further, earnout payment totaling USD 2.0 million for the earnout period from 2026 to 2028 with catch-up year 2029 and with maximum capping of USD 0.7 million for each of the earnout year from 2026 to 2028 has been agreed as part of the share purchase agreement. Further, an additional closing sum of USD 0.3 million will be paid in 2026 which is contingent upon achievement of certain 2026 targets which was originally dependent upon 2025 targets but was not paid as the targets were not achieved. The fixed component of the purchase price of USD 1.4 million (EUR 1.1 million) was paid in November 2025 after adjusting the shortfall in working capital of USD 0.2 million (EUR 0.1 million). The true up or true down amount relating to working capital will be paid/adjusted in the coming months. The earnout payment is due to be paid between 2027 and 2029, depending on the achievement of targets as outlined in the SPA. The earnout payable including additional closing sum of EUR 2.0 million is dependent upon continuing employment of the sellers with Nagarro and thus not part of the capitalized purchase price. Accordingly, these will be recognized as an expense based on the expected amount to be paid for that earn-out year considering the same to be short-term employee benefits.

The closing of the deal has been done and one hundred percent of the equity of IDS including the business of IDS India has been acquired. Accordingly, IDS has been consolidated for the first time with Nagarro from December 1, 2025. Below is the breakdown of net assets acquired from IDS:

	Fair value
	kEUR
Intangible assets	478
Property, plant and equipment	13
Other financial assets	4
Trade receivables	104
Other assets	4
Cash and cash equivalents	97
Assets acquired	**700**
Liabilities to banks	158
Employee benefits liabilities	41
Trade payables	56
Other financial liabilities	58
Deferred tax liabilities	74
Other liabilities	20
Liabilities assumed	**408**
Total identifiable net assets at fair value	**292**
Goodwill arising on acquisition	863
Purchase consideration	**1,155**

From the date of acquisition, IDS has generated revenue of kEUR 97 and losses before interest, taxes, depreciation and amortization of kEUR 40. If the combination had taken place at the beginning of the year, revenues from IDS would have been kEUR 997 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 241. In connection with the transaction there were costs of kEUR 185 which were recognized in other operating expenses in 2025. The goodwill is not tax-deductible.

Charles Hudson Technology Solutions ('CHTS')

By way of a stock purchase agreement (SPA) dated December 16, 2025, Nagarro Inc., USA, acquired Charles Hudson Technology Solutions Inc. along with its Indian subsidiary CH Technology Solutions India Private Limited (together called "CHTS").

CHTS is a Cambridge, Massachusetts-based services provider with comprehensive testing and quality assurance services for enterprise customers in the digital commerce and retail industry. CHTS specializes in quality engineering for the digital commerce and retail sectors. This strategic acquisition provides Nagarro with access to major US retail and CPG players, with a team of over 180 professionals across the USA and India. It enables Nagarro to offer a broader suite of services to CHTS's existing clients.

A fixed purchase price of USD 13.9 million plus payment of the excess working capital was agreed for the acquisition of CHTS. Further, earnout payment totaling USD 8.5 million for the earnout period 2025-28 with catch-up year 2028 and with maximum capping of USD 2.1 million for each earnout year from 2025 to 2028 has been agreed as part of share purchase agreement. Also, a low hurdle earnout amount totaling USD 1.0 million will be paid equally over three years on achieving EBITDA of USD 0.7 million each year. The fixed component of the purchase price of USD 13.9 million (EUR 11.6 million) was paid in December 2025. The true up or true down amount relating to working capital will be paid/adjusted in the coming months. The earnout payments are due to be paid between 2026 and 2029, depending on the achievement of targets as outlined in the SPA. Out of total earnout payment of USD 9.5 million, Nagarro has included USD 5.5 million (EUR 4.7 million) as contingent consideration related to additional consideration, which represents its fair value at acquisition. The contingent consideration is expected to be in the range of USD 0 million to USD 9.5 million.

The closing of the deal has been done and one hundred percent of the equity of CHTS has been acquired. Accordingly, CHTS has been consolidated for the first time with Nagarro from December 31, 2025. Below is the breakdown of net assets acquired from CHTS:

	Fair value
	kEUR
Intangible assets	6,713
Property, plant and equipment	2
Right-of-use assets	261
Other financial assets	48
Trade receivables	2,237
Other assets	74
Income tax receivables	12
Cash and cash equivalents	807
Assets acquired	**10,153**
Lease liabilities	261
Employee benefits liabilities	205
Other provisions	1
Trade payables	349
Other financial liabilities	146
Other liabilities	10
Deferred tax liabilities	1,782
Income tax liabilities	136
Liabilities assumed	**2,890**
Total identifiable net assets at fair value	**7,263**
Goodwill arising on acquisition	9,617
Purchase consideration	**16,880**

The excess of purchase consideration paid over the book value of net assets of CHTS, USA on the date of acquisition amounting to kUSD 15,275 (kEUR 13,011) has been recorded as goodwill in local books according to local GAAP and is amortized over a period of 10 years and is tax deductible over a period of 15 years. Since CHTS has been consolidated with effect from December 31, 2025, no amortization of goodwill has been recognized in local books. From 2026 onwards, the goodwill amortization will be reversed and deferred tax liability will be recognized as temporary difference between the tax base and IFRS base of goodwill.

From the date of acquisition, CHTS has generated revenue of kEUR 0 and earnings before interest, taxes, depreciation and amortization of kEUR 2. If the combination had taken place at the beginning of the year, revenues from CHTS would have been kEUR 9,718 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 794. In connection with the transaction there were costs of kEUR 349 which were recognized in other operating expenses in 2025.

2. Related party transactions

Transactions and outstanding balances with related parties exist for some members of Nagarro's key management personnel.

	Family member of a KMP		Accnite	
	2025	2024	2025	2024
	kEUR	kEUR	kEUR	kEUR
Revenue and other income				
Revenue	-	-	-	45
	-	-	-	**45**
Expense				
Salaries and wages	108	107	-	-
Impairment of trade receivables, contract assets and other financial assets	-	-	-	41
Other operating expense	-	-	87	87
	108	**107**	**87**	**128**

Dividends

In furtherance to above, during the year, Nagarro paid dividend for the financial year 2024 which was approved by the Annual General Meeting in 2025. The dividend was paid to all shareholders in proportion to their shareholdings. Members of the Management Board and Supervisory Board received dividends amounting to kEUR 1,655 and kEUR 2,661 respectively, on the same terms as other shareholders.

Revenue

Revenue, in one Nagarro German entity, from the above company mainly relates to technology consulting and software development.

Expense

Salaries and wages, in one Indian entity, includes remuneration to one of the family members of a KMP in India.

Other operating expense includes full year expenses towards professional services provided to Nagarro SE by Accnite, entities owned by one of the Supervisory Board members.

Balances resulting from transactions with companies in which the key management personnel have interest:

	Family member of a KMP		Accnite	
	Dec 31, 2025	Dec 31, 2024	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR
Total assets				
Other current assets	-	-	28	28
	-	-	**28**	**28**
Total liabilities				
Employee benefits liabilities	13	16	-	-
Trade payables	-	-	2	4
	13	**16**	**2**	**4**

Lantano Beteiligungen GmbH, which is held by one of the members of the Supervisory Board, holds less than 20% of Nagarro's voting rights as of December 31, 2025 (December 31, 2024: more than 20%). Notwithstanding the change in the level of voting rights, management has assessed that Lantano Beteiligungen GmbH continues to have significant influence over Nagarro in the current year, taking into account the relevant indicators set out in IAS 28 Investments in Associates and Joint Ventures, including its representation on the Supervisory Board. There were no transactions or outstanding balances between Nagarro and Lantano Beteiligungen GmbH during the current and previous financial year.

Remuneration of key management personnel

Key managerial personnel include the members of Supervisory Board and Management Board. With the addition of 3 new supervisory board members during Annual General Meeting ('AGM') held on June 30, 2025, the total number of colleagues who were a part of key management as on December 31, 2025 were 10 (December 31, 2024: 7).

The cost incurred for the above-described key management personnel is as follows:

	2025	2024
	kEUR	kEUR
Salaries and other short-term employee benefits	2,366	2,157
Share based payment arrangements cost	676	237
Total	**3,042**	**2,394**

Outstanding balances with the key management personnel are as follows:

	2025	2024
	kEUR	kEUR
Provisions for post-employment benefits	15	17
Provisions for leave encashment	62	51
Other current financial liabilities	296	178
Total	**373**	**246**

Remuneration of all the three Management Board members for the entire year amounts to kEUR 3,200 (December 31, 2024: kEUR 1,444) out of which kEUR 2,606 (December 31, 2024: kEUR 851) was from Nagarro SE and kEUR 594 (December 31, 2024: kEUR 594) was from other Nagarro companies. This information is according to Section 314 No. 6 of the German Commercial Code

(HGB). Total remuneration of the Management Board includes fair value of kEUR 1,710 (2024: Nil) for a total of 27,684 (2024: Nil) performance based restricted stock units granted in fiscal year 2025.

Remuneration of the Supervisory Board members amounts to kEUR 876 (December 31, 2024: kEUR 713) out of which kEUR 296 (December 31, 2024: kEUR 178) were outstanding as at the reporting date and were paid subsequently.

For composition of key management personnel, please refer details as disclosed in Note F.10. Governing Bodies of Nagarro SE.

3. Adjusted EBITDA

Adjusted EBITDA is calculated according to economic criteria and is independent of IFRS rules. It provides information on the profitability of Nagarro and contains elements of the consolidated statements of comprehensive income relating to operating performance. It is adjusted for "Special items" as Nagarro consider these items as extraordinary. All items mentioned in the table below and qualifying as special items are generally eliminated irrespective of the amount for the purpose of calculating the Adjusted EBITDA. Therefore, the Adjusted EBITDA is more suitable for comparing operating performance over several periods.

Nagarro SE's approach to EBITDA adjustments is to exclude effects that are considered extraordinary, such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of Company's listing and privatization choices and subsequent exploration of the take-private option and, from current year, additional employee benefits expense related to statutory impact of new Labour Codes in India, additional audit fees and independent investigation expenses following past external allegations.

The reconciliation of EBITDA (as reported in the consolidated statements of comprehensive income) to Adjusted EBITDA is presented below:

	2025	2024
	kEUR	kEUR
EBITDA	118,694	134,049
Adjustment for special items		
Income from purchase price adjustments	(1,071)	(2,299)
Exchange (gain) / loss on purchase price components	(19)	32
Share based payment arrangements cost	130	3,756
Transaction costs related to business combinations	851	334
Retention bonus expense as part of share purchase agreement of the acquired entities	2,674	3,382
Non-capitalized earn-out expense relating to acquisitions	1,285	3,117
Independent investigation expenses following past external allegations	1,992	-
Expenses relating to strategic review of listing and privatization choices	-	1,234
Expenses relating to the exploration of the take-private option	-	3,861
Additional employee benefits expense related to statutory impact of new Labour Codes in India	12,415	-
Additional audit fee	1,252	-
Total adjustment for special items	**19,509**	**13,415**
Adjusted EBITDA	**138,204**	**147,464**
Revenues	999,296	971,987
Adjusted EBITDA (as % of revenues)	13.8%	15.2%

4. Gross profit and gross margin

Gross margin is the ratio of gross profit to revenue, where gross profit is calculated as the difference between total performance and cost of revenues. Total performance includes customer revenue and own work capitalized. Cost of revenues comprises direct costs attributable to customer revenue delivery, including personnel costs for employees and freelancers, related travel expenses, software licenses, and further customer-related costs (reimbursable and non-reimbursable). Cost of revenues excludes Global Business Unit (GBU) management costs and expenses related to consultative sales and thought-leadership activities across Centers of Excellence and GBUs.

Personnel costs are classified between Cost of revenues and Selling, General & Administrative expenses (SG&A) in accordance with a structured, time-based allocation policy. Costs are allocated based on actual timesheet entries and the nature of work performed. Costs directly attributable to customer delivery are classified under cost of revenues, while costs related to core support functions such as finance, HR, sales etc. are classified under SG&A.

The gross profit and margin for the current year and the previous year are presented below:

	2025	2024
	kEUR	kEUR
Revenue	999,296	971,987
Own work capitalized	127	259
Total performance	999,423	972,246
Cost of revenues	(678,145)	(676,494)
Gross profit	321,278	295,752
Gross margin (as % of revenue)	**32.2%**	**30.4%**

The items "Costs of revenues" and "Selling, General and Administrative expenses", both not including depreciation and amortization, reconcile to income and expense presented in consolidated statements of comprehensive income as follows:

	2025				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	82,869	82,869	-	-	82,869
Staff costs	706,247	573,180	116,562	16,505	706,247
Other operating expenses	101,076	22,095	74,906	4,075	101,076
Impairment of trade receivables, contract assets and other financial assets	(380)	-	(380)	-	(380)
Other operating income	(9,085)	(0)	(8,013)	(1,071)	(9,085)
Total	**880,729**	**678,145**	**183,075**	**19,509**	**880,729**

	2024				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	68,879	68,455	424	-	68,879
Staff costs	703,022	585,756	107,012	10,254	703,022
Other operating expenses	93,878	22,284	66,134	5,460	93,878
Impairment of trade receivables, contract assets and other financial assets	3,015	-	3,015	-	3,015
Other operating income	(30,597)	-	(28,298)	(2,299)	(30,597)
Total	**838,197**	**676,494**	**148,288**	**13,415**	**838,197**

The "Special items" relate to non-recurring items such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share based payment arrangements cost, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, expenses relating to the strategic review of Company's listing and privatization choices and subsequent exploration of the take-private option and, from current year, additional employee benefits expense related to statutory impact of new Labour Codes in India, additional audit fees and independent investigation expenses following past external allegations as mentioned in note F.3. Adjusted EBITDA.

5. Segment information

The segment report for Nagarro has been prepared using the guiding principle of IFRS 8 and the Custodian of Entrepreneurship in the Organization (CEO) has been identified as the Chief Operating Decision Maker (CODM). Nagarro provides various types of software development and consulting technology services in an integrated manner to clients in various industries and geographic locations. Nagarro's operations are located in 38 countries. The CODM reviews the financial information prepared on a consolidated basis and thus Nagarro operates as a single operating and reportable segment.

The geographical country wise revenues are as follows:

	2025	2024
	kEUR	kEUR
Attributed to the entity's country of domicile		
Germany	232,568	214,931
Attributed to all foreign countries in total from which the entity derives revenues		
United States of America	344,257	342,309
Others	422,471	414,747
	766,728	757,056
	999,296	**971,987**

Nagarro derives its revenue predominantly from the provision of software services to its clients. This type of work makes up for more than 90% of Nagarro's business. The services revenue growth is mainly driven by growth in existing accounts. In 2024 and 2025, a large part of Nagarro's services business was contracted on a time and expense basis. In 2025, time and expense-based services accounted for about 69% of the total revenue (2024: 70%), with almost all the remaining business being contracted on a fixed bid basis, periodic-service basis and others.

Nagarro is not dependent on a single customer contributing more than 10% of Nagarro's total revenues.

The assets and liabilities for the single segment can be taken from the consolidated statement of financial position and notes.

Geographical Information of Nagarro's non-current assets

Geographical information about Nagarro's non-current assets (excluding goodwill, financial instruments and deferred tax assets) is based on locations where the assets are located. The geographical country wise assets are as follows:

	2025	2024
	kEUR	kEUR
Located in the entity's country of domicile		
Germany	26,993	29,361
Located in foreign countries in total in which the entity holds assets		
United States of America	32,409	30,484
India	32,335	12,086
Türkiye	14,373	15,930
Others	18,111	19,934
	97,228	78,434
	124,220	**107,795**

Out of the non-current assets located in these other foreign countries, there are no material assets in an individual foreign country that need to be disclosed separately.

6. Contingent liabilities and guarantees

Contingent liabilities

In the Indian entities, there are certain contingencies around income tax demands and indirect tax demands where company has preferred appeals amounting to kEUR 1,318 (December 31, 2024: kEUR 1,361) and kEUR 20 (December 31, 2024: Nil), respectively.

Guarantees

Against the syndicated loan of kEUR 350,000 (December 31, 2024: kEUR 350,000), Nagarro SE, together with certain subsidiaries, has given guarantees. Refer note C.12. Loans and Borrowing for details.

Nagarro has also provided performance guarantees to its customers against underlying deposits amounting to kEUR 1,077 (December 31, 2024: kEUR 333).

7. Capital management

Nagarro ensures that there is always sufficient liquidity and maintains a balanced capital structure. These objectives are achieved by focusing on a strong business performance and receivables management. Decisions regarding acquisition of subsidiaries are made after due consideration of the impact on capital structure and the effects of the transactions on future years.

Nagarro monitors the capital using the ratio of "Equity to "total assets" and uses Equity and total assets as per the "consolidated statement of financial position". Nagarro aims to maintain this ratio in the vicinity of 30%, while retaining flexibility to adapt its capital structure in response to business requirements and market conditions.

Net debt is calculated as a total of liabilities to banks and lease liabilities less cash. Adjusted EBITDA is taken for the trailing twelve months. Nagarro policy is to keep the net debt to Adjusted EBITDA below 3.

The key figures used for capital management are as follows at the respective balances sheet dates:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Liabilities to banks	310,060	329,612
Lease liabilities	72,087	54,483
Cash	(124,617)	(192,567)
Net debt	**257,530**	**191,527**
Adjusted EBITDA	138,204	147,464
Debt ratio (Net debt to Adjusted EBITDA)	1.9	1.3
Total assets	742,963	795,701
Equity	155,024	222,660
Equity ratio (% of total assets)	**21%**	**28%**

8. Share-based payment arrangements

Nagarro SE has issued stock options under stock option plans, stocks under employee share participation program and Performance Based Restricted Stock Units (PB RSUs) as long-term variable remuneration. The details of these plans are as follows:

Description of the share-based payment arrangements

Stock option plan

The details of the plans under which these options were issued are as follows:

People addressed	Members of the management of Nagarro SE and its group companies and employees of group companies	Members of the Management Board of Nagarro SE
Number of options authorized	800,000 until October 22, 2025	45,000 until October 22, 2025
Authorization by	General meeting on October 31, 2020	General meeting on October 31, 2020
Plan name	Stock Option Plan 2020/II	Stock Option Plan 2020/III
Vesting period	4 years	4 years
Term	10 years	10 years
Exercise price valuation	110% of the average closing price of the last five trading days prior to the offer	110% of the average closing price of the last five trading days prior to the offer
Vesting condition	25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date	25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date
Exercising of option	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures

Equity settled:

Plan name	Stock Option Plan 2020/III	Stock Option Plan 2020/II (Tranche 1)	Stock Option Plan 2020/II (Tranche 2a)	Stock Option Plan 2020/II (Tranche 2b)	Stock Option Plan 2020/II (Tranche 3)
Number of options issued	45,000	410,000	141,500	8,750	30,250
Number of options converted from equity settled to cash settled	(45,000)	(330,000)	(116,000)	(8,000)	-
Number of options (equity settled)	-	80,000	25,500	750	30,250
Date of grant	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023	May 19, 2025
Exercise price	EUR 95.35	EUR 95.35	EUR 110.08	EUR 91.55	EUR 75.88
Average closing price on the grant date	EUR 86.68	EUR 86.68	EUR 100.07	EUR 83.23	EUR 68.98
Stock price on the grant date	EUR 78.60	EUR 78.60	EUR 94.60	EUR 83.40	EUR 64.70
Weighted average fair values at the measurement date	EUR 27.19	EUR 27.19	EUR 46.42	EUR 42.12	EUR 32.65
Dividend yield calculated based on exercise price	0.00%	0.00%	0.00%	0.00%	1.3%
Expected volatility	34.27%	34.27%	37.90%	37.80%	42.13%
Risk–free interest rate	-0.37%	-0.37%	2.96%	2.94%	2.34%
Term of share options	10 years	10 years	10 years	10 years	10 years
Expected life of share options	7 years	7 years	7 years	7 years	7 years
Model used	Binomial	Binomial	Binomial	Binomial	Binomial

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily reflect the actual outcome.

Since no options of the company are traded on derivative exchanges, the expected volatility cannot be determined from the implied volatilities of traded options of Nagarro SE. Historical share prices for the newly listed Nagarro SE were not available at the time of valuation of Tranche 1 in 2021. Also, not sufficient time after listing had elapsed at the time of valuation of Tranche 2 (a) and Tranche 2(b) in 2023. Therefore, the historical volatility based on price movements of comparable listed companies (peer group) in the past is used as an estimate for the expected volatility. Based on this peer group and with an average exercise period of seven years, Nagarro SE has a historical volatility of 34.27% for Tranche 1; 37.90% for Tranche 2 (a); 37.80% for Tranche 2 (b) and 42.13% for tranche 3.

The movement of the equity settled stock options is as follows:

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	62,438	99.54	569,500	98.88
Options issued during the year	30,250	75.88	-	-
Forfeited during the year	(1,000)	(107.76)	(8,062)	104.14
Exercised during the year	-	-	-	-
Conversion of equity settled options into cash settled options	-	-	(499,000)	98.71
Expired during the year	-	-	-	-
Outstanding at 31 December	91,688	91.64	62,438	99.54
Exercisable at the end of the year	**43,750**	**95.35**	-	-

Cash settled:

Plan name	Stock Option Plan 2020/III	Stock Option Plan 2020/II (Tranche 1)	Stock Option Plan 2020/II (Tranche 2a)	Stock Option Plan 2020/II (Tranche 2b)
Number of options opted for cash settled	45,000	330,000	116,000	8,000
Date of grant of options	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023
Term of options	10 years	10 years	10 years	10 years
Term	5 years	5 years	7 years	7 years
Dividend yield (on reporting date)	1.31%	1.31%	1.31%	1.31%
Expected volatility (on reporting date)	44.07%	44.07%	44.07%	44.07%
Risk–free interest rate (on reporting date)	2.32%	2.32%	2.51%	2.52%
Fair value on the reporting date	EUR 25.83	EUR 25.83	EUR 30.16	EUR 34.28
Model used	Binomial	Binomial	Binomial	Binomial

The movement of the cash-settled stock options is as follows:

	2025		2024	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	499,000	98.71	-	-
Conversion of equity settled options into cash settled options	-	-	499,000	98.71
Options issued during the year	-	-	-	-
Forfeited during the year	(5,000)	105.79	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	494,000	98.64	499,000	98.71
Exercisable at the end of the year	**374,250**	**95.35**	**-**	**-**

The liabilities for the cash-settled stock options is as follows:

	2025	2024
	kEUR	kEUR
Total carrying amount of cash-settled options liabilities	12,918	14,443
Total intrinsic value of liabilities of cash-settled options for vested benefits	-	-

The movement of liabilities for the cash-settled stock options is as follows:

	2025	2024
	kEUR	kEUR
Opening balance as at Jan 1	14,443	-
Reclassification from capital reserve on modification	-	13,893
(Reversal)/ expense during the year	(1,525)	550
Closing balance as at Dec 31	**12,918**	**14,443**

Employee Share Participation Program

On January 16, 2023, Nagarro rolled out the MyN (My Nagarro) program, an Employee Share Participation Program ("ESPP"), globally for every Nagarrian whereby for every multiple of 3 shares purchased and held by the employees ("investment shares") for 3 years (while staying a Nagarrian), 1 free matching share will be given by Nagarro. The program had two offering windows (Tranche 1 and Tranche 2) in 2023; one offering window (Tranche 1) in 2024 and two offering windows (Tranche 1 and Tranche 2) in 2025 with an annual maximum contribution of EUR 2,500 per employee, for all employees, and a higher contribution limit offered by exception in certain special cases.

Since matching shares are equity instruments of Nagarro SE, ESPP is accounted for as an equity-settled share-based payment scheme in line with IFRS 2. Once all eligible employees have decided upon their yearly participation, the fair value of the equity instrument granted is calculated and fixed for each tranche on the basis of proportional share price at the grant date taking into consideration the discounted estimated dividends.

The development of acquired investment and estimated matching shares, as well as the parameters used for the calculation of the fair value are as follows:

	Tranche 1a (Feb 2023)	Tranche 1b (May 2023)	Tranche 2 (December 2023)	Tranche 1 (June 2024)	Tranche 1 (March 2025)	Tranche 1 (November 2025)
Investment period	February 8 - 20, 2023	May 8 - 21, 2023	November 20 - December 1, 2023	May 15 - May 28, 2024	March 7 - March 18, 2025	November 17 - November 25, 2025
Grant date	February 20, 2023	May 25, 2023	December 13, 2023	June 6, 2024	March 25, 2025	December 04, 2025
Matching date	February 20, 2026	May 26, 2026	December 11, 2026	June 5, 2027	March 25, 2028	December 04, 2028
Reporting date	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025	December 31, 2025
Acquired investment shares	12,834	447	6,837	5,142	7,296	2,955
thereof forfeited investment shares	(2,136)	(30)	(795)	(525)	(315)	-
Estimated matching shares	4,278	149	2,279	1,714	2,432	985
thereof forfeited matching shares	(712)	(10)	(265)	(175)	(105)	-
Fair value at grant date	€ 124.40	€ 79.50	€ 87.60	€ 82.20	€ 79.00	€ 75.55

Performance Based Restricted Stock Units (PB RSUs)

The details of this long-term variable remuneration plan are as follows:

People addressed	Members of the management of Nagarro SE
Plan name	Performance Based Restricted Stock Units (PB RSUs) 2025/I
Authorization by	General meeting on June 30, 2025
Determination of number of units	The initial number of PB RSUs is determined by dividing the target amount of the long-term variable remuneration ("Grant Amount") by the value of one share in the Company ("Share") on the beginning of the performance period, whereby such value corresponds to the volume-weighted average of the stock exchange price ("VWAP") of the Share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days preceding the beginning of the performance period (the "Relevant Grant VWAP") Further, following any capital-related adjustment event, the Supervisory Board may, subject to mandatory law, adjust PB RSUs to avoid dilution or enhancement of benefits, primarily by revising the number of PB RSUs, with no settlement of fractional shares.
Performance period	4 years, with retroactive effect from January 1, 2025
Vesting	Graded vesting over the performance period with a vesting of 25% of the PB RSUs at each year-end , subject to continued membership of the Management Board
Performance criteria(s) and weighting	Cumulative operating cash flow over the four-year performance period. Weightage- 50% Relative total shareholder return (TSR) of the Nagarro stock over the performance period, including reinvested gross dividends (development relative to the benchmark TecDAX Total Return Index or comparable successor index). Weightage- 50% The weighted performance criteria determine the final number of PB RSUs awarded
Award	The amount of the award is determined based on the final number of PB RSUs, multiplied by the VWAP of the Share in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days of the performance period (the "Relevant Settlement VWAP")
Settlement method	Payment in cash or in shares at the discretion of the Company Nagarro expects to settle these claims through equity shares. Accordingly, the award is classified as equity-settled

Plan name	PB RSUs 2025/I
Grant date (= measurement date)	Dec 31, 2025
Relevant Grant VWAP	EUR 91.02
Number of units issued (initial number of PB RSUs)	27,684
Grant amount (kEUR)	2,520
Stock price on the grant date	EUR 76.25
Stock price on the grant date, adjusted for dividend in 2025	EUR 77.51
TecDAX Total Return Index value on the grant date	EUR 3,622.27
TecDAX Total Return Index value on beginning of the performance period (simple average value in XETRA trading on the Frankfurt Stock Exchange on the last thirty trading days preceding the beginning of the performance period)	EUR 3,437.78
Dividend yield	1.6%
Expected volatility of the stock	43.0%
Expected volatility of TecDAX Total Return Index	18.0%
Correlation between the stock and the TecDAX Total Return Index	43.6%
Risk–free interest rate	2.22%
Term (performance period)	4 years
Remaining term as per the grant date	3 years

Other information relating to the share-based payment arrangements

Against the grant of these equity-settled stock options and ESPP, Nagarro has recognized an expense of kEUR 765 (December 31, 2024: kEUR 3,206) and recognized its corresponding effect in capital reserve (refer Note C.11. Equity). Against the converted cash-settled stock options, Nagarro has recognized an income of kEUR 1,525 (December 31, 2024: expense of kEUR 550).

The detailed breakup of the expense of share-based payment arrangement is as follows:

	Dec 31, 2025	Dec 31, 2024
	kEUR	kEUR
Equity-settled stock options expense - SOP - routed through capital reserve	432	2,999
Equity-settled stock options expense - ESPP - routed through capital reserve	332	207
	765	**3,206**
Cash-settled stock options expense/ (gain) - SOP - routed through financial liabilities	(1,525)	550
Equity-settled performance based restricted stock units - PB RSUs - routed through financial liabilities	890	-
	(634)	**550**
Total share-based payment expenses	**130**	**3,756**

The weighted average remaining contractual life for the equity-settled stock options outstanding, cash-settled stock options outstanding and ESPP as at December 31, 2025 was 1.4 years (2024: 0.7 years), 0.3 years (2024: 0.6 years) and 1.2 years (2024: 1.6 years) respectively.

The weighted average fair value of equity-settled options and ESPP granted during the year was EUR 32.65 (2024: Nil) and EUR 77.97 (2024: EUR 82.20) respectively. The weighted average fair value of cash-settled options at the reporting date was EUR 26.94 (2024: EUR 32.36).

The Stock Option Plans' exercise prices range from EUR 75.88 to EUR 110.08 per stock option.

9. Financial risk management

The financial instruments of Nagarro are subject to various risks, such as liquidity risks, credit risks and market risks from changes in market prices and exchange rates. For the identification, evaluation and limitation of these risks, tiered risk management and control systems are used. Nagarro also implements safeguards and concludes hedges for the avoidance, early identification and mitigation of risks arising from financial instruments.

Nagarro's Management Board has overall responsibility for the establishment and oversight of Nagarro's risk management framework. The Management Board has established Risk & Compliance, and the Internal Control System (ICS) teams, which are responsible for developing and monitoring Nagarro's risk management policies. These teams report regularly to the Management Board on their activities.

Nagarro has a defined Risk Management Policy which has been issued by the Risk & Compliance team and approved by the Management Board. Nagarro's risk management policy is established to identify and analyze the risks faced by Nagarro, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policy, strategy and principles are reviewed regularly to reflect changes in market conditions and Nagarro's activities. Nagarro, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Nagarro's Audit Committee of the Supervisory Board meets regularly with the Management Board, the Risk & Compliance team, and the ICS team to review updates related to the Internal Control and Risk Management Systems. The Audit committee also oversees how management monitors compliance with these risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by Nagarro.

a. Liquidity risks

Liquidity risk is the risk that Nagarro may not be able to meet obligations associated with its financial liabilities. Nagarro's aim is to have sufficient liquidity to conduct our business smoothly. Liquidity is managed by continuously monitoring it, forecasting and monitoring cash inflows and outflows and taking appropriate measures as required. In order to ensure sufficient liquidity at all times, Bank loans, leasing and rental agreements (for the procurement of computers and equipment as well as for buildings) and factoring options are utilized to finance business operations and investment activities. On December 31, 2025, the financial liabilities of Nagarro amounted to kEUR 458,569 (December 31, 2024: kEUR 453,264), of which kEUR 86,429 (December 31, 2024: kEUR 86,132) are due within one year.

As of December 31, 2025, 100% of the current financial liabilities (December 31, 2024: 100%) were covered by current financial assets in the amount of kEUR 334,566 (December 31, 2024: kEUR 419,749).

Current net liquidity from financial assets and liabilities decreased by kEUR 85,480, from kEUR 333,617 as at December 31, 2024 to kEUR 248,137 as at December 31, 2025. Nagarro has sufficient factoring agreements in the USA and Germany. Nagarro also has a syndicated revolving credit facility totaling kEUR 350,000. These euro-denominated loans under the syndicated loan facility amounted to a total of kEUR 304,500 (December 31, 2024: kEUR 319,500). These revolving loans have a variable interest rate based on the three-month or six-month Euribor (depending on the interest period) plus a margin of 1.75 (December 31, 2024: 1.75) percentage points as at December 31, 2025. The unutilized portion of the loan carries interest at 35% of the margin rate of the utilized loan. In the financial year 2025, the loans had an average interest rate of 4.02% p.a. (2024: 5.54% p.a.). The unutilized portion of the loan was subject to an average interest rate of 0.61% p.a. (2024: 0.61% p.a.). At the end of 2025, Nagarro had unutilized balance of syndicated loan facility amounting to kEUR 45,500 (December 31, 2024: kEUR 30,500).

The covenant package for our syndicated loan contains the usual restrictions on total net debt and minimum equity thresholds. In general, a breach of the financial covenants harbors the risk of an event of default which, if not cured within the remediation period, may lead to a default under the credit facility. However, this is mitigated by regular and careful monitoring of the covenants by the Finance Council and compliance with a safety margin to the relevant thresholds as well as a contractual escalation mechanism. The risk is considered as a medium risk.

Future undiscounted cash flows associated with financial liabilities were as follows based on contractually agreed terms and conditions at the respective reporting dates:

	Dec 31, 2025	Maturity within one year		Maturity between one and five years		Maturity later than five years	
	Total	Repayment	Interest	Repayment	Interest	Repayment	Interest
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE, Germany	304,500	-	12,994	304,500	21,863	-	-
Liabilities from factoring	1,633	1,633	-	-	-	-	-
Bank loan of Nagarro GmbH, Austria	347	-	5	347	8	-	-
Bank loan of Advanced Programming Solutions, S.L., Spain	51	51	0	-	-	-	-
Loan of Nagarro ES GmbH, Germany	4,589	1,925	102	2,664	54	-	-
Loan of FWD View Limited, United Kingdom	80	41	5	38	2	-	-
Bank loan of Inaho Digital Solutions Co. Ltd., Japan	153	41	3	113	13	-	-
Trade payables	19,036	19,036	-	-	-	-	-
Derivative financial instruments	126,231	126,231	-	-	-	-	-
Liabilities from acquisitions	9,861	3,944	73	5,917	568	-	-
Other financial liabilities	12,530	12,358	-	172	-	-	-
	479,011	**165,260**	**13,183**	**313,751**	**22,507**	**-**	**-**

	Dec 31, 2024	Maturity within one year		Maturity between one and five years		Maturity later than five years	
	Total	Repayment	Interest	Repayment	Interest	Repayment	Interest
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE, Germany	319,500	-	19,603	319,500	31,261	-	-
Loan from factor of Nagarro GmbH, Germany	2,441	2,441	-	-	-	-	-
Liabilities from factoring	5,688	5,688	-	-	-	-	-
Bank loan of Nagarro GmbH, Austria	492	252	4	240	7	-	-
Bank loan of Advanced Programming Solutions, S.L., Spain	153	102	2	52	0	-	-
Loan of Nagarro ES GmbH, Germany	2,433	695	69	1,737	76	-	-
Loan of FWD View Limited, United Kingdom	131	47	8	84	7	-	-
Trade payables	17,076	17,076	-	-	-	-	-
Derivative financial instruments	104,705	104,705	-	-	-	-	-
Liabilities from acquisitions	6,527	1,431	26	5,096	628	-	-
Other financial liabilities	11,495	11,414	-	81	-	-	-
	470,641	**143,850**	**19,712**	**326,791**	**31,980**	**-**	**-**

In addition to the tables above, financial liabilities include lease liabilities in the amount of kEUR 72,087 (December 31, 2024: kEUR 54,482), the details, including undiscounted lease liabilities, of which are included in Note C.4. Right-of-use assets and lease liabilities.

b. Credit risks

For financial assets, a general risk exists that customers or contracting parties will not meet their obligations and that contract assets, receivables and other financial assets, including loans granted, default. Credit risks arise from operations and from certain financing activities. Nagarro's goal is to keep the ratio of default to customer revenue within the acceptable limit of 1%. The default risk is being managed by evaluating the financial health of a prospective customer at the beginning of the engagement and setting up their credit terms accordingly. For existing customers, receivables are managed and incoming payments tracked on a decentralized basis in the Nagarro companies. The theoretical maximum credit risk corresponds to the carrying amount totaling kEUR 359,592 (December 31, 2024: kEUR 437,843). Impairments of kEUR 5,284 (December 31, 2024: kEUR 7,790) were recognized on the gross amount of total customer receivables and other financial assets as of December 31, 2025. The impairment ratio on the gross amount was 1.4% (December 31, 2024: 1.7%).

Impairment losses on financial assets, trade receivables and contract assets recognized in statement of comprehensive income are as follows:

	2025	2024
	kEUR	kEUR
Impairment of trade receivables, contract assets and other financial assets	(380)	3,015
Recognized in statement of comprehensive income	**(380)**	**3,015**

Impairment losses on ECL on trade receivables, contract assets and other financial assets have developed as follows:

	2025	2024
	kEUR	kEUR
Balance as of January 1	7,789	6,261
Additions through business combinations	-	-
Impairment of trade receivables, contract assets and other financial assets	(380)	3,015
Bad debt written off	(1,951)	(1,401)
Currency differences	(175)	(86)
Balance on December 31	5,284	7,789

The specific credit risks are as follows:

Contract assets and trade receivables

Nagarro has a broad-based customer structure which minimizes larger individual risks. The largest individual customer accounted for about 4% (2024: 4%) of revenue of Nagarro in 2025. Trade receivables are generally due within 14 days to 120 days. Credit checks occur on a regular basis for customers with whom Nagarro has an ongoing business relationship. The creditworthiness of new customers is checked before order commitments are made and additional information is obtained in specific cases. If customers default on payments, the steps required to collect the receivables are taken in a timely manner. Where possible, trade receivables are subject to retention of title which expires only when the respective receivable is paid. Currently Nagarro has no indications that the credit risk for financial assets exceeds the carrying amount.

As Nagarro's trade receivables or contract assets do not contain a significant financing component, it uses simplified approach of ECL and recognizes lifetime ECL. Under the simplified approach in accordance with IFRS 9 expected credit losses on trade receivables are calculated on the basis of calculated loss rates derived from historical and forecast data and taking into account the respective customer and the economic environment of the region. The management also considers the factors that may influence the credit risk of its customers, including the default risk associated with industry and country in which the customer operates. Nagarro uses the customer's country risk premium as the forward-looking rate for ECL.

Impaired receivables and the respective accumulated impairments are derecognized if there is no probability of payment. Trade receivables generally do not bear interest. Nagarro does not require collateral in respect of the trade receivables and contract assets and thus does not have any loss allowance due to collateral.

As of December 31, 2025, the exposure to credit risk for trade receivables and contract assets by geographic region is as follows:

	2025	2024
	kEUR	kEUR
North America	71,456	72,504
Central Europe	63,105	77,495
Rest of Europe	28,733	26,685
Rest of World	61,148	66,161
	224,442	**242,844**

As of December 31, 2025, the exposure to credit risk for trade receivables and contract assets by customer's industry is as follows:

	2025	2024
	kEUR	kEUR
Automotive, Manufacturing and Industrial	59,587	57,204
Energy, Utilities and Building Automation	12,416	14,189
Financial Services and Insurance	21,260	26,004
Horizontal Tech	11,354	13,432
Life Sciences and Healthcare	18,092	17,806
Management Consulting and Business Information	14,442	16,008
Public - US	16,917	30,145
Non-profit - US	3,044	8,987
Rest Public, Non-profit and Education	10,698	2,887
Retail and CPG	30,836	28,405
Telecom, Media and Entertainment	9,363	11,321
Travel and Logistics	16,434	16,457
	224,442	**242,844**

The past due structure of contract assets and trade receivables is as follows:

	As at Dec 31, 2025	Not past due	Days past due				
			1-90	91-180	181-270	271-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	1%	7%	25%	39%	73%
Gross carrying amount							
Contract assets	21,124	21,124	-	-	-	-	-
Customer receivables	203,318	157,308	34,314	4,348	1,695	668	4,984
Total	224,442	178,433	34,314	4,348	1,695	668	4,984
Impairment	(5,055)	(195)	(268)	(285)	(423)	(257)	(3,627)
Carrying amount	219,388	178,237	34,046	4,064	1,272	411	1,357

	As at Dec 31, 2024	Not past due	Days past due			
			1-90	91-180	181-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	2%	5%	25%	94%
Gross carrying amount						
Contract assets	15,961	15,961	-	-	-	-
Customer receivables	226,884	159,795	41,415	16,736	3,990	4,947
Total	242,844	175,756	41,415	16,736	3,990	4,947
Impairment	(7,552)	(257)	(846)	(794)	(1,006)	(4,650)
Carrying amount	235,292	175,499	40,569	15,942	2,985	297

The theoretical maximum exposure to credit risk at the end of the reporting period in respect of trade receivables and contract assets is kEUR 224,442 (December 31, 2024: kEUR 242,844). Nagarro limits its exposure to credit risk from customer receivables to a maximum payment period of 120 days.

Other financial assets

Nagarro uses general approach for the measurement of expected credit loss. It takes into consideration credit rate / assessment, credit risk relating to various other financial assets and uses country risk premium as forward-looking rate for arriving at impairment of expected credit loss. The gross carrying amounts before impairment losses and net carrying amounts of other financial assets are shown in the following tables:

	At amortized cost			
Dec 31, 2025	**Expected 12-month credit loss**	**Lifetime ECL - no credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	kEUR	kEUR	kEUR	kEUR
Gross value before loss allowance	15,746	-	-	15,746
Loss allowance	(229)	-	-	(229)
Residual carrying amount	15,516	-	-	15,516

	At amortized cost			
Dec 31, 2024	**Expected 12-month credit loss**	**Lifetime ECL - no credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	kEUR	kEUR	kEUR	kEUR
Gross value before loss allowance	9,330	-	-	9,330
Loss allowance	(238)	-	-	(238)
Residual carrying amount	9,093	-	-	9,093

2025	At amortized cost			
	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	kEUR	kEUR	kEUR
Balance as at January 1	238	-	-	238
Net revaluation of loss allowance	4	-	-	4
Reclassification to lifetime expected credit loss - no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(12)	-	-	(12)
Balance as on December 31	229	-	-	229

2024	At amortized cost			
	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	kEUR	kEUR	kEUR
Balance as at January 1	425	-	-	425
Net revaluation of loss allowance	(185)	-	-	(185)
Reclassification to lifetime expected credit loss - no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(2)	-	-	(2)
Balance as on December 31	238	-	-	238

Derivative assets

Derivatives are entered into with banks that are considered financially sound. To diversify the risk, various banks are used. Nagarro takes into consideration credit ratings of the different banks and uses country risk premium as forward looking rate for arriving at impairment of expected credit loss. As of December 31, 2025, there were assets resulting from foreign exchange forward transactions of kEUR 72 (December 31, 2024: kEUR 890). There was no material impact of expected credit loss and no loss has been recognized on the derivative assets.

Cash

Nagarro uses general approach for the measurement of expected credit loss on cash. To diversify the risk, business relationships are maintained with various banks. Cash is deposited with banks that have a first-class rating. As of December 31, 2025, Nagarro had cash of kEUR 124,617 (December 31, 2024: kEUR 192,567). There was no material impact of expected credit loss on cash and no loss has been recognized on cash.

c. Interest rate risks

Nagarro is exposed to interest rate risk primarily from its variable-rate financial liabilities, which mainly relate to a syndicated loan facility. The applicable interest rate is based on a market benchmark plus a margin. The margin component is linked to Nagarro's net leverage ratio. Accordingly, changes in the net leverage ratio may result in adjustments to the applicable margin and, consequently, the overall interest cost. Nagarro's objective is to manage its interest rate exposure in a prudent manner while maintaining compliance with its financial obligations. The finance function continuously monitors the total leverage, net leverage ratio and assesses its development to ensure adherence to agreed thresholds.

The floating rate financial liabilities totaled kEUR 304,840 on December 31, 2025 (December 31, 2024: kEUR 326,402). A change in interest rates by 100 basis points p.a. would result in an increase or decrease in the financial result of kEUR 3,048 in 2025 (2024: kEUR 3,264). In this case after applying a tax rate of 27% (2024: 27%), equity would increase or decrease by kEUR 2,225 (December 31, 2024: kEUR 2,383).

Nagarro monitors the interest rate situation and adjusts its strategy accordingly.

d. Currency risks

Nagarro is exposed to foreign currency risk arising from its international operations. Currency risk arises when transactions are denominated in currencies other than the respective functional currencies of the Nagarro group entities. This includes, in particular, revenues from customers and personnel expenses incurred in different currencies. Fluctuations in exchange rates may affect Nagarro's revenue, expenses, and profitability. The primary currencies to which Nagarro is exposed include, among others, the Euro, US Dollar, and Indian Rupee. Nagarro's objective is to manage foreign currency risk in a prudent manner. Exposures are monitored on an ongoing basis.

A natural hedge is achieved to some extent through the alignment of revenues and costs in the same currencies. We have a natural hedge in high-turnover regions such as the USA and Germany. A significant proportion of our revenue and expenses are denominated in the respective local currency. Hence there is minimal currency risk in these geographies.

In addition, Nagarro selectively uses derivative financial instruments to hedge foreign currency risk. Nagarro follows a documented hedging policy. Hedging activities are primarily focused on exposures in India, which represents Nagarro's primary delivery hub and where a significant portion of foreign currency-risk arises. The policy involves a monthly process to hedge a fixed fraction (typically 1/12) of the expected receivable for each month up to one year in the future if still unhedged. There is also a mechanism allowing some room for hedging beyond that, with adequate oversight and amount limits. The maximum term is one year.

This hedging is not carried out at the level of individual transactions, but on the basis of the aggregate receivables of the Indian entities. In 2025, we mainly hedged five (2024: five) currency pairs over the course of the year: USD-INR [USD 194.6 million hedged] (2024: USD 160.5 million hedged), EUR-INR [EUR 59.5 million hedged] (2024: EUR 48.4 million hedged), SEK-INR [SEK 43.4 million hedged] (2024: SEK 51.6 million hedged), AUD-INR [AUD 10.2 million hedged] (2024: AUD 8.3 million hedged) and GBP-INR [GBP 9.8 million hedged] (2024: GBP 11.2 million hedged).

The following sensitivity analysis shows the impact of currency risks (including the impact of forward foreign currency contracts) in accordance with IFRS 7 for the most important foreign currencies in the event of a strengthening or weakening of the foreign currency by 5 percent against the EUR. All monetary assets and liabilities denominated in a foreign currency were analyzed at the respective reporting date and sensitivity analysis was carried out for the respective currency pairs, to show the net risk and its impact on profit for the period and equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

2025	**Profit before tax for the period**	
Effect in kEUR	**5% increase**	**5% decrease**
INR	8,678	(8,789)
USD	(7,557)	7,805
AED	(867)	958
GBP	(479)	493
RON	(409)	452

2024	**Profit before tax for the period**	
Effect in kEUR	**5% increase**	**5% decrease**
INR	4,025	(3,748)
USD	(8,674)	9,118
AED	(541)	598
GBP	(627)	657
RON	(50)	55

Nagarro hedges some of the cash flows to reduce its currency risks. Details are provided in Note C.18. Financial instruments.

10. Governing bodies of Nagarro SE

Supervisory Board

The members of the Nagarro SE Supervisory Board as of the year-end 2025 were as follows:

Member	Membership with Nagarro SE	Additional information
Carl Georg Dürschmidt	Chairperson from August 10, 2020 to April 30, 2025 Member since July 16, 2025 (re-elected)	Chairperson of the Supervisory Board of Allgeier SE Diplom-Betriebswirt (Business Administration) Resident of Bad Abbach, Germany
Shalini Sarin	Member since October 31, 2020	Executive Director at Elektromobilitat India Private Limited and Telenergy Technologies Private Limited Doctorate in Organization Behavior and double Masters in Sociology and Human Resource Management Resident of Delhi, India
Christian Bacherl	Member since November 8, 2022 Deputy Chairperson from November 16, 2022 to April 30, 2025 Chairperson from May 1, 2025 to June 30, 2025 Deputy Chairperson since June 30, 2025	Managing partner of ACCNITE Partners GmbH Diplom-Betriebswirt (Business Administration), B.Sc. (Computer Sciences) Resident of Vaterstetten-Baldham, Germany
Vishal Gaur	Member since June 26, 2023	Professor of Operations, Information and Technology Management at the Samuel Curtis Johnson Graduate School of Management, Cornell SC Johnson College of Business, Cornell University PhD, MBA and BTech Resident of Ithaca, New York, USA
Martin Enderle	Chairperson and member from June 30, 2025 to December 31, 2025	Managing director of digi.me GmbH, Munich PhD in mathematics and physics Resident of Munich, Germany
Hans-Paul Bürkner	Member since July 16, 2025	Senior Advisor and Global Chair Emeritus at the Boston Consulting Group PhD, M.A. Resident of Frankfurt am Main, Germany
Jack Clemons	Member since July 16, 2025	Chartered Accountant (ICAEW), MBA, M.A. Resident of Arzier, Switzerland

Further memberships of the supervisory board members of Nagarro SE in other supervisory or management boards:

Carl Georg Dürschmidt

- Member of the supervisory board at: Allgeier SE, Munich (since July 7, 2022, Chairperson of the supervisory board since September 30, 2022)

Shalini Sarin

- Member of the board at: Schneider Electric Infrastructure Ltd., Vadodara (since October 2025); RSB Global Pvt. Ltd., Kolkata (since 2025); Polyplex Ltd., Khatima (since 2025); Schneider Electric India Pvt. Ltd., New Delhi (since 2024); Sagility India Pvt. Ltd., Bangalore (since 2024); Kirloskar Ferrous Ltd., Pune (since 2023); Kirloskar Oil Engines Ltd., Pune (since 2023); Linde India Ltd., Kolkata (since 2018)
- Member of the India Advisory Group of the Climate Group, New Delhi (since 2023)
- Member of the Governing Body of Plaksha University, Mohali (since 2020)

Christian Bacherl

- Chairperson of the Supervisory Board of sdm SE, Munich (since November 2025)

Vishal Gaur

- Member of the Advisory Board of DIBIZ Pte. Ltd, Singapore (since 2019)

Martin Enderle

- Member of the Board of Trustees, Egmont Foundation, Copenhagen (since 2015)

Hans-Paul Bürkner

- Member of the Economic Council of VfL Bochum (since 2018)
- Member of the International Advisory Board of ESADE Business School, Barcelona (since 2017)

Jack Clemons

- Member of the International Board of Trustees, CIFOR/ICRAF, Bogor (since 2024)
- Member of the Board of Directors, DKSH Holding AG, Zurich (since 2019)
- Member of the International Board of Trustees, WWF, Gland (since 2017)
- Member of the Board of Directors, Banque Cantonale Vaudoise, Lausanne (since 2016)

Nagarro's Supervisory Board has established three dedicated committees: the Audit Committee, the Strategy Committee, and the Nomination & Remuneration Committee. The members of these committees at the year-end 2025 were as follows:

Committee	Members
Audit Committee	Jack Clemons (Chairman)
	Christian Bacherl (Deputy Chairperson)
	Vishal Gaur
Strategy Committee	Hans-Paul Bürkner (Chairman)
	Christian Bacherl (Deputy Chairperson)
	Martin Enderle
Nomination & Remuneration Committee	Martin Enderle (Chairman)
	Shalini Sarin (Deputy Chairperson)
	Jack Clemons

Change in Supervisory Board members and other committees

With effect from January 7, 2026, the Supervisory Board of Nagarro SE has elected Christian Bacherl as its Chairperson and Jack Clemons as Deputy Chairperson, following the resignation of Dr. Martin Enderle as Chairperson and member of the Supervisory Board for health reasons effective January 1, 2026.

The Nomination & Remuneration Committee and the Strategy Committee of the Supervisory Board have also been recomposed. Dr. Shalini Sarin is now chairing the Nomination & Remuneration Committee with Christian Bacherl joining as Deputy and Jack Clemons. The Strategy Committee continues with Dr. Hans-Paul Bürkner as Chairperson together with Jack Clemons as the new Deputy and Vishal Gaur. The composition of Audit Committee remains unchanged.

Management Board

The members of the Nagarro SE Management Board at the year-end 2025 were as follows:

Member	Membership with Nagarro SE	Additional information
Manas Human	Member since July 15, 2020 (Chairperson) Custodian of Entrepreneurship in the Organization	**Primary area(s) of responsibility:** - Representing the company; deciding the roles, remuneration, hiring, relieving of senior management outside management board **Other information:** - PhD in Engineering - Resident of Gurugram, India
Vikram Sehgal	Member since July 15, 2020 Custodian of Operational Excellence	**Primary area(s) of responsibility:** - Budgeting and annual accounts **Other information:** - Bachelor of Engineering - Resident of Los Altos, USA
Annette Mainka	Member since July 15, 2020 Custodian of Regulatory Compliance	**Primary area(s) of responsibility:** - Compliance with regulatory requirements: Service Region Custodian for Europe **Other information:** - Diplom-Betriebswirtin (Business Administration) - Resident of Munich, Germany

Further memberships of the management board members of Nagarro SE in other supervisory or management boards:

Manas Human

- Member of the Governing Body of Plaksha University, Mohali (since 2023)
- Managing Director of Halidon Ventures GmbH, Vaterstetten near Munich (since 2023)
- Managing Director of All Nag Beteiligungs-GmbH & Co. KG, Munich (since 2023)
- Founder and Trustee of Re-Imagining Higher Education Foundation, New Delhi (since 2018)

Vikram Sehgal

- Founder of Re-Imagining Higher Education Foundation, New Delhi (since 2018)
- Board Member of Hundred Percentile Education Private Limited, Gurugram (since 2007)

11. Publication

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements were approved for publication by the Management Board on April 27, 2026. The consolidated financial statements are published in the company register (Unternehmensregister).

The following companies included in the consolidated financial statements of Nagarro SE make full use of the exemption pursuant to Section 264 (3) of the German Commercial Code (HGB):

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany
- Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany

Each of the following companies have a profit-sharing agreement with Nagarro SE:

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany

12. Corporate governance code

The statement on the Corporate governance code prescribed by Section 161 of the German Stock Corporation Act (AktG) was submitted and made accessible on the website of Nagarro SE.

13. Events after the balance sheet date

In the period between December 31, 2025, and the date when the consolidated financial statements were prepared by the Management Board and approved for publication, the following events of particular importance exist:

Treasury shares

On January 7, 2026, the Company has completed tranche 2 of the 2025 share buyback program as mentioned in C.11. Equity by purchasing 30,195 treasury shares amounting to kEUR 2,268.

Proposed dividend

The Management Board and Supervisory Board of Nagarro SE propose to the Annual General Meeting that a dividend of EUR 1.00 per no par value share carrying dividend rights be paid to shareholders from the unappropriated net income amounting to kEUR 49,714 and that the remaining amount be carried forward.

The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Annual General Meeting.

Incorporation of a legal entity

Nagarro has incorporated the following entities till the date of furnishing of this report:

- Nagarro Headquarters Regional, Kingdom of Saudi Arabia
- Nagarro Services SPC, Oman
- Nagarro Software Ltda, Brazil

Geopolitical re-assessment Middle East war

Subsequent to the reporting date, the geopolitical situation in the Middle East has continued to evolve in connection with the ongoing Iran war.

At the time of preparation of the financial statements, the financial impact of these developments cannot yet be reliably quantified due to the uncertainties regarding further developments. Based on the current assessment, management does not expect any material adverse impact on Nagarro's net assets, financial position, and results of operations. Nagarro continues to monitor these developments closely.

For the Management Board of Nagarro SE:

Manas Human	**Annette Mainka**	**Vikram Sehgal**
Chairperson	Member	Member

DISCLAIMER

The following auditor's report, prepared in accordance with § 322 HGB ["Handelsgesetzbuch": "German Commercial Code"], refers to the complete consolidated financial statements, comprising of consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the Calendar Year from January 1, 2024 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies, together with the combined management report of Nagarro SE, Munich for the Calendar Year from January 1, 2024 to December 31, 2024. The combined management report is not included in this Placement Document. The following auditor's report and consolidated financial statements are both translations of the respective German-language documents. The consolidated financial statements as of December 31, 2024 have been audited by KPMG AG Wirtschaftsprüfungsgesellschaft and on which KPMG AG Wirtschaftsprüfungsgsellschaft has issued an audit report dated May 14, 2025, except as to the change referred to in the note on the supplementary audit, which is as of June 20, 2025.

Independent auditor's report

To Nagarro SE, Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Nagarro SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of Nagarro SE for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as "IFRS Accounting Standards") as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of revenue

For information on the accounting policies please refer to Section B Note 6a and Section D Note 1 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

The Group's revenue amounted to EUR 972.0 million in financial year 2024.

Nagarro SE generates its revenues from IT services mainly provided as part of staff leasing in return for payment based on time and costs, or from other IT services provided as part of fixed-price projects, monthly recurring services and the sale of IT licenses.

The revenue is largely generated abroad and in various industries. Revenue is an important target achievement indicator for Nagarro and also provides an important basis for decision-making.

Regarding the invoicing of the respective IT service, there is a risk for the consolidated financial statements that revenue for which no payment has been received as of the reporting date does not exist.

OUR AUDIT APPROACH

We first obtained an understanding of the process and assessed the setup and implementation – and for individual subgroups/companies also the effectiveness – of the established internal controls designed to ensure that contract-related staff expenses and other expenses are recorded correctly in the internal contract accounts.

In addition, we assessed the amount of revenue recognized for which no payment had been received as of the reporting date by obtaining third-party confirmations, or alternatively by comparing the invoices with the corresponding contractual bases, any proofs of delivery, internal time records and approvals and – where available – payments received after the reporting date. The basis for this was revenue selected using a statistical procedure.

We inspected credit notes issued after the reporting date on a sample basis and satisfied ourselves that they were correctly allocated to the same period as the revenue.

OUR OBSERVATIONS

Nagarro SE's approach for recognizing revenue is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the combined corporate governance statement for the Company and Group, which is contained in Section IV of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes:

- the separate combined non-financial report of the Company and Group, which is published with the combined management report, and
- the remaining parts of the annual report.

The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.

Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.

Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.

Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Legal and Regulatory Requirements

Declaration of Non-issuance of an Assurance Opinion on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We were engaged to perform assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") prepared for publication purposes complies, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format").

We do not express an opinion on the ESEF documents. As a result of the significance of the circumstances described below, we have not been able to obtain sufficient appropriate assurance evidence as a basis for an opinion on the ESEF documents.

As management has not provided us with any ESEF documents for assurance by the date of the issuance of the independent auditor's report, we do not express an assurance opinion on the ESEF documents.

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

It is our responsibility to perform assurance work on the ESEF documents in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). As a result of the above circumstances, we have not been able to obtain sufficient appropriate assurance evidence as a basis for an assurance opinion on the ESEF documents.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on June 27, 2024. We were engaged by the Supervisory Board on November 12, 2024. We have been the auditor of the consolidated financial statements of Nagarro SE without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Maximilian Bergler.

Munich, May 14, 2025
KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hanshen	Bergler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Independent Auditor's Report

To Nagarro SE, Munich

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Nagarro SE, Munich, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the financial year from January 1 to December 31, 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report of the Company and the Group (hereinafter: combined management report) of Nagarro SE for the financial year from January 1 to December 31, 2024.

In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as “IFRS Accounting Standards”) as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2024, and of its financial performance for the financial year from January 1 to December 31, 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Existence of revenue

For information on the accounting policies please refer to Section B Note 6a and Section D Note 1 in the notes to the consolidated financial statements.

THE FINANCIAL STATEMENT RISK

The Group's revenue amounted to EUR 972.0 million in financial year 2024.

Nagarro SE generates its revenues from IT services mainly provided as part of staff leasing in return for payment based on time and costs, or from other IT services provided as part of fixed-price projects, monthly recurring services and the sale of IT licenses.

The revenue is largely generated abroad and in various industries. Revenue is an important target achievement indicator for Nagarro and also provides an important basis for decision-making.

Regarding the invoicing of the respective IT service, there is a risk for the consolidated financial statements that revenue for which no payment has been received as of the reporting date does not exist.

OUR AUDIT APPROACH

We first obtained an understanding of the process and assessed the setup and implementation – and for individual subgroups/companies also the effectiveness – of the established internal

controls designed to ensure that contract-related staff expenses and other expenses are recorded correctly in the internal contract accounts.

In addition, we assessed the amount of revenue recognized for which no payment had been received as of the reporting date by obtaining third-party confirmations, or alternatively by comparing the invoices with the corresponding contractual bases, any proofs of delivery, internal time records and approvals and – where available – payments received after the reporting date. The basis for this was revenue selected using a statistical procedure.

We inspected credit notes issued after the reporting date on a sample basis and satisfied ourselves that they were correctly allocated to the same period as the revenue.

OUR OBSERVATIONS

Nagarro SE's approach for recognizing revenue is appropriate.

Other Information

Management and/or the Supervisory Board are/is responsible for the other information. The other information comprises the following components of the combined management report, whose content was not audited:

- the combined corporate governance statement for the Company and Group, which is contained in Section IV of the combined management report, and
- information extraneous to management reports and marked as unaudited.

The other information also includes:

- the separate combined non-financial report of the Company and Group, which is published with the combined management report, and
- the remaining parts of the annual report.

The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor's report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that

the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e., fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group’s position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor’s report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material mis-

statement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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 the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken or safeguards applied to eliminate independence threats.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file "9845008396BA67DA9B37-2024-12-31-0-de.zip" (SHA256 hash value: 2d8df023b39e82c1af55d508fb5b67ec89aa3c0b5d7597d479943ef72f085290) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance work extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies, in all material respects, with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2024, contained in the "Report on the Audit of the Consolidated Financial Statements and the Combined Management Report" above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW AsS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company's management is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for such internal control that they have considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available, containing the ESEF documents meets the requirements of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) in accordance with the requirements of Articles 4 and 6 of the Commission Delegated Regulation (EU) 2019/815, as amended as of the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on June 27, 2024. We were engaged by the Supervisory Board on November 12, 2024. We have been the auditor of the consolidated financial statements of Nagarro SE without interruption since financial year 2024.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and combined management report converted to the ESEF format – including the versions to be entered in the German Company Regis-

ter [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

Information on the Supplementary Audit

We issue this independent auditor's report on the consolidated financial statements and combined management report as well as on the electronic rendering of the consolidated financial statements and combined management report presented to us for audit for the first time and contained in the file "9845008396BA67DA9B37-2024-12-31-0-de.zip" (SHA256 hash value: 2d8df023b39e82c1af
55d508fb5b67ec89aa3c0b5d7597d479943ef72f085290) made available and prepared for publication purposes, based on our statutory audit completed on May 14, 2025, and our supplementary audit completed on June 20, 2025, which refers to the first-time submission of the ESEF documents.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the engagement is Maximilian Bergler.

Munich, May 14, 2025, limited to the assessment of the ESEF documents specified in the information on the supplementary audit:
June 20, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Hanshen	Bergler
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

Consolidated statement of financial position

Assets	Note	December 31, 2024	December 31, 2023	January 1, 2023
in kEUR			Restated*	Restated*
Intangible assets	C.1.	43,396	40,052	26,556
Goodwill	C.2.	214,242	194,836	175,841
Property, plant and equipment	C.3.	10,029	11,625	11,443
Right of use assets	C.4.	53,274	47,632	52,271
Non-current contract costs		-	-	89
Non-current contract assets	C.8.	432	-	-
Other non-current financial assets	C.5.	2,133	3,339	4,027
Other non-current assets	C.6.	663	738	960
Deferred tax assets	C.7.	16,491	13,847	10,822
Non-current assets		**340,660**	**312,069**	**282,008**
Inventories		-	1	264
Contract assets	C.8.	15,529	18,470	16,671
Trade receivables	C.9.	219,332	182,488	156,809
Other current financial assets	C.5.	7,850	15,296	7,643
Other current assets	C.6.	13,324	13,295	14,900
Income tax receivables		6,440	14,337	16,749
Cash	C.10.	192,567	110,123	110,163
Current assets		**455,041**	**354,011**	**323,200**
Total assets		**795,701**	**666,080**	**605,208**

* The comparative information is restated on account of correction of errors. Refer note A.3. Correction of errors and reclassification.

Equity and liabilities	Note	December 31, 2024	December 31, 2023	January 1, 2023
in kEUR			Restated*	Restated*
Share capital	C.11.	13,776	13,776	13,776
Treasury shares, at cost	C.11.	(39,757)	(39,757)	(10,018)
Capital reserve	C.11.	241,030	251,717	247,901
Profit carried forward	C.11.	215,631	166,476	166,476
Net profit for the period	C.11.	49,156	49,155	-
Changes in equity recognized directly in equity	C.11.	(260,612)	(260,612)	(260,612)
Other comprehensive income	C.11.	3,436	(10,289)	92
Total equity		**222,660**	**170,466**	**157,616**
Non-current loans and borrowings	C.12.	320,835	268,587	205,018
Non-current lease liabilities	C.4.	36,086	28,604	34,004
Long-term employee benefits liabilities	C.13.	22,581	14,865	11,419
Other long-term provisions	C.16.	434	394	330
Other non-current financial liabilities	C.15.	5,743	4,705	2,748
Non-current liabilities from acquisitions	C.14.	4,468	2,575	6,682
Deferred tax liabilities	C.7.	13,785	11,387	7,786
Non-current liabilities		**403,932**	**331,117**	**267,988**
Current loans and borrowings	C.12.	8,777	6,160	11,519
Current lease liabilities	C.4.	18,396	20,089	21,784
Short-term employee benefits liabilities	C.13.	16,085	2,208	5,199
Other short-term provisions	C.16.	26,365	24,064	21,258
Current contract liabilities	C.8.	14,105	15,002	13,795
Trade payables		17,076	17,936	15,251
Current liabilities from acquisitions	C.14.	1,405	8,929	16,592
Other current financial liabilities	C.15.	40,478	36,062	38,844
Other current liabilities	C.17.	17,022	15,766	15,016
Income tax liabilities		9,399	18,282	20,347
Current liabilities		**169,108**	**164,498**	**179,605**
Total liabilities		**573,041**	**495,614**	**447,593**
Equity and liabilities		**795,701**	**666,080**	**605,208**

* The comparative information is restated on account of correction of errors. Refer note A.3. Correction of errors and reclassification.

Consolidated statement of comprehensive income

Profit or loss	Note	2024	2023
in kEUR			restated*
Revenue	D.1.	971,987	912,055
Own work capitalized		259	346
Other operating income	D.2.	30,597	29,282
Cost of freelancers and other direct cost	D.3.	(68,879)	(73,124)
Staff costs	D.4.	(703,022)	(654,585)
Impairment of trade receivables and contract assets	F.9.	(3,015)	(4,112)
Other operating expenses	D.5.	(93,878)	(91,298)
Earnings before interest, taxes, depreciation and amortization (EBITDA)		134,049	118,565
Depreciation, amortization and impairment	D.6.	(37,317)	(35,410)
Earnings before interest and taxes (EBIT)		96,732	83,155
Finance income	D.7.	3,500	1,808
Finance costs	D.8.	(21,133)	(18,235)
Earnings before taxes (EBT)		79,099	66,728
Income taxes	C.7.	(29,943)	(17,573)
Profit for the period		49,156	49,155

Other comprehensive income	Note	2024	2023
in kEUR			
Items that will not be reclassified to profit or loss			
Actuarial gains (losses)	C.7.	559	(380)
Tax effects		(336)	92
		223	(287)
Items that may be reclassified to profit or loss			
Foreign exchange differences (including effect of Türkiye hyperinflation of kEUR 831 [2023: kEUR 5,227])		14,223	(8,787)
Tax effects		(720)	(1,307)
		13,503	(10,094)
Other comprehensive income for the period		13,726	(10,381)
Total comprehensive income for the period		62,882	38,774

Basic earnings per share in EUR:	D.9.		
- based on weighted average		3.69	3.64
- based on outstanding shares		3.69	3.69

Diluted earnings per share in EUR:	D.9.		
- based on weighted average		3.69	3.64
- based on outstanding shares		3.69	3.69

* The comparative information is restated on account of correction of errors. Refer note A.3. Correction of errors and reclassification.

Consolidated statement of changes in equity

							Other comprehensive income		
	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Foreign exchange differences	Actuarial gain or loss on pension provisions	Total equity
in kEUR									
Balance at January 1, 2024	**13,776**	**(39,757)**	**251,717**	**166,476**	**49,155**	**(260,612)**	**(6,964)**	**(3,325)**	**170,466**
Profit for the period	–	–	–	–	49,156	–	–	–	49,156
Other comprehensive income for the period	–	–	–	–	–	–	13,503	223	13,726
Total comprehensive income for the period	–	–	–	–	**49,156**	–	**13,503**	**223**	**62,882**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	49,155	(49,155)	–	–	–	–
Purchase of treasury shares	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Stock option (SOP) and employee share participation program expense	–	–	3,206	–	–	–	–	–	3,206
Transfer of capital reserves to provisions on modification of equity-settled SOP to cash-settled SOP	–	–	(13,893)	–	–	–	–	–	(13,893)
Balance at December 31, 2024	**13,776**	**(39,757)**	**241,030**	**215,631**	**49,156**	**(260,612)**	**6,539**	**(3,102)**	**222,660**

in kEUR	Share capital	Treasury shares	Capital reserves	Profit carried forward	Net profit for the period	Changes in equity recognized directly in equity	Other comprehensive income		Total equity
							Foreign exchange differences	Actuarial gain or loss on pension provisions	
Balance at January 1, 2023	**13,776**	**(10,018)**	**247,901**	**97,213**	**77,382**	**(260,612)**	**2,974**	**(3,038)**	**165,578**
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors and reclassifications)	–	–	–	(42)	(8,076)	–	156	–	**(7,963)**
Balance at January 1, 2023 (restated)	**13,776**	**(10,018)**	**247,901**	**97,171**	**69,305**	**(260,612)**	**3,130**	**(3,038)**	**157,616**
Profit for the period	–	–	–	–	49,155	–	–	–	49,155
Other comprehensive income for the period	–	–	–	–	–	–	(10,094)	(287)	(10,381)
Total comprehensive income for the period (restated)	**–**	**–**	**–**	**–**	**49,155**	**–**	**(10,094)**	**(287)**	**38,774**
Transfer of profit or loss for the previous year to profit carried forward	–	–	–	69,305	(69,305)	–	–	–	–
Purchase of treasury shares	–	(29,739)	–	–	–	–	–	–	(29,739)
Dividends	–	–	–	–	–	–	–	–	–
Share capital issued	–	–	–	–	–	–	–	–	–
Transfer of capital reserves	–	–	–	–	–	–	–	–	–
Stock option and employee share participation program expense	–	–	3,815	–	–	–	–	–	3,815
Balance at December 31, 2023	**13,776**	**(39,757)**	**251,717**	**166,476**	**49,155**	**(260,612)**	**(6,964)**	**(3,325)**	**170,466**

* The comparative information is restated on account of correction of errors. Refer note A.3. Correction of errors and reclassification.

Consolidated statement of cash flows

Cash flows	Note	2024	2023
in kEUR			restated*
Cash flows from operating activities			
EBIT		96,732	83,155
Depreciation, amortization and impairments of non-current assets		37,317	35,410
Non-cash purchase price adjustments of liabilities from acquisitions		-	(243)
Change in long-term employee benefits liabilities		3,346	2,656
Other non-cash income and expenses		5,263	1,344
Income taxes paid		(32,885)	(21,623)
Cash flows from changes in net working capital	E.1.	(16,723)	(758)
Net cash (outflows) / inflows from non-recourse factoring	E.2.	(6,530)	(20,253)
Net cash inflow from operating activities		**86,520**	**79,687**
Cash flows from investing activities			
Payments for property, plant and equipment and intangible assets		(7,372)	(6,878)
Proceeds from sale of property, plant and equipment and intangible assets		141	866
Investment in fixed deposits		4,761	(4,978)
Interest received		3,843	1,600
Acquisition of subsidiaries, net of cash acquired	E.4.	(18,216)	(56,342)
Net cash outflow from investing activities		**(16,842)**	**(65,732)**
Cash flows from financing activities			
Purchase of treasury shares	C.13.	-	(29,739)
Proceeds from loans	E.3.	56,229	71,569
Repayment of loans	E.3.	(4,587)	(9,246)
Principal elements of lease payments	E.3.	(23,895)	(25,066)
Interest paid		(17,885)	(14,201)
Net cash (outflow) / inflow from financing activities		**9,862**	**(6,681)**
Total cash flow		**79,540**	**7,274**
Effects of exchange rate changes on cash and cash equivalents		(438)	(2,644)
Total changes in cash and cash equivalents		**79,102**	**4,630**
Cash and cash equivalents at the beginning of the period	E.2.	107,777	103,147
Cash and cash equivalents at the end of the period	E.2.	186,879	107,777

* The comparative information is restated on account of correction of errors. Refer note A.3. Correction of errors and reclassification.

Notes to the consolidated financial statement

A. General Information

1. Corporate information

The consolidated financial statements comprise Nagarro SE (the "parent company") and its subsidiaries (together referred to as "Nagarro") and are prepared in compliance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU) and the additional requirements pursuant to Section 315e (1) of the German Commercial Code (Handelsgesetzbuch – HGB). Nagarro SE's registered office is Baierbrunner Str. 15, 81379 Munich, Germany. It is registered with the commercial register of the District Court of Munich under commercial register sheet number HRB 254410. Nagarro's bouquet of specialized services includes digital product engineering, digital commerce and customer experience, Big Data and AI services, new-gen ERP consulting and managed services. The shares of Nagarro SE are traded under ISIN DE000A3H2200 in the Prime Standard (Regulated Market) in Frankfurt a.M. (Xetra) and in the over-the-counter markets in Berlin, Düsseldorf, Hamburg, Munich, Stuttgart and Tradegate Exchange.

2. Basis of accounting

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements of Nagarro SE were prepared in compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU) and according to the commercial law regulations pursuant to Section 315e of the German Commercial Code (HGB).

These consolidated financial statements of Nagarro SE, prepared in accordance with IFRS, consist of the consolidated balance sheet, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated cash flow statement, and notes to the consolidated financial statement. The consolidated financial statements of Nagarro SE are based on the going concern assumption.

The consolidated financial statements are presented in euros, which is Nagarro SE's functional currency. Amounts are stated in thousands of euros (kEUR), except where otherwise indicated. Rounding differences may arise when individual amounts or percentages are added together. The figures reported in the consolidated financial statements for the financial year are presented with comparative figures from the previous year.

The consolidated financial statements were prepared on May 14, 2025 by the Management Board of Nagarro SE and approved for publication.

Details of Nagarro's accounting policies, including changes thereto, are included in Note B. Material accounting policies.

3. Correction of errors and reclassifications

Correction of errors

(a) In the previous years, Nagarro had accounted for certain business combinations based on internal simplified purchase price allocations. During the year, Nagarro has involved an external valuer to re-assess the purchase price allocations for all acquisitions post-spin-off from its erstwhile parent company, Allgeier SE, which were previously accounted for on a simplified method basis and have now applied the multi-period excess earnings method for the valuation of intangibles and Monte-Carlo valuation model for the valuation of contingent consideration for accounting the business combinations of Advanced Technology Consulting Service Group ('ATCS') acquired in 2021, RipeConcepts group ('RipeConcepts') acquired in 2022 and Techmill group ('Techmill') acquired in 2022. Nagarro further re-assessed the contingent consideration of RipeConcepts as remuneration for post-combination service as part of purchase price allocation.

In the case of ATCS, changes in purchase price allocation resulted in an increase in customer lists by kEUR 11,035 (kUSD 12,759) and decrease in orders in hand by kEUR 288 (kUSD 333) with a corresponding increase in deferred tax liabilities by kEUR 3,042. The incremental customer lists and decline in orders in hand are being amortized over their respective useful life. Further, the contingent consideration payable has been reduced by kEUR 2,823 (kUSD 3,264) based on the revised measurement of the fair value of the financial liability for the earn-out rights measured using a Monte-Carlo valuation model. Accordingly, as at January 1, 2023, the intangibles (net of amortization) have increased by kEUR 10,662 (December 31, 2023: kEUR 9,293), goodwill (including foreign currency impact) has decreased by kEUR 11,373 (December

31, 2023: kEUR 11,029), non-current liabilities from acquisitions decreased by kEUR 242 (December 31, 2023: kEUR Nil), current liabilities from acquisitions decreased by kEUR 142 (December 31, 2023: kEUR 122) and deferred tax liabilities increased by kEUR 3,018 (December 31, 2023: kEUR 2,630). On the consolidated statement of profit or loss for the year ended December 31, 2023, the amortization of intangible assets (customer lists and orders in hand) has increased by kEUR 1,066, finance cost has increased by kEUR 256 and deferred tax income has increased by kEUR 302.

In the case of RipeConcepts, changes in purchase price allocation resulted in an increase in customer lists by kEUR 2,485 (kUSD 2,780) and orders in hand by kEUR 848 (kUSD 949) with a corresponding tax impact on deferred tax liabilities by kEUR 900. The incremental customer lists and orders in hand are being amortized over their respective useful life. Further, the contingent consideration payable has been reduced by kEUR 10,122 (kUSD 11,324) as these were remuneration for post-combination service which are now being recognized as short-term employee benefit for the respective periods of the earn-out period. Accordingly, as at January 1, 2023, the intangibles (net of amortization) have increased by kEUR 2,409 (December 31, 2023: kEUR 2,137), goodwill (including foreign currency impact) has decreased by kEUR 13,124 (December 31, 2023: kEUR 12,727), non-current liabilities from acquisitions decreased by kEUR 6,411 (December 31, 2023: kEUR 2,680), current liabilities from acquisitions increased by kEUR 186 (December 31, 2023: decreased by kEUR 3,536), and deferred tax liabilities increased by kEUR 650 (December 31, 2023: kEUR 562). On the consolidated statement of profit or loss for the year ended December 31, 2023, the staff cost (retention bonuses – acquisition related) has increased by kEUR 925, amortization of intangible assets (customer lists and orders in hand) has increased by kEUR 203, finance cost has decreased by kEUR 188 and deferred tax income has increased by kEUR 55.

In the case of Techmill, changes in purchase price allocation resulted in a decrease in customer lists by kEUR 181 (kUSD 202) and orders in hand by kEUR 520 (kUSD 582) with a corresponding tax impact on deferred tax liabilities by kEUR 119. The decline in customer lists and orders are being adjusted with amortization over their respective useful life. Further, the contingent consideration payable has been reduced by kEUR 2,766 (kUSD 3,096) based on the revised purchase price allocation as per Monte-Carlo valuation model. Accordingly, as at January 1, 2023, the intangibles (net of amortization) have decreased by kEUR 123 (December 31, 2023: increased by kEUR 108), goodwill (including foreign currency impact) has decreased by KEUR 2,284 (December 31, 2023: kEUR 2,215), non-current liabilities from acquisitions decreased by kEUR 3,004 (December 31, 2023: kEUR Nil), current liabilities from acquisitions increased by kEUR 97 (December 31, 2023: decreased by kEUR 2), and deferred tax liabilities decreased by kEUR 21 (December 31, 2023: increased by kEUR 18). On the consolidated statement of profit or loss for the year ended December 31, 2023, the other operating income (profit from purchase price adjustment) has reduced by kEUR 2,872, amortization of intangible assets (customer lists and orders in hand) has decreased by kEUR 231and deferred tax income has decreased by kEUR 39.

(b) Nagarro has re-assessed the accounting of earn-outs which are remuneration for post-combination service and were previously recognized as an expense on a straight-line basis over the earn-out period. These are now to be expensed on the undiscounted amount expected to be paid for that earn-out year considering them to be short-term employee benefits. This has resulted in the reversal of earn-out expense relating to the acquisitions of Infocore, United Arab Emirates (UAE) in 2023 amounting to kEUR 115 (kUSD 124) and MBIS group in 2023 amounting to kEUR 1,915 with corresponding decrease in current liabilities from acquisitions. On the consolidated statement of profit or loss for the year ended December 31, 2023, the staff cost (earnout expense - acquisition related) has reduced by kEUR 2,030. Further, these earn-out expenses relating to Infocore UAE and MBIS totaling to kEUR 2,030 were incorrectly adjusted against cash flows from operating activities / cash flows from investing activities, which has now been corrected for the year 2023.

(c) Nagarro has re-assessed the year-end valuation of contingent consideration after the initial purchase price allocation. This resulted in the additional earn-out expense of kEUR 943 relating to the acquisition of APSL in 2023 with a corresponding increase in current liabilities from acquisitions. On the consolidated statement of profit or loss for the year ended December 31, 2023, the staff cost (earnout expense - acquisition related) has increased by kEUR 943.

(d) Nagarro has re-assessed the presentation of earn-outs which are remuneration for post-combination service and were previously classified under current liabilities from acquisitions and are now classified under employee benefits liabilities. This has resulted in a decrease of kEUR 3,737 (December 31, 2023: kEUR 1,174) in current liabilities from acquisitions with and increase in short-term employee benefits liabilities amounting to kEUR 3,737 (December 31, 2023: kEUR 268) and increase in other short-term provisions amounting to kEUR Nil (December 31, 2023: kEUR 906).

(e) Nagarro has reclassified certain items of "Property, plant and equipment" to "Intangible assets" amounting to kEUR 1,322 as of December 31, 2023 relating to the Turkish entity acquired in 2023.

In addition to above, there are certain other immaterial errors which have been corrected retrospectively.

Reclassifications

As of January 1, 2023, Nagarro has reclassified certain balance sheet items as

- from "Other current financial liabilities" to "Other current liabilities "relating to social security liabilities amounting to kEUR 4,798 (December 31, 2023: kEUR 5,337), and

- from “Other short-term provisions” to “Other current financial liabilities” relating to provision for audit fees payable amounting to kEUR 980 (December 31, 2023: kEUR 1,161).

These reclassifications were done to present the better classification of these balance sheet items.

The resulting correction of errors and the reclassification of certain balance sheets items have been reported by restating each of the impacted financial line items for prior years. There is no change in the Adjusted EBITDA reported earlier for the year 2023. The following tables summarize the impact on Nagarro’s consolidated financial statements:

Consolidated statement of financial position

	(Previously reported)			(Restated)
Assets	**January 1, 2023**	**Adjustments**	**Reclassification**	**January 1, 2023**
in kEUR				
Intangible assets	13,608	12,948	-	26,556
Goodwill	202,622	(26,781)	-	175,841
Others	79,611	(0)	-	79,611
Non-current assets	**295,841**	**(13,833)**	**-**	**282,008**
Current assets	**323,200**	**-**	**-**	**323,200**
Total assets	**619,041**	**(13,833)**	**-**	**605,208**

Equity and liabilities	**January 1, 2023**	**Adjustments**	**Reclassification**	**January 1, 2023**
in kEUR				
Profit carried forward	174,594	(8,118)	-	166,476
Other comprehensive income	(63)	156	-	92
Others	(8,952)	0	-	(8,952)
Total equity	**165,578**	**(7,963)**	**-**	**157,616**
Non-current liabilities from acquisitions	16,340	(9,657)	-	6,682
Deferred tax liabilities	4,139	3,647	-	7,786
Others	253,520	0	-	253,520
Non-current liabilities	**273,998**	**(6,011)**	**-**	**267,988**
Short-term employee benefits liabilities	1,462	3,737	-	5,199
Other short-term provisions	22,238	-	(980)	21,258
Current liabilities from acquisitions	20,188	(3,596)	-	16,592
Other current financial liabilities	42,663	-	(3,819)	38,844
Other current liabilities	10,218	-	4,798	15,016
Others	82,695	-	-	82,695
Current liabilities	**179,464**	**141**	**0**	**179,605**
Total liabilities	**453,462**	**(5,870)**	**-**	**447,593**
Equity and liabilities	**619,041**	**(13,832)**	**-**	**605,208**

Assets	(Previously reported) December 31, 2023	Adjustments	Reclassification	(Restated) December 31, 2023
in kEUR				
Intangible assets	26,528	13,524	-	40,052
Goodwill	220,807	(25,971)	-	194,836
Property, plant and equipment	12,947	(1,322)	-	11,625
Deferred tax assets	13,862	(15)	-	13,847
Others	51,709	-	(0)	51,709
Non-current assets	**325,852**	**(13,784)**	**(0)**	**312,069**
Current assets	**354,011**	**-**	**-**	**354,011**
Total assets	**679,864**	**(13,784)**	**(0)**	**666,080**

Equity and liabilities	December 31, 2023	Adjustments	Reclassification	December 31, 2023
in kEUR				
Profit carried forward	174,594	(8,118)	-	166,476
Net profit for the period	52,141	(2,986)	-	49,155
Other comprehensive income	(10,743)	454	-	(10,289)
Others	(34,876)	(0)	-	(34,876)
Total equity	**181,116**	**(10,651)**	**-**	**170,466**
Non-current liabilities from acquisitions	5,257	(2,682)	-	2,575
Deferred tax liabilities	7,997	3,390	-	11,387
Others	317,155	-	-	317,155
Non-current liabilities	**330,409**	**708**	**-**	**331,117**
Short-term employee benefits liabilities	1,940	268	-	2,208
Other short-term provisions	24,319	906	(1,161)	24,064
Current liabilities from acquisitions	13,944	(5,015)	-	8,929
Other current financial liabilities	40,239	(0)	(4,176)	36,062
Other current liabilities	10,429	-	5,337	15,766
Others	77,468	0	-	77,468
Current liabilities	**168,338**	**(3,841)**	**-**	**164,498**
Total liabilities	**498,747**	**(3,133)**	**-**	**495,614**
Equity and liabilities	**679,864**	**(13,784)**	**-**	**666,080**

Consolidated statement of comprehensive income

Profit or loss	(Previously reported) 2023	Adjustments	(Restated) 2023
in kEUR			
Other operating income	32,154	(2,872)	29,282
Staff costs	(654,747)	162	(654,585)
Others	743,867	-	743,867
Earnings before interest, taxes, depreciation and amortization (EBITDA)	**121,275**	**(2,710)**	**118,565**
Depreciation, amortization and impairment	(35,073)	(337)	(35,410)
Earnings before interest and taxes (EBIT)	**86,202**	**(3,047)**	**83,155**
Finance income	1,808	-	1,808
Finance costs	(18,167)	(68)	(18,235)
Earnings before taxes (EBT)	**69,843**	**(3,115)**	**66,728**
Income taxes	(17,702)	129	(17,573)
Profit for the period	**52,141**	**(2,986)**	**49,155**
Other comprehensive income			
Foreign exchange differences	(14,313)	298	(14,014)
Others	3,633	(0)	3,633
Other comprehensive income for the period	**(10,680)**	**298**	**(10,381)**
Total comprehensive income for the period	**41,461**	**(2,688)**	**38,774**
Basic earnings per share in EUR:			
- based on weighted average	3.87	(0.22)	3.64
- based on outstanding shares	3.91	(0.22)	3.69
Diluted earnings per share in EUR:			
- based on weighted average	3.86	(0.22)	3.64
- based on outstanding shares	3.91	(0.22)	3.69

Consolidated statement of cash flows

Cash flows	(Previously reported) 2023	Adjustments	(Restated) 2023
in kEUR			
Cash flows from operating activities			
EBIT	86,202	(3,047)	83,155
Depreciation, amortization and impairments of non-current assets	35,073	337	35,410
Non-cash purchase price adjustments of liabilities from acquisitions	(3,115)	2,872	(243)
Other non-cash income and expenses	401	943	1,344
Cash flows from changes in net working capital	(1,682)	925	(758)
Others	(39,221)	0	(39,221)
Net cash inflow from operating activities	**77,657**	**2,030**	**79,687**
Cash flows from investing activities			
Acquisition of subsidiaries, net of cash acquired	(54,312)	(2,030)	(56,342)
Others	(9,391)	-	(9,391)
Net cash outflow from investing activities	**(63,702)**	**(2,030)**	**(65,732)**
Cash flows from financing activities			
Others	(6,681)	-	(6,681)
Net cash (outflow) / inflow from financing activities	**(6,681)**	**-**	**(6,681)**
Total cash flow	**7,274**	**(0)**	**7,274**
Effects of exchange rate changes on cash and cash equivalents	(2,644)	0	(2,644)
Total changes in cash and cash equivalents	**4,630**	**0**	**4,630**
Cash and cash equivalents at the beginning of the period	103,147	-	103,147
Cash and cash equivalents at the end of the period	107,777	-	107,777

Refer point b) under correction of errors para for the changes in “Net cash inflow from operating activities” to “net cash outflow from investing activities”.

B. Material accounting policies

Nagarro has consistently applied the following material accounting policies to the whole period presented in these consolidated financial statements.

1. New and amended standards adopted

The group applied for the first time the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after January 1, 2024:

Standard / interpretation	Title of the standard, interpretation or amendment
Amendments to IFRS 16	Lease liability in a sale and leaseback
Amendments to IAS 1	Classification of liabilities as current or non-current
Amendments to IAS 7 and IFRS 7	Supplier finance arrangements

Amendments to IFRS 16 - Lease liability in a sale and leaseback

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on Nagarro's consolidated financial statements.

Amendments to IAS 1 - classification of liabilities as current or non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Further, the amendment requires, when Nagarro classifies a liability arising from a loan arrangement as non-current, and that liability is subject to covenants with which Nagarro is required to comply within 12 months after the reporting date, Nagarro discloses information in the notes that enables users of the consolidated financial statements to understand the risk that the liabilities could become repayable within 12 months after the reporting date. The disclosure for the same has been made in note C.12. Loans and borrowings.

The amendments had no impact on Nagarro's consolidated financial statements.

Amendments to IAS 7 and IFRS 7

The amendments address clarification regarding the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on Nagarro's consolidated financial statements.

2. Standards and interpretations not yet applied

The IASB and IFRIC have issued the standards as detailed in the table below, the application of which was not yet mandatory for the periods presented in the consolidated financial statements according to the EU regulations.

Nagarro has not applied for early adoption of any of the standards/ interpretations that were allowed. The management does not expect that the adoption of all the standards listed below will have a material impact on the financial statements of the group in future periods:

Standard / interpretation	Title of the standard, interpretation or amendment	First time application
Endorsed by the EU		
Amendments to IAS 21	Lack of exchangeability	January 1, 2025
Not yet endorsed by the EU		
Amendments to IFRS 9 and IFRS 7	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Annual Improvements	Amendments to: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash flows	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027

Amendments to IAS 21

The amendments require disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025, with early application permitted.

The amendments are not expected to have a significant impact on Nagarro's consolidated financial statements.

Amendments to IFRS 9 and IFRS 7

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026, with early application permitted. The amendments are not expected to have a significant impact on Nagarro's consolidated financial statements.

Annual improvements

Annual improvements contain amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7. The amendments are intended to improve the consistency of the standards by clarifying wording, correcting errors, and simplifying the standards. The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. The annual improvements are not expected to have a significant impact on Nagarro's consolidated financial statements.

IFRS 18

IFRS 18 will replace IAS 1 Presentation of Financial Statements and the new standard introduces the following key new requirements.

• Nagarro will be required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Nagarro will also be required to present a newly-defined operating profit subtotal. Nagarro's net profit will not change.

• Management-defined performance measures (MPMs) will be disclosed in a single note in the financial statements.

• Enhanced guidance will be provided on how to group information in the financial statements.

In addition, Nagarro will be required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

Nagarro is still in the process of assessing the impact of the new standard, particularly with respect to the structure of Nagarro's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. Nagarro is also assessing the impact on how information is grouped in the financial statements.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2027, with early application permitted.

IFRS 19

IFRS 19 will allow eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As Nagarro's equity are publicly traded, it is not eligible to elect to apply IFRS 19.

3. Basis of consolidation

Consolidation

The consolidated financial statements of Nagarro group include Nagarro SE and the companies controlled by it (together "Nagarro"). Nagarro controls an associated company, in particular, if and only if it possesses all of the following characteristics:

- the power of disposal over the investee company (i.e., Nagarro has the possibility to control those activities of the investee company that have a significant influence on its return on the basis of currently existing rights),

- a risk burden due to or entitlement to fluctuating returns from its involvement in the investee company, and

- the ability to use its power of disposal over the investment company in such a way that the return of the investment company is thereby influenced.

If Nagarro does not hold a majority of the voting rights or comparable rights in an investee company, it takes all facts and circumstances into account when assessing whether it has the power of disposal of this investee company. These include:

- a contractual agreement with the other voters,

- rights resulting from other contractual agreements,

- voting rights and potential voting rights of the Group.

The financial statements of the subsidiaries are prepared in accordance with uniform accounting policies, on the same balance sheet date as the financial statements of Nagarro SE and the financial statements of Nagarro group. Acquired companies will be recognized as of the date of acquisition control (acquisition date) is included in the consolidated financial statements. In the event of loss of control, deconsolidation takes place at that time. Intra-group balances and business transactions and the resulting unrealized intra-group gains and losses as well as dividends are eliminated in full. The tax deferrals required by IAS 12 are applied to temporary differences from consolidation.

The same consolidation methods were used for the 2024 and 2023 consolidated financial statements.

Business combinations

Business combinations are accounted for using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to Nagarro. In determining whether a particular set of activities and assets is a business, Nagarro assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

Nagarro has an option to apply 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable assets or group of similar identifiable assets.

The consideration transferred in the acquisition, for the identifiable net assets acquired, is generally measured at fair value. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase price is recognized in the consolidated statement of profit or loss. Transaction costs are expensed as incurred and included in other operating expenses.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured, and settlement is accounted within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in fair value of the contingent consideration are recognized in the consolidated statement of profit or loss. If the obligation to pay contingent consideration to the selling shareholders, who become employees of Nagarro, are forfeited upon termination of employment subject to the assessment of the likelihood of this happening, the contingent consideration, whether earnout or retention payments, is remuneration for post-combination services and not part of the consideration for the acquisition and accordingly not capitalized. These post-combination services are accounted for as an expense as staff costs, based on best estimates to meet the agreed targets for the reporting period and satisfy the earnout and retention criteria.

Subsidiaries

Subsidiaries are entities controlled by Nagarro. Nagarro 'controls' an entity when it is exposed to, or has rights, to variable returns from its involvement with the entity and has the ability to affect those return through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The following table represents an overview of the legal entities that are in scope of consolidation for the reporting periods presented in the consolidated financial statement.

	December 31,	
	2024	2023
Nagarro SE, Munich, Germany	100.00%	100.00%
Nagarro Inc., San Jose, USA	100.00%	100.00%
Nagarro Software Pvt. Ltd., Gurugram, India	100.00%	100.00%
Nagarro Software S.A. De C.V., Monterrey, Mexico	100.00%	100.00%
Nagarro Software Inc., Fishers, USA	100.00%	100.00%
Nagarro Software Solutions (Beijing), Inc. (China)	100.00%	100.00%
Nagarro Software Solutions (Xi'an), Inc. (China) [1]	-	100.00%
Advanced Technology Consulting Service Inc., New Jersey, USA	100.00%	100.00%
Advanced Technology Consulting Service Canada Inc., Toronto, Canada	100.00%	100.00%
ATCS (Beijing) Technology Consulting Company Limited, Beijing, China [1]	-	100.00%
Ace Outsource LC, Salt Lake City, USA	100.00%	100.00%
RipeConcepts Incorporated, Cebu, Philippines	100.00%	100.00%
Nagarro GS Inc., San Jose, USA	100.00%	100.00%
Telesis7 LLC, Missouri, USA	100.00%	100.00%
Nagarro Global Services Asia Pte. Ltd., Singapore	100.00%	100.00%
Nagarro Enterprise Services Pvt. Ltd., Gurugram, India	100.00%	100.00%
Advanced Technology Consulting Service Private Limited, Jaipur, India	100.00%	100.00%
Nagarro SDN. BHD., Kuala Lumpur, Malaysia	100.00%	100.00%
Nagarro K.K., Tokyo, Japan	100.00%	100.00%
Nagarro (Private) Limited, Colombo, Sri Lanka	100.00%	100.00%
Techmill Global Pte Ltd, Singapore	100.00%	100.00%
Tech Mills (Australia) Pty Ltd, Sydney, Australia	100.00%	100.00%
Nagarro Software AB, Stockholm, Sweden	100.00%	100.00%
Nagarro GmbH, Vienna, Austria	100.00%	100.00%
Nagarro ATCS GmbH, Stuttgart, Germany	100.00%	100.00%
Nagarro GmbH, Munich, Germany	100.00%	100.00%
Nagarro SRL, Cluj-Napoca, Romania	100.00%	100.00%
Nagarro iQuest Schweiz AG, Zurich, Switzerland	100.00%	100.00%
iQuest SPZOO, Warsaw, Poland	100.00%	100.00%
Livisi GmbH, Munich, Germany [2]	-	100.00%
Nagarro Software Ltd., London, United Kingdom	100.00%	100.00%
FWD View Ltd., London, United Kingdom [3]	100.00%	-
Nagarro AS, Oslo, Norway	100.00%	100.00%
Nagarro Pty. Ltd., Sydney, Australia	100.00%	100.00%
Nagarro Oy, Espoo, Finland	100.00%	100.00%
Nagarro Ltd., Valetta, Malta	100.00%	100.00%
Nagarro Pty. Ltd., Pretoria, South Africa	100.00%	100.00%
Nagarro Company Ltd., Bangkok, Thailand	100.00%	100.00%
Nagarro Ltd., Port Louis, Mauritius	100.00%	100.00%
Nagarro MENA LLC, Dubai, UAE	100.00%	100.00%
Nagarro Software Co. W.L.L, Bahrain	100.00%	100.00%
Nagarro for Information Technology, Riyadh, Saudi Arabia	100.00%	100.00%
Nagarro Software FZCO, UAE	100.00%	100.00%
Nagarro Software Co. W.L.L, New Cairo, Egypt [4]	100.00%	-
Nagarro ES GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Nagarro ES France SAS, Entzheim, France	100.00%	100.00%
Nagarro Denmark A/S, Herlev, Denmark	100.00%	100.00%
Nagarro S.A.S., Quito, Ecuador	100.00%	100.00%
Nagarro Software S.A.S., Bogotá D.C, Colombia	100.00%	100.00%
Nagarro, UNIPESSOAL LDA, Funchal, Portugal	100.00%	100.00%
Nagarro Software, S.L., Madrid, Spain	100.00%	100.00%
Nagarro Co., Ltd., Taipei, Taiwan	100.00%	100.00%
Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany	100.00%	100.00%
Infocore Engineering & IT Services Inc, Frisco, USA [5]	-	100.00%
Advanced Programming Solutions, S.L., Palma de Mallorca, Spain	100.00%	100.00%
M.B.İ.S Bilgisayar Otomasyon Danışmanlık ve Eğitim Hizmetleri Sanayi ve Ticaret A.Ş., Istanbul, Türkiye	100.00%	100.00%

Novaline Bilişim Teknolojileri Danışmanlığı A.Ş., Istanbul, Türkiye	100.00%	100.00%
Analytica Bilgi Teknolojileri A.Ş., Istanbul, Türkiye	100.00%	100.00%
Nagarro Korlátolt Felelősségű Társaság, Budapest, Hungary	100.00%	100.00%
Nagarro Software Limited, Dublin, Ireland [4)]	100.00%	-

1) These companies were closed in 2024.
2) This company was merged with Nagarro GmbH, Germany in 2024
3) This company was acquired in 2024.
4) These companies were incorporated in 2024.
5) This company was merged with Nagarro Inc, USA in 2024.

Nagarro has merged the following legal entities during the year: -

(i) Livisi GmbH, Germany with Nagarro GmbH, Germany and registered in the commercial register on August 20, 2024, with an effective merger date of January 3, 2024

(ii) Infocore Engineering & IT Services Inc., United States of America with Nagarro Inc., United States of America with an effective merger date of October 1, 2024.

4. Currency translation

The functional currency of the entities located in the Eurozone is the Euro. The functional currency of all other entities is the respective local currency. As part of the preparation of the consolidated financial statements, the annual financial statements of the entities prepared in a foreign currency were translated into Euro, the reporting currency of Nagarro.

Transactions and balances

Transactions in foreign currencies different to the functional currency of the respective Nagarro company are translated at the exchange rate on the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date. If it results in exchange rate gains or losses due to payments or measurements of monetary assets and liabilities at later points in time, these are recognized in profit or loss of the respective Nagarro company.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions of the respective Nagarro company. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined by the respective Nagarro company. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognized in Other Comprehensive Income ("OCI") or profit or loss are also recognized in OCI or profit or loss, respectively) of the respective Nagarro company.

Non-Eurozone Nagarro entities

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) At the consolidation level, the income statement items are translated at the yearly average rate (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions) from the respective functional currency of the subsidiaries to Euro.

(ii) The closing rates at the period end were used for the translation of assets and liabilities.

(iii) Differences arising from translation to Nagarro's reporting currency are reported directly in other comprehensive income not impacting profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the exchange rate at the reporting date.

When a foreign operation is disposed of in its entirety or partially such that the control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to consolidated statement of profit

or loss as part of the gain or loss on disposal. If Nagarro disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative interest is reattributed to non-controlling interests.

The following exchange rates are applied for the translation of annual financial statements prepared in foreign currencies:

		Average rate		Period-end rate	
		per 1 EUR		per 1 EUR	
	Currency	2024	2023	Dec 31, 2024	Dec 31, 2023
Australian dollar	AUD	1.640	1.629	1.674	1.621
Bahraini dinar	BHD	0.408	0.408	0.392	0.416
Canadian dollar	CAD	1.482	1.459	1.493	1.463
Chinese yuan renminbi	CNY	7.777	7.651	7.581	7.814
Colombian Peso	COP	4405.814	4673.807	4578.940	4281.050
Danish krone	DKK	7.459	7.451	7.458	7.454
Egyptian Pound	EGP	52.807	-	52.807	-
Indian rupee	INR	90.531	89.308	88.906	91.814
Japanese yen	JPY	163.822	151.964	162.897	155.722
Malaysian ringgit	MYR	4.949	4.932	4.642	5.072
Mauritian rupee	MUR	49.980	48.781	48.817	48.586
Mexican peso	MXN	19.813	19.178	21.553	18.737
Norwegian krone	NOK	11.632	11.421	11.788	11.235
Philippine peso	PHP	61.974	60.148	60.320	61.146
Polish zloty	PLN	4.306	4.544	4.274	4.348
Romanian leu	RON	4.975	4.947	4.976	4.975
Saudi Riyal	SAR	4.060	4.057	3.902	4.139
Singapore dollar	SGD	1.446	1.452	1.415	1.457
South African rand	ZAR	19.827	19.954	19.559	20.192
Sri Lankan rupee	LKR	326.680	355.065	304.454	357.517
Swedish krona	SEK	11.437	11.474	11.460	11.131
Swiss franc	CHF	0.964	0.986	0.947	0.971
Thai baht	THB	38.163	37.631	35.620	37.957
UAE dirham	AED	3.974	3.972	3.815	4.054
United Kingdom pound	GBP	0.847	0.870	0.829	0.867
US dollar	USD	1.082	1.082	1.039	1.104
Hungarian Forint	HUF	395.327	382.111	411.275	383.395
Turkish Lira	TRY	36.802	25.760	36.802	32.638
New Taiwan Dollar	TWD	34.738	34.084	34.036	33.837

5. Notes to the consolidated statement of financial position

The consolidated statements of financial position are prepared in accordance with IAS 1 Presentation of Financial Statements. Assets that are realized within the next twelve months and liabilities that are due within one year are generally reported as current.

a. Goodwill

Goodwill arising on the acquisition of subsidiaries is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination are aligned to the single cash-generating unit.

Where goodwill has been aligned to the single cash-generating unit (CGU) and part of the operation within that single 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.

b. Intangible assets

Orders on hand, customer lists, websites, and products acquired in business combinations are initially recognized at fair value and subsequently measured at its cost less accumulated amortization and any accumulated impairment. Amortization of orders are amortized on a straight-line basis over one to four years. Acquired products are amortized on a straight-line basis over four years. Customer lists are amortized on a straight-line basis over four to fifteen years.

Inhouse developments are recognized as intangible assets, if the development costs can be measured reliably, and from which an economic benefit from a sale of the services anticipated in the future is probable. Capitalized costs for inhouse developments are measured at cost less accumulated amortization and impairment. Inhouse developments are amortized for the first time from the month of completion on a straight-line basis with a term of four years. Interest on borrowing is not included in the cost of production.

Purchased software, licenses and rights are measured at cost less any accumulated amortization and any accumulated impairment losses. Brands and domains are amortized on a straight-line basis over a term of 15 years. Otherwise, software, licenses and rights are subject to amortization on a straight-line basis over three to six years.

Goodwill arising from business combinations is recognized as an intangible asset with an indefinite useful life. Goodwill, and other intangible assets with indefinite useful lives or intangible assets that are not yet available for use are subject to impairment tests at least once a year. For the aforementioned assets impairment tests are also performed whenever there is an indication or specific event ("triggering event") that an asset may be impaired. If the recoverability is no longer given as the carrying amount exceeds the recoverable amount of capitalized goodwill, an impairment loss must be recognized. This is also applicable for other intangible assets with indefinite useful lives or intangible assets that are not yet available for use. Assets in use and other intangible assets with finite useful lives are tested for impairment only if there are specific indications that they may be impaired.

c. Property, plant and equipment

Property, plant and equipment are recognized at cost of acquisition or production, less accumulated depreciation and any accumulated impairment losses. For internally generated assets, cost of production includes costs that can be directly allocated, proportionate overhead costs and depreciation. Interest on borrowings directly attributable to the acquisition, construction or production of a 'qualifying asset' (one that necessarily takes a substantial period of time to get ready for its intended use or sale) are included in the cost of the asset. Repair and maintenance costs are recognized as expense directly in the consolidated statement of profit or loss. Straight-line depreciation is applied over the expected, estimated useful life of the assets. The carrying amounts of property and equipment are subject to an impairment test as soon as an impairment is indicated. Land, land rights and buildings, including constructions on third party property, are measured using the cost model. Straight-line depreciation on buildings is recognized over a maximum useful life of 58 years. Other plant, operating and office equipment is subject to straight-line depreciation over a period of three to 15 years.

d. Leases

Nagarro applies IFRS 16 for lease accounting and assesses each individual lease contract as to whether it contains a lease in accordance with IFRS 16. On the day of the inception of the lease Nagarro recognizes an asset for the right of use in this contract and a lease liability for the present value of future lease payments. The right of use asset corresponds to the present value at lease inception, adjusted for the payments made before the commencement date, plus initial direct costs incurred and estimated costs to dismantle or restore the underlying asset.

The right of use asset is depreciated on a straight-line basis from the commencement date to the end of lease term, unless the lease transfers ownership of the underlying asset to Nagarro by the end of the lease term or the cost of the right of use asset reflects that Nagarro will exercise purchase option. In that case, the right of use asset will be depreciated over the useful life of that underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at the present value of the lease payments that are not yet paid. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets are not recognized for leases with a useful life of less than twelve months (short-term leases) and for leases where the respective acquisition cost does not exceed kEUR 5 (leases of low-value assets). These leases are recognized in other operating expenses in the consolidated statements of comprehensive income.

For leases acquired in the course of a business combination, Nagarro recognizes a lease liability at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date and recognizes the right-of-use asset at the same amount as the lease liability, adjusted to reflect favorable or unfavorable terms of the lease when compared with market terms.

The Nagarro group leases land and buildings as well as equipment and vehicles. Lease contracts for equipment and vehicles are typically made for fixed periods of three to five years, for buildings up to 18 years, but several contracts have extension or termination options. These are used to maximize operational flexibility in terms of managing the assets used in the group's operations. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

e. Deferred taxes

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of an asset or liability and its tax base as well as for tax loss carryforwards.

Deferred tax is not recognized for:

(i) temporary differences on the initial recognition of an asset or a liability in a transaction that

- is not a business combination; and
- at the time of the transaction (a) affects neither accounting nor taxable profit or loss and (b) does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investment in subsidiaries to the extent that Nagarro is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that the future taxable profits will be available against which they can be used. Future taxable profits are determined based on reversal of relevant temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then the future taxable profits, adjusted for reversal of existing temporary differences, are considered, based on the business plans for individual subsidiaries in Nagarro. Deferred tax assets are reviewed at each reporting date and are reduced to the extent it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the future taxable profits improve.

Deferred taxes are calculated at the applicable or expected tax rates at the time of realization according to the current legal situation in the respective countries. Deferred tax assets and liabilities are calculated using country-specific tax rates. The country-specific tax rates, which are material and used for deferred taxes, are as follows:

Tax rates	2024	2023
Germany	29.8% - 31.0%	29.8% - 31.0%
Austria	23.0%	23.0%
USA	25.5% - 28.1%	25.5% - 28.1%
India	25.2% - 29.1%	25.2% - 29.1%
France	25.0%	25.0%
Romania	16.0%	16.0%
Japan	34.7%	34.7%
Singapore	17.0%	17.0%
South Africa	27.0%	27.0%
United Arab Emirates	9.0%	9.0%
United Kingdom	25.0%	25.0%
Spain	25.0%	25.0%
Türkiye	25.0%	25.0%

Deferred tax assets and liabilities are set off if the entity has a legally enforceable right to set off current tax positions and if the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same tax authority. Deferred tax assets and liabilities are reported under non-current assets and non-current liabilities.

f. Contract costs

The incremental costs of obtaining a contract (i.e., costs that would not have been incurred if the contract had not been obtained) are recognized as an asset if Nagarro expects to recover them.

Costs that are incurred regardless of whether the contract is obtained – including costs that are incremental to trying to obtain a contract – are expensed as they are incurred unless they meet the criteria to be capitalized as fulfilment costs.

As a practical expedient, Nagarro does not capitalize the incremental costs to obtain a contract if the amortization period of the resulting asset would not exceed one year. The assessment of whether the practical expedient applies is made at the contract level.

Certain eligible, non-recurring costs (e.g. set-up or transition or transformation costs) that do not represent a separate performance obligation are recognized as an asset when such costs (a) relate directly to the contract; (b) generate or enhance resources of Nagarro that will be used in satisfying the performance obligation in the future; and (c) are expected to be recovered.

Capitalized contract costs are amortized to expenses over the respective contract life on a systematic basis consistent with the transfer of goods or services to customer to which the asset relates. Capitalized costs are monitored regularly for impairment. Impairment losses are recorded when present value of projected remaining operating cash flows is not sufficient to recover the carrying amount of the capitalized costs.

g. Inventories

Inventories are stated at the lower of cost and net realizable value. Costs of purchased inventory are generally determined based on the weighted average method after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Impairments are recognized if the cost of purchased inventory or net realizable value has decreased at the reporting date.

h. Contract assets and liabilities

The timing of revenue recognition may differ from the timing of invoicing to customers. If payment is received in respect of services prior to the delivery of services, the payment is recognized as an advance from customers and classified as contract liabilities.

With the fulfillment of contractual obligations of one of the contractual parties, either Nagarro or a customer, a contract asset or a contract liability is recognized, depending on the net balance of the performed contract work and the customer's advanced payment. Contract assets are recognized when there is an excess of revenues earned over billings on contracts. Contract liability is recognized when there are billings in excess of revenues. The billing schedules agreed with customers include periodic performance-based payments and /or milestone-based progress payments. Invoices are payable within a contractually agreed credit period. Contract assets and contract liabilities relating to the same customer contract have been offset and presented on a net basis in the consolidated financial statements.

Contract assets and contract liabilities are generally reported as current, as they generally arise within the normal operating cycle of less than one year.

A contract asset is Nagarro's right to consideration in exchange for goods or services that Nagarro has transferred to the customer. A contract asset becomes receivable when Nagarro's right to consideration is unconditional, which is the case when only the passage of time is required before payment of the consideration is due.

i. Cash

Cash and cash equivalent comprise of cash on hand and in bank including short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Other bank deposits which are not in the nature of cash and cash equivalents with a maturity period of more than three months are classified as bank deposits under other financial assets.

j. Employee benefits

i. Short-term employee benefits

Short-term employee benefits are expensed as the related services is provided by the employee. A liability is recognized for the amount expected to be paid if Nagarro has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Share-based payment arrangements

Key colleagues (including senior executives) of Nagarro received remuneration in the form of share-based payments, whereby these colleagues render services in exchange of granting of equity instruments (equity-settled transactions) or cash award (cash-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The cost of cash-settled transactions is determined by the fair value at the date when the grant is made, at the modification date and at each reporting date using an appropriate valuation model, further details of which are given in D.4. Staff costs.

The cost of equity-settled transactions is recognized in staff costs together with a corresponding increase in equity (capital reserves) and the cost of cash-settled transactions is recognized in staff costs together with a corresponding increase in financial liability, over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognized for equity-settled transactions and cash-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and Nagarro's best estimate of the number of equity instruments that will ultimately vest or get cash-settled. The expense or credit in the consolidated statement of profit or loss for a period represents the movement in cumulative expense recognized at the beginning and end of that period.

A change from equity-settled to cash-settled arising from a modification occur if a cash alternative at the employee's discretion is subsequently added to an equity-settled share-based payment that results in a reclassification as a financial liability. Such a modification leads to a reclassification, at the date of modification, of an amount equal to the fair value of the liability from equity to liabilities.

If the amount of the liability recognized on the date of modification is less than the amount previously recognized as an increase in equity, then no gain is recognized for the difference between the amount recognized to date in equity and the amount reclassified for the fair value of the liability; that difference remains in equity. If the amount of the liability recognized on the date of modification is greater than the amount previously recognized as an increase in equity, then the excess is recognized as an expense in consolidated statement of profit or loss at the date of modification. Subsequent to the modification, the entity continues to recognize the grant-date fair value of equity instruments granted as the cost of the share-based payment. However, any subsequent remeasurement of the liability (from the date of modification until settlement date) is also recognized in the consolidated statement of profit or loss. In effect, the cumulative amount recognized in the consolidated statement of profit or loss over the life of the award is the grant-date fair value plus or minus any subsequent changes in fair value after the change in classification. Therefore, the cumulative amount may be less than the original grant-date fair value.

At each reporting date, and ultimately at settlement date, the fair value of the recognized liability is remeasured for the cash-settled transactions.

The dilutive effect of outstanding equity settled options is reflected as additional share dilution in the computation of diluted earnings per share (further details are given in D.9. Earnings per share).

iii. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related services is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

iv. Defined benefit plans

Nagarro's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current year and prior year periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit plan obligations is performed annually by a qualified actuary under the projected unit credit method. When the calculation results in a potential asset for Nagarro, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains or losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in OCI. Nagarro determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in the consolidated statement of profit or loss.

When the benefits of a plan are changed or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized in the consolidated statement of profit or loss. Nagarro recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

v. Other long-term employee benefits

Nagarro's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognized in the consolidated statement of profit or loss in the period in which they arise.

vi. Termination benefits

Termination benefits are expensed at the earlier of when Nagarro can no longer withdraw the offer to those benefits and when Nagarro recognizes costs for restructuring. If benefits are not expected to be settled wholly within next 12 months of the reporting date, then they are discounted.

k. Other provisions

Other provisions are recognized when a legal or constructive obligation to a third party exists due to a past event, which is expected to result in a future outflow of resources to settle the obligation, and this future outflow of resources can be estimated reliably. The provisions are recognized for all identifiable risks as well as contingent liabilities acquired in a business combination at the expected amounts. The provisions are not offset against recourse claims. Warranty provisions are recognized based on past and/or estimated future claims experience. Non-current portions of the provisions are discounted.

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, Nagarro recognizes any impairment loss on the assets associated with that contract.

l. Financial instruments

i. Recognition and initial measurement

Financial assets and financial liabilities are initially recognized when Nagarro becomes a party at the trade date.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not a fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as subsequent measured at:

- amortized cost; or
- fair value through profit or loss (FVTPL); or
- fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition unless Nagarro changes its business model for managing financial assets, in which all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of the principal and interest (SPPI) on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, Nagarro may irrevocably designate a financial asset at FVTPL, that otherwise meets the requirements to be measured at amortized cost or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – business model assessment

Nagarro makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management.

Transfer of financial assets to third parties in transactions that do not qualify for derecognition are not considered sale for this purpose, consistent with the Nagarro's continuing recognition of the assets.

The business models available to Nagarro are as follows:

Held to collect	Nagarro has two portfolios of financial assets that have held to collect business model. The objective of the business model for these financial instruments is to collect the amount due from Nagarro's receivables including recourse factoring receivables and to earn contractual interest income on the amount collected.
Held for trading	Nagarro has separate portfolio of customers / receivables which will be factored. Nagarro has only one portfolio of financial assets that are held for trading business model. Nagarro enters in factoring arrangement with the factor which has both recourse factoring and non-recourse factoring. Nagarro's receivables from recourse factoring are held to collect whereas Nagarro's receivables from non-recourse factoring are held for trading.

Financial assets – assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

In assessing whether the contractual cash flows are SPPI, Nagarro considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it will not meet this condition. In making this assessment, Nagarro considers:

- contingent events that would change the amount or timing of cash flows;

- terms that may adjust the contractual coupon rate, including variable – rate features;

- prepayment and extension features; and

- terms that limit Nagarro's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation of early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represent the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Financial assets – subsequent measurement and gains or losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gain or losses, including any interest or dividend income, are recognized in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortized cost under effective interest method. The gross carrying amount is reduced by impairment losses. Interest income, foreign exchange gains or losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities – classification, subsequent measurement and gains or losses

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequent measured at amortized cost under effective interest method. Interest expense and foreign exchange gains or losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

Nagarro derecognize a financial asset when, and only when a) the contractual rights to the cash flows from the financial asset expire, or b) it transfers the financial asset and the transfer qualifies for derecognition.

Nagarro transfers a financial asset if, and only if, it either:

(a) transfers the contractual rights to receive the cash flows of the financial asset, or

(b) retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets all the following three conditions.

(i) has no obligation to pay amounts to the eventual recipients unless it collects equivalent amounts from the original asset.

(ii) is prohibited by the terms of the transfer contract from selling or pledging the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

(iii) has an obligation to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, Nagarro is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents.

iv. Offsetting

Nagarro offset a financial asset and a financial liability and thus present the net amount on the balance sheet if it has a legally enforceable right to set off, and it intend either to settle on a net basis or to realize the asset and settle the liability simultaneously.

v. Derivatives

Nagarro holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposure. The counterparty for these contracts is generally a bank. This category has derivative financial assets or liabilities which are not designated as hedges. Accordingly, hedge accounting has not been applied.

Forward exchange contracts are taken to hedge foreign currency risk exposure relating to foreign currency assets. Nagarro provides for net loss/ net gain in respect of such outstanding derivative forward contracts at the balance sheet date by marking them to market. The contracts are aggregated category-wise to determine the net gain/loss based on the fair value which is either positive or negative market value. Positive market values result in the recognition of a financial asset and negative market values in the recognition of a financial liability. Gains and losses due to changes in fair value are recognized through consolidated statement of profit or loss.

m. Impairment

i. Non-derivative financial assets

General approach of expected credit losses (ECLs)

Nagarro uses the general approach for impairment of financial assets measured at amortized cost (cash and cash equivalents and other financial assets) wherein the impairment is measured as either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of an instrument has occurred since initial recognition, then impairment is measured as lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Nagarro considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Nagarro's historical experience and informed credit assessment, that includes forward-looking information.

Nagarro assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

Nagarro considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to Nagarro in full, without recourse by Nagarro to actions such as realizing security (if any is held); or

- the financial asset is more than 360 days past due except for public sector customers if these are more than 1,080 days.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which Nagarro is exposed to the credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. difference between the cash flows due to Nagarro in accordance with the contract and cash flows that Nagarro expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Simplified approach of expected credit losses (ECLs)

Nagarro recognizes loss allowances for expected credit losses (ECLs) on the financial assets measured at amortized cost for trade receivables and contract assets for which it uses the practical expedients while measuring ECLs under the simplified approach.

In simplified approach, the lifetime ECLs is considered, using a provision matrix for trade receivables and contract assets as Nagarro does not have trade receivables and contract assets with significant financing component.

While using provision matrix, Nagarro segments its trade receivables based on their industry and geographic region as the historical credit loss experience will have different loss patterns for different customer segments.

Nagarro also considers whether the changes in economic circumstances of any previous segmentation of the portfolio, based on historical data, continues to be appropriate at the reporting date and uses historical loss experience on its trade receivables and contract assets and adjusts historical loss rates to reflect the information about current conditions and reasonable and supportable forecasts of future economic conditions.

Credit-impaired financial assets

At each reporting date, Nagarro assesses whether financial assets carried at amortized cost are credit impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets has occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;

- a breach of contract such as a default or being more than 360 days past due except for public sector customers if these are more than 1,080 days past due;

- the restructuring of a loan or advance by Nagarro on terms that Nagarro would not consider otherwise;

- it is probable that the debtor will enter bankruptcy or other financial organization; or

- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the consolidated statement of financial position

Loss allowances for financial assets measured at amortized cost are deducted from gross carrying amounts of the assets.

The gross carrying amount of a financial asset is written off when Nagarro has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For customers, Nagarro individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. Nagarro expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with Nagarro's procedure of recovery of amount due.

ii. Non-financial assets

At each reporting date, Nagarro reviews the carrying amounts of its non-financial assets (other than inventories, contract assets and deferred tax assets) to determine whether there is an indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at least once a year. Impairment testing is also conducted if events or circumstances occur that indicate that it may no longer be possible to recover the carrying amount.

An impairment loss is recognized if the recoverable amount is lower than the cash-generating unit's carrying amount. If a need for impairment has been ascertained, the goodwill is impaired first. Any need for impairment over and above this is spread in proportion to the carrying amount over the remaining non-financial assets.

If, at some later date, following an impairment recognized in previous years a higher recoverable amount is applicable for the asset or for the cash-generating unit, a reversal of the impairment to no higher than the amortized cost is carried out. Reversals of impairment of goodwill are not permitted.

The recoverable amount is the higher of the fair value less costs of disposal and the value in use of the cash-generating unit or the individual asset. If one of these amounts is greater than the carrying amount, it is not necessary to calculate both values.

The fair value is the price that independent market participants would pay at the balance sheet date under normal market conditions if the asset or cash-generating unit were sold. The value in use is ascertained by discounting the cash flows anticipated from future operational use.

n. Share capital

i. Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

ii. Repurchase and reissue of ordinary shares (treasury shares)

When shares recognized as equity are repurchased, the amount of the consideration paid, which includes directly attributable costs, is recognized as a deduction from equity. When treasury shares are sold or reissued subsequently, the amount received is recognized as an increase in equity.

o. IAS 29 Financial Reporting in Hyperinflationary Economies

With the acquisition of the MBIS group in Türkiye in 2023, Nagarro implemented IAS 29, Financial Reporting in Hyperinflationary Economies, as the management has considered Türkiye a hyperinflationary environment country due to Türkiye's cumulative three-year inflation exceeding the threshold of 100%. The financial statements of MBIS Türkiye were restated for inflation to reflect the purchasing power at the reporting date using the consumer price index and then the reported amounts were translated to Nagarro SE's presentation currency, Euro, applying the exchange rate at the reporting date. Since Nagarro's presentation currency, Euro, is a non-hyperinflationary currency, Nagarro does not restate the comparative figures which is in line with IAS 29.

i. Inflation restatement

Non-monetary items, which are carried at historical cost, are restated for the effect of inflation based on changes in the price index for the period from initial recognition to the date of reporting or to the date of disposal, where relevant.

Management assesses whether the restatement of non-monetary items represents an indication of impairment to ensure that the restated amounts do not exceed the recoverable amounts of the assets.

Monetary items are not subject to restatement for the effects of inflation as these items already reflect the purchasing power at the reporting date.

Nagarro also concluded that the combination of restatement and translation effects meets the definition of exchange difference as per IAS 21 and hence both the effects are recognized in OCI.

Profit or loss transactions in the period are restated to reflect changes in the price index from the time of transaction to the end of the reporting period, with the exception of depreciation and amortisation. The latter are recalculated based on the inflation-adjusted costs of intangible assets and right-of-use assets and property, plant and equipment. The recalculations are based on the useful lives of the relevant assets based on Nagarro's accounting policies.

Cash flow statement – Earnings before income tax includes a non-cash effect from the inflation restatement, which has been eliminated in the line "other non-cash income and expenses".

ii. Price index

Restatement for hyperinflation of the financial statements of the Turkish subsidiaries is based on the development in the consumer price index provided by the Turkish Statistical Institute. On December 31, 2024, the one-year inflation was 44.4% (December 31, 2023: 64.8%).

iii. Retranslation from TRY to Euro

The financial statements of the Turkish subsidiaries, including effects of inflation restatement, have been translated into Euro applying the EUR/TRY exchange rate at the reporting date as opposed to Nagarro's normal practice of translating the profit or loss using the exchange rate at the transaction date or an average exchange rate for the period. The closing EUR / TRY exchange rate increased from 32.6 at the beginning of January 2024 to 36.8 at December 31, 2024.

The average EUR/TRY exchange rate for the reporting period was 35.6 (December 31, 2023: 25.8).

6. Notes to the consolidated statement of comprehensive income

The consolidated statements of comprehensive income were prepared applying the cost by nature method.

a. Revenue

Nagarro primarily generates revenue through consulting services, digital engineering, and other IT services in the areas of digital product engineering, digital commerce and customer experience, big data and AI services, new-gen ERP consulting and managed services and hosting. Revenue from these services is primarily generated through time and expense contracts, fixed price contracts (both milestone-based and periodic) and a small amount of license sales.

The following table summarizes Nagarro's contract clusters currently as they may map to our reported contract types and Invoicing method.

Contract type/Services	Description	Invoicing method / reported contract type
Time and Material (T&M)	These are the contracts where services are billed based on the actual person hours/days/months worked. Common in agile development or projects with evolving scope. In some cases, there is a capping on total spending under the contract for the defined duration. e.g. Agile development services	Time and expenses
Fixed Price	These are the contracts where a fixed scope and a fixed total price Is defined for the work to be delivered. The contracts have defined milestones and invoices can be tied to achievement of them. e,g, Defined scope projects	Fixed price
Periodic services (incl multiple elements)	These are the contracts which cover the support services for existing applications under a defined scope of activities for a fixed monthly price.	
	- Hosting services	Periodic service
	- Application support and Maintenance services	Periodic service
	- Additional services	Time and expenses
Licenses	These are sales/services where Nagarro earns revenue either through selling/reselling third party licenses or our own IP which may be followed by maintenance services. The selling services may involve implementation wherever required.	
	- Sale of license	Other revenues
	- Maintenance services	Periodic service

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

Nagarro assesses the services promised in a contract and identifies distinct performance obligations within the contract. Nagarro 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 the standalone selling price is the expected cost plus a margin, under which Nagarro estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services.

Nagarro's contracts may include variable consideration including rebates, volume discounts and penalties. Nagarro 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 recognized will not occur when the uncertainty associated with the variable consideration is resolved.

Variable considerations are netted off against the revenues. Value added taxes or Goods and service tax or taxes of similar nature which are recovered from customers on behalf of the Government, are deducted from revenues. Reimbursements of out-of-pocket expenses received from clients are included as part of revenues.

Revenues in time-and-material contracts are recognized over time as the related services are performed, consistent with the transfer of control to the customer. Revenue is measured by the units of service delivered and the corresponding bill rates agreed upon in the contract. This approach aligns revenue recognition directly with the delivery of services, ensuring that revenue is recognized in proportion to the level of effort expended.

Revenue from fixed-price, fixed-timeframe contracts, where the performance obligations are satisfied over time is recognized using the input method. Efforts or costs expended are used to determine progress towards completion as there is a direct relationship between input and productivity. Progress towards completion is determined based on the ratio of costs or efforts incurred to date relative to the estimated total costs or efforts. The transaction price and estimated costs are reviewed and updated regularly throughout the duration of the contract. Any revisions to estimates are recognized in the period in which they are identified. Provisions for estimated losses, if any, are recognized immediately. Change requests that amend the scope or pricing of the original contract are evaluated as

contract modifications in accordance with IFRS 15 and are accounted for either as adjustments to the existing contract (and accounted on a cumulative catch-up basis), or where applicable, as separate contracts (and accounted as a distinct performance obligation with standalone selling price).

Contracts that establish a fixed monthly billing amount for continuous service delivery are recognized as revenue over time, reflecting the transfer of services to the customer as they are performed. These contracts typically involve recurring services, such as maintenance activities, where services are delivered through an indefinite number of repetitive acts over a specified period. In such cases, revenue is recognized on a straight-line basis as the pattern of service delivery and the customer's receipt of benefits are uniform over the contract term, and there is no significant judgment required in measuring progress.

Licensing contracts entered by Nagarro generally fall into two broad categories based on the principal-agent assessment under IFRS 15. When reselling third-party software licenses, Nagarro typically acts as an agent, arranging for the transfer of licenses to customers without obtaining control, and therefore recognizes revenue on a net basis. These third-party licenses may involve either right-to-use or right-to-access models depending on the underlying agreement with the customer. In contrast, when Nagarro sells its proprietary intellectual property (IP), whether under a perpetual (right-to-use) model or a subscription (right-to-access) model, Nagarro acts as a principal, controlling the IP before transfer and recognizing revenue on a gross basis. Maintenance services (if any) are recognized over time, typically on a straight-line basis, reflecting the ongoing delivery of support services over the maintenance term.

The billing schedules agreed with customers include periodic performance-based billing and / or milestone-based progress billings. Revenue recognized in excess of amounts billed is presented as a contract asset, reflecting the Company's right to consideration for services provided. Conversely, amounts billed to customers in advance of revenue recognition are presented as a contract liability, representing the Company's obligation to transfer goods or services in the future. The payment terms generally ranges from 14 days to 120 days from the date of invoicing.

Contracts with customers can include subcontractor services or third-party vendor software in certain integrated services arrangements. In these types of arrangements, revenue from sales of third-party vendor products or services is recorded net of costs when Nagarro is acting as an agent between the customer and the vendor, and gross when Nagarro is the principal for the transaction.

A contract modification is a change in the scope or price or both of a contract that is approved by the parties to the contract. A contract modification that results in the addition of distinct performance obligations is accounted for either as a separate contract if the additional services are priced at the standalone selling price or as a termination of the existing contract and creation of a new contract if they are not priced at the standalone selling price. If the modification does not result in a distinct performance obligation, it is accounted for as part of the existing contract on a cumulative catch-up basis.

b. Staff costs

Staff costs are recognized when incurred. Obligations for defined contribution plans are recognized directly as an expense after the related employee service.

c. Operating expenses

Operating expenses are recognized when incurred.

d. Financial result

Interest income or expense is recognized under the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial assets or the amortized cost of the financial liability.

In calculating interest income or expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Borrowing costs are interest expenses incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

e. Taxes

Income tax expense comprises current and deferred tax. It is recognized in the consolidated statement of profit or loss except to the extent that it relates to a business combination, or items recognized directly in consolidated statement of equity or consolidated statement of comprehensive income.

Nagarro has determined that interest and penalties related to income taxes, including uncertain treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 Provisions, contingent liabilities and contingent assets.

Nagarro has determined that the global minimum top-up tax – which it is required to pay under Pillar Two legislation – is an income tax in the scope of IAS 12. Nagarro has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of the previous year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or subsequently enacted at the reporting date.

Current tax assets or liabilities are offset only if certain conditions are met.

Income taxes are determined according to the tax law provisions of the countries where the respective Nagarro company is based.

Tax risks

Income tax items are regularly assessed particularly considering the numerous changes in tax laws, tax regulations, legal decisions and ongoing tax audits. Nagarro is responding to this circumstance by applying IFRIC 23 and continuously identifying and assessing the tax environment and the resulting effects. The most current information is then incorporated into the estimation parameters necessary for recognizing and measuring the tax provisions.

7. Estimates and assumptions

When preparing the consolidated financial statements, management has made judgements and estimates about future, including climate-related risks and opportunities, that affect the application of Nagarro's accounting policies and amount and recognition of the reported assets and liabilities, as well as the recognition of revenue and expenses. Even though these estimates and assumptions were made based on our best understanding of the situation, actual amounts can deviate.

The estimates and assumptions are reviewed on an ongoing basis and are consistent with Nagarro's risk management and client-related commitments where appropriate. Necessary adjustments are recognized prospectively.

Judgements

There are no significant judgements which are made in applying accounting policies that have significant effects on the amount recognized in the consolidated financial statements.

Assumptions and estimation uncertainty

Information about assumptions and estimation uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

i. Note C.13. Employee benefits liabilities: measurement of defined benefits obligations: key actuarial assumptions
ii. Note F.1. Business combinations: fair value of consideration transferred (including contingent consideration) and fair value of the acquired assets and liabilities assumed
iii. Note F.8. Share-based payment arrangements: key assumptions underlying valuation of fair values; and
iv. Note F.9. b. Credit risk: measurement of ECL allowances for trade receivables and contract assets -key assumption in determining the weighted average loss rate.

8. Measurement of fair values

A number of Nagarro's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Nagarro has an established control framework with respect to the measurement of fair values. Nagarro regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then Nagarro assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1	Prices for identical assets and liabilities are used that are available in active markets.
Level 2	Other measurement factors are used for an asset or a liability that can be observed directly or indirectly, or that can be derived from market prices.
Level 3	Measurement factors are used that are not based on observable market data.

When measuring the fair value of an asset or a liability, Nagarro uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Nagarro recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e., the fair value of the consideration given or received.

Further information about the assumptions made in measuring fair values is included in the following notes:

Note C.18. Financial instruments

Note F.1. Business combinations

Note F.8. Share-based payment arrangements including liabilities for cash-settled share-based arrangement.

C. Notes to the consolidated statement of financial position

1. Intangible assets

Intangible assets developed as follows:

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2024	1,120	47,256	11,953	4,783	3,375	68,486
Acquisitions through business combinations	738	3,222	-	132	-	4,091
Hyperinflation restatement	5	2,029	2,780	-	-	4,815
Additions	-	-	2,651	1,265	-	3,916
Disposals	(16)	-	-	(1,978)	-	(1,993)
Currency differences	(63)	1,253	(610)	69	6	655
Gross carrying amount as at Dec 31, 2024	**1,785**	**53,760**	**16,774**	**4,272**	**3,381**	**79,971**
Accumulated amortization and impairment as at Jan 1, 2024	(1,024)	(15,867)	(6,100)	(2,958)	(2,486)	(28,435)
Hyperinflation restatement	1	(846)	(964)	-	-	(1,810)
Amortization for the year	(82)	(4,827)	(1,393)	(970)	(431)	(7,703)
Impairment	-	-	-	-	-	-
Disposals	16	-	-	1,977	-	1,993
Currency differences	71	(690)	63	(58)	(6)	(620)
Accumulated amortization and impairment as at Dec 31, 2024	**(1,018)**	**(22,230)**	**(8,394)**	**(2,010)**	**(2,923)**	**(36,575)**
Net carrying amount as at Dec 31, 2024	**766**	**31,530**	**8,380**	**2,262**	**458**	**43,395**

in kEUR	Orders on hand	Customer lists	Products	Software, licenses, rights	In-house developments	Total
Gross carrying amount as at Jan 1, 2023 previously reported	2,858	20,464	6,247	4,759	3,183	37,510
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors and reclassifications)	32	14,329	-	-	-	14,360
Gross carrying amount as at Jan 1, 2023 restated	2,890	34,792	6,247	4,759	3,183	51,870
Acquisitions through business combinations	384	13,980	2,063	511	-	16,938
Hyperinflation restatement	886	1,937	3,748	-	-	6,571
Additions	-	-	1,985	1,658	188	3,830
Disposals	(2,822)	(241)	(251)	(2,028)	-	(5,343)
Currency differences	(217)	(3,213)	(1,839)	(116)	4	(5,382)
Gross carrying amount as at Dec 31, 2023	**1,120**	**47,256**	**11,953**	**4,783**	**3,375**	**68,486**
Accumulated amortization and impairment as at Jan 1, 2023 previously reported	(2,787)	(10,549)	(4,108)	(4,413)	(2,044)	(23,902)
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors and reclassifications)	(101)	(1,311)	-	-	-	(1,412)
Accumulated amortization and impairment as at Jan 1, 2023 restated	(2,888)	(11,860)	(4,108)	(4,413)	(2,044)	(25,314)
Hyperinflation restatement	(886)	477	(764)	-	-	(1,172)
Amortization for the year	(282)	(4,937)	(1,494)	(627)	(436)	(7,776)
Impairment	-	-	-	-	-	-
Disposals	2,822	241	10	1,984	-	5,056
Currency differences	210	213	257	98	(6)	772
Accumulated amortization and impairment as at Dec 31, 2023	**(1,024)**	**(15,866)**	**(6,100)**	**(2,958)**	**(2,486)**	**(28,434)**
Net carrying amount as at Dec 31, 2023	**96**	**31,389**	**5,853**	**1,825**	**889**	**40,052**

The intangible assets include software, licenses and rights acquired for business operations, order backlog, customer lists, products (for e.g., security products, e-documents, e-invoicing, attribute-based access control etc.) and websites for companies acquired.

With the exception of inhouse developments, all intangible assets were acquired.

In the 2024 financial year, orders on hand of kEUR 738 (December 31, 2023: kEUR 384) were acquired as part of business combinations. The orders on hand were measured at their expected net amount determined as the order value for the orders less full costs.

In the 2024 financial year, customer lists of kEUR 3,222 (December 31, 2023: kEUR 13,980) were acquired as part of business combinations. To measure customer lists, historical revenues were analyzed for regular and other customers, in order to determine what revenue with regular customers can be expected within the next four to fifteen years. Customer lists were recognized at the amount of expected revenues less full costs, risk discounts due to aging and technical obsolescence, and amounts already recognized as orders on hand.

In the 2024 financial year, products of kEUR 0 (December 31, 2023: kEUR 2,063) were acquired as part of business combinations.

2. Goodwill

Goodwill developed as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Gross carrying amount as at Jan 1, (previously reported)	194,836	202,622
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors)	-	(26,781)
Gross carrying amount as at Jan 1, (restated)	194,836	175,841
Acquisitions through business combinations	10,025	23,792
Hyperinflation restatement	-	-
Additions	-	-
Disposals	-	-
Currency differences	9,381	(4,798)
Gross carrying amount as at Dec 31	**214,242**	**194,836**
Accumulated amortization and impairment as at Jan 1, (previously reported)	-	-
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors)	-	-
Accumulated amortization and impairment as at Jan 1, (restated)	-	-
Hyperinflation restatement	-	-
Amortization for the year	-	-
Impairment	-	-
Disposals	-	-
Currency differences	-	-
Accumulated amortization and impairment as at Dec 31	-	-
Net carrying amount as at Dec 31	**214,242**	**194,836**

Goodwill results from the difference between the purchase costs of interest in business combinations and the fair value of the assets, liabilities, and contingent liabilities of shares in the acquired companies on the acquisition date. With the acquisition of FWD View in 2024, goodwill of kEUR 10,025 was recognized. The translation of companies not acquired in euros increased the goodwill by kEUR 9,381 (December 31, 2023: kEUR 4,798 decrease). The currency differences were recognized in the consolidated statements of comprehensive income under other comprehensive income.

During the year, the management has re-evaluated the prior years' acquisitions purchase price allocations and accordingly corrected the goodwill of kEUR 26,781. The reduction in the goodwill was recognized for prior years' acquisitions relating to ATCS in 2021 amounting to kEUR 10,529, RipeConcepts amounting in 2022 to kEUR 12,556 and Techmill in 2022 amounting to kEUR 2,184. The translation of these companies which were not acquired in euros decreased the goodwill by kEUR 1,512 as of January 1, 2023.

Nagarro has a single reportable segment which aligns to how Nagarro's Chief Operating Decision Maker (CODM) manages the Company. Accordingly, for the purpose of goodwill impairment testing, the Nagarro group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or groups of assets in Nagarro and thus Goodwill is aligned to a single reportable segment.

At the end of the 2024 financial year, an impairment test of goodwill was carried out for the single cash-generating unit. The recoverable amount was calculated based on the fair value less costs of disposal. Measurement of fair value was based on the quoted share price of Nagarro SE.

3. Property, plant and equipment

The changes in property, plant and equipment were as follows:

	Land and buildings	Other plant, vehicles and office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**5,549**	**20,081**	**25,630**
Acquisitions through business combinations	-	8	8
Hyperinflation restatement	-	(106)	(106)
Additions	123	2,340	2,462
Disposals	(328)	(4,526)	(4,854)
Currency differences	177	191	367
Gross carrying amount as at Dec 31, 2024	**5,520**	**17,987**	**23,507**
Accumulated depreciation and impairment as at Jan 1, 2024	**(1,041)**	**(12,963)**	**(14,004)**
Hyperinflation restatement	-	(150)	(150)
Depreciation for the year	(128)	(3,510)	(3,638)
Impairment	-	-	-
Disposals	318	4,190	4,509
Currency differences	(31)	(163)	(194)
Accumulated depreciation and impairment as at Dec 31, 2024	**(882)**	**(12,596)**	**(13,478)**
Net carrying amount as at Dec 31, 2024	**4,639**	**5,391**	**10,029**

	Land and buildings	Other plant, vehicles & office equipment	Total
	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2023	**5,777**	**17,333**	**23,110**
Acquisitions through business combinations	-	898	898
Hyperinflation restatement	-	277	277
Additions	11	3,304	3,315
Disposals	(37)	(1,207)	(1,244)
Currency differences	(202)	(524)	(727)
Gross carrying amount as at Dec 31, 2023	**5,549**	**20,081**	**25,629**
Accumulated depreciation and impairment as at Jan 1, 2023	**(978)**	**(10,689)**	**(11,667)**
Hyperinflation restatement	-	(96)	(96)
Depreciation for the year	(134)	(3,627)	(3,761)
Impairment	-	-	-
Disposals	34	1,146	1,180
Currency differences	36	303	340
Accumulated depreciation and impairment as at Dec 31, 2023	**(1,042)**	**(12,963)**	**(14,005)**
Net carrying amount as at Dec 31, 2023	**4,507**	**7,118**	**11,625**

4. Right-of-use assets and lease liabilities

According to IFRS 16, assets used under lease agreements were determined and respective right-of-use assets were recognized, unless relating to leases of low-value assets or short-term leases. The right-of-use assets developed as follows:

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2024	**63,315**	**10,754**	**43,011**	**117,080**
Acquisitions through business combinations	59	-	-	59
Hyperinflation restatement	364	562	-	926
Additions	14,829	3,378	8,172	26,378
Disposals	(15,728)	(1,503)	(4,984)	(22,215)
Lease modification	1,446	225	13	1,684
Currency differences	1,141	(137)	424	1,428
Gross carrying amount as at Dec 31, 2024	**65,426**	**13,278**	**46,636**	**125,340**
Accumulated depreciation and impairment as at Jan 1, 2024	**(42,071)**	**(5,570)**	**(21,807)**	**(69,448)**
Hyperinflation restatement	(223)	(399)	-	(622)
Depreciation for the year	(10,296)	(2,898)	(10,200)	(23,394)
Impairment	-	-	-	-
Disposals	15,728	1,503	4,969	22,200
Currency differences	(586)	37	(253)	(802)
Accumulated depreciation and impairment as at Dec 31, 2024	**(37,448)**	**(7,327)**	**(27,291)**	**(72,066)**
Net carrying amount as at Dec 31, 2024	**27,978**	**5,951**	**19,346**	**53,274**

	Land use rights and buildings	Vehicles	Office equipment	Total
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount as at Jan 1, 2023	**64,371**	**7,959**	**41,549**	**113,879**
Acquisitions through business combinations	331	543	23	897
Hyperinflation restatement	93	286	7	387
Additions	4,308	3,374	9,003	16,685
Disposals	(5,378)	(1,172)	(7,081)	(13,631)
Lease modification	861	153	2	1,016
Currency differences	(1,270)	(390)	(492)	(2,153)
Gross carrying amount as at Dec 31, 2023	**63,315**	**10,754**	**43,011**	**117,080**
Accumulated depreciation and impairment as at Jan 1, 2023	**(38,190)**	**(4,393)**	**(19,025)**	**(61,608)**
Hyperinflation restatement	(40)	(106)	(3)	(149)
Depreciation for the year	(10,060)	(2,330)	(10,065)	(22,455)
Impairment	-	-	-	-
Disposals	5,370	1,172	7,009	13,551
Currency differences	848	88	277	1,213
Accumulated depreciation and impairment as at Dec 31, 2023	**(42,071)**	**(5,570)**	**(21,807)**	**(69,448)**
Net carrying amount as at Dec 31, 2023	**21,245**	**5,184**	**21,204**	**47,632**

The lease liabilities are as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Properties	28,544	21,215	7,329	21,782	13,406	8,376
Motor vehicles	5,900	3,303	2,596	7,510	3,657	3,853
Operating and office equipment	20,039	11,568	8,471	19,401	11,541	7,860
	54,483	**36,086**	**18,396**	**48,692**	**28,604**	**20,089**

The classification of lease liabilities is as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Lease liabilities (secured)	6,151	3,183	2,968	5,674	1,882	3,792
Lease liabilities (unsecured)	48,331	32,904	15,428	43,018	26,721	16,297
	54,483	**36,086**	**18,396**	**48,692**	**28,604**	**20,089**

Certain lease liabilities in Nagarro Software Pvt. Ltd. are secured by hypothecation of assets received under the lease.

The maturity profile of the lease liabilities is as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Maturity within a year	18,396	20,089
Maturity between one and five years	29,792	28,253
Maturity later than five years	6,294	351
	54,483	48,692

Undiscounted lease liabilities are as follows:

`

	Dec 31, 2024			
		of which:		
	Total	**Within 1 year**	**Within 1-5 years**	**More than 5 years**
	kEUR	**kEUR**	**kEUR**	**kEUR**
Properties	33,010	8,629	17,212	7,169
Motor vehicles	6,607	3,025	3,582	-
Office equipment	21,557	9,137	12,420	-
	61,174	20,791	33,214	7,169

`

	Dec 31, 2023			
		of which:		
	Total	**Within 1 year**	**Within 1-5 years**	**More than 5 years**
	kEUR	**kEUR**	**kEUR**	**kEUR**
Properties	23,141	8,951	13,836	354
Motor vehicles	7,842	4,058	3,784	-
Office equipment	21,245	8,440	12,804	-
	52,228	21,450	30,424	354

Amount recognized in consolidated statement of profit or loss

	2024	**2023**
	kEUR	kEUR
Interest on lease liabilities	2,125	1,763
Depreciation on right of use assets (including hyperinflation restatement)	24,016	22,604
Gain on lease modification	(71)	(198)
Loss on lease modification	35	2
Expenses for short-term leases	151	325
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	292	392
	26,548	**24,888**

Amount recognized in consolidated statement of cash flows

	2024	2023
	kEUR	kEUR
Total cash outflow for leases	**26,463**	**27,546**

Extension options

Some lease properties contain extension options exercisable by Nagarro before the renewal of contract period. When practicable, Nagarro seeks to include extension options in new leases to provide operational flexibility. Where the extension options are exercisable only by Nagarro and not the lessor, Nagarro assesses at the commencement date whether it is reasonably certain to exercise the extension option. Nagarro reassesses whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

5. Other financial assets

Other financial assets break down as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Security deposits	2,566	1,894	672	3,395	2,533	862
Factoring reserve	2,594	-	2,594	2,166	-	2,166
Receivables from factor	460	-	460	3,525	-	3,525
Receivables from employees	934	-	934	998	-	998
Derivative financial instruments	890	-	890	232	-	232
Bank deposits	711	235	476	4,842	436	4,406
Deposits for performance bond	333	-	333	840	-	840
Investment in T-bills	-	-	-	545	-	545
Interest accrued on deposits	53	-	53	389	-	389
Other	1,680	152	1,528	2,129	447	1,682
	10,220	**2,281**	**7,939**	**19,060**	**3,416**	**15,644**
Less: Impairment of other financial assets	(238)	(149)	(89)	(425)	(77)	(348)
	9,982	**2,133**	**7,850**	**18,635**	**3,339**	**15,296**

Factoring reserve is the security retention by the factor to secure the risk that the receivables purchased by the factor are not legally valid (verity risk) and any other claims of the factor's arising from the business relationship with the customer but not for a del-credere case.

Receivables from factor represents the money-in-transit which has been paid by the factor for the factored receivables but not received by Nagarro.

6. Other assets

The other assets are composed as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Prepayments and accrued income	11,417	663	10,753	9,962	738	9,224
VAT receivables	2,570	-	2,570	4,071	-	4,071
	13,987	**663**	**13,324**	**14,033**	**738**	**13,295**

Prepayments and accrued income mainly include advance payments towards software licenses and insurances.

7. Income taxes

Amount recognized in consolidated statement of profit or loss

The income tax expense recognized in consolidated statement of profit or loss is composed as follows:

	2024	2023
	kEUR	kEUR (Restated)
Current tax expense	31,524	21,704
Global minimum top-up tax	500	-
Deferred tax expense (income)	(2,081)	(4,131)
	29,943	**17,573**

Amount recognized in consolidated statement of comprehensive income

The income tax expense recognized in consolidated statement of comprehensive income is composed as follows:

	Dec 31, 2024			Dec 31, 2023		
	Before tax	Tax impact	After tax	Before tax	Tax impact	After tax
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Items that will not be reclassified to profit or loss						
Actuarial gains (losses)	559	(336)	223	(380)	92	(287)
Items that may be reclassified to profit or loss						
Foreign exchange differences (including effects of Türkiye hyperinflation)	14,223	(720)	13,503	(8,787)	(1,307)	(10,094)
	14,782	**(1,056)**	**13,726**	**(9,167)**	**(1,214)**	**(10,381)**

Reconciliation of effective tax rate

Income taxes are calculated based on the applicable or expected tax rates of the countries and municipalities in which the Nagarro companies are domiciled. In the following tax reconciliation, the expected income tax result is reconciled to the actual tax result. The expected tax result is based on a group tax rate of 27%.

The management has assessed the tax rate of 27% (based on weighted average tax rates of the significant tax jurisdictions of Nagarro group entities which are mainly India, Germany, US, Austria, Romania, China and United Arab Emirates) for the Nagarro Group.

	2024	2023
	kEUR	kEUR
		(Restated)
Earnings before income taxes	79,099	66,728
Tax rate	27.0%	27.0%
Expected income taxes	21,357	18,016
Changes in tax rates	-	-
Tax rate differences	(2,178)	(1,998)
Effect of intragroup dividends	2,435	(58)
Non-deductible expenses	1,290	1,736
Income tax free companies / branches (Bahrain, Sri Lanka, ATCS India)	(108)	(1,401)
Other tax-free income	(1,433)	(435)
Tax loss carryforwards, for which no deferred tax assets were recognized	1,989	1,547
Temporary differences, for which no deferred tax assets is accrued	62	24
Use of tax loss carryforwards, for which no deferred tax assets were recognized	(48)	(16)
Reversal of valuation allowance on deferred tax assets	(59)	(1,168)
Additions to value allowance on deferred tax assets	465	-
Withholding Taxes on Dividends	5,402	-
Adjustment of earn-out liabilities	(376)	(91)
Expenses relating to IFRS 2 (SOP, ESPP)	(3,855)	1,030
Interest barrier	3,788	-
Pillar 2 - Minimum Income Taxes	500	-
Acquisition costs IFRS 3	83	135
Tax effects relating to prior periods	484	194
Others	145	57
Effective income taxes	**29,943**	**17,573**

The line “Income tax free companies” refers to countries that are completely income tax free, having income tax free trade zones (Bahrain, Sri Lanka) or income tax free branches (ATCS India).

Movement in deferred tax balances

Deferred tax assets and liabilities are recognized in respect of the following types of temporary differences and unused tax losses:

	Dec 31, 2024			Dec 31, 2023 restated			Jan 1, 2023 restated	
	Deferred tax assets	Deferred tax liabilities	Deferred tax income statement	Deferred tax assets	Deferred tax liabilities	Deferred tax income statement	Deferred tax assets	Deferred tax liabilities
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Intangible assets	82	9,736	474	153	9,212	169	59	4,531
Goodwill	52	4,125	(1,753)	54	2,171	(1,449)	812	3,013
Property, plant and equipment	241	615	152	192	717	(293)	284	547
Right of use assets	-	13,782	(1,748)	-	11,865	841	-	13,180
Contract assets and liabilities	91	748	(778)	154	21	212	-	74
Other financial assets	1,106	392	(759)	1,600	169	1,355	1,674	1,667
Other assets	130	-	149	11	33	(37)	12	-
Employment benefits liabilities	4,983	59	1,413	3,864	-	1,423	2,933	-
Other provisions	2,430	-	(2,529)	4,837	-	1,529	3,886	-
Liabilities to banks	-	208	76	-	284	76	-	360
Lease liabilities	13,988	5	1,495	12,303	-	(1,205)	14,074	-
Other financial liabilities	5,316	182	4,617	568	193	62	353	-
Temporary differences	28,419	29,852	809	23,736	24,665	2,683	24,087	23,372
Loss carryforwards	4,139	-	1,272	3,389	-	1,448	2,321	-
Offsetting	(16,067)	(16,067)	-	(13,278)	(13,278)	-	(15,586)	(15,586)
	16,491	**13,785**	**2,081**	**13,847**	**11,387**	**4,131**	**10,822**	**7,786**

Unrecognized deferred tax liabilities

Deferred tax liabilities on temporary differences associated with investments in subsidiaries have not been recognized as it is not likely that these temporary differences will be reversed in the foreseeable future. They amount to kEUR 9,380 (December 31, 2023: kEUR 10,271).

Tax losses carried forward

As of December 31, 2024, Nagarro had corporate income tax loss carryforwards of kEUR 44,876 (December 31, 2023: kEUR 37,061) and trade tax loss carryforwards of kEUR 5,352 (December 31, 2023: kEUR 5,592). Deferred tax assets of kEUR 4,139 (December 31, 2023: kEUR 3,389) on tax loss carry forwards of kEUR 18,122 (December 31, 2023: kEUR 15,964) were recognized.

Deferred tax assets exceeding deferred tax liabilities in the amount of kEUR 2,848 (December 31, 2023: kEUR 2,397) for companies that generated a loss in the current or previous period were recognized as it is probable that future taxable profits will be available against which such losses can be used. Out of the above, Nagarro SE has a KPI of keeping sufficient distributable reserves which are expected to be realized through dividend income from its downstream subsidiaries, and so, has recognized a substantial amount of deferred tax assets. In other companies with deferred tax assets, based on management's assessment, investments in generating new business and cost optimization measures will make the respective companies profitable in the near future. Hence, it is probable that future taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilized.

The expiry dates of the tax losses carried forward and unrecognized deferred taxes are as follows:

	Dec 31, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2023
	Tax losses	Deferred tax thereon	Tax losses	Deferred tax thereon
	kEUR	kEUR	kEUR	kEUR
Forfeiture less than 4 years	9,180	1,344	1,973	584
Forfeiture between 4 and 7 years	2,876	638	2,380	680
Forfeiture more than 7 years	3,102	921	-	-
Non-forfeitable	11,419	2,368	20,082	3,516
	26,577	**5,271**	**24,435**	**4,779**

Unrecognized deferred tax assets

An amount of kEUR 5,271 (December 31, 2023: kEUR 4,779) on tax loss carryforwards of kEUR 26,577 (December 31, 2023: kEUR 24,435) was not recognized as deferred tax asset due to uncertainty concerning its utilization.

The amount of deductible temporary differences, that are impaired at year-end for which no deferred tax asset was recognized in the consolidated balance sheet is kEUR 2,752 (December 31, 2023: kEUR 385).

Global minimum top-up tax

Nagarro is within the scope of the OECD Pillar Two model rules (Global Minimum Tax), and it applies the IAS 12 exception to recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes. Nagarro will incur top-up taxes due to the Pillar Two legislation that became effective January 1, 2024.

Under the legislation, Nagarro is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion (GloBE) effective tax rate per jurisdiction and the 15% minimum rate. Considering the impact of specific adjustments in the Pillar Two legislation, the top-up tax calculated for Nagarro for 2024 amounts to kEUR 500 (December 31, 2023: kEUR 0) on account of entities in the United Arab Emirates. This is included in income tax in the consolidated statement of profit or loss.

8. Contract assets and liabilities

Contract assets and liabilities as of the reporting dates were as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Customer projects measured according to the percentage-of completion method	15,961	432	15,529	18,470	-	18,470
Contract assets	**15,961**	**432**	**15,529**	**18,470**	**-**	**18,470**
Advance consideration received from the customers over customer projects	11,376	-	11,376	7,846	-	7,846
Accruals and deferred income	2,729	-	2,729	7,156	-	7,156
Contract liabilities	**14,105**	**-**	**14,105**	**15,002**	**-**	**15,002**

The timing of revenue recognition, billings and cash collections results in receivables, contract assets, and contract liabilities on Nagarro's consolidated balance sheet. Amounts are billed as work progresses in accordance with agreed-upon contractual terms, either at periodic intervals (e.g., monthly or quarterly) or upon achievement of contractual milestones.

Invoicing to the clients for other fixed-price contracts is based on milestones as defined in the contract and therefore the timing of revenue recognition is different from the time of invoicing to the customers. Contract assets for other fixed-price contracts are therefore recognized as such, as the right to consideration is dependent on completion of contractual milestones.

Contract liabilities are recognized for payments received that exceed the level of performance achieved.

Trade receivables and contract assets are presented net of impairment on the consolidated balance sheet.

The following table provides information about the receivables, contract assets and contract liabilities from contracts with customers:

	2024	2023
	kEUR	kEUR
Trade receivables	219,332	182,488
Contract assets	15,529	18,470
Non-current contract assets	432	0
Current contract liabilities	(14,105)	(15,002)

The acquisition of subsidiaries resulted in increase in trade receivables of kEUR 414 in 2024 (2023: kEUR 9,289), contract assets of kEUR 0 in 2024 (2023: kEUR 1,775) and contract liabilities of kEUR 28 in 2024 (2023: kEUR 1,355) (Refer F.1. Business combination).

As at December 31, 2024, kEUR 7,552 (2023: kEUR 5,837) has been recognized as provision for expected credit losses on trade receivables and contract assets.

Contract assets and liabilities developed as follows in the financial years 2024 and 2023:

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2024	**18,470**	**15,002**
Acquisitions through business combinations	-	28
Revenue recognition	15,383	(14,714)
Currency effect	887	(208)
Reclassification to trade receivables	(18,778)	-
Advance payments received from customers	-	13,998
Hyperinflation restatement	-	-
Balance on December 31, 2024	**15,961**	**14,105**

	Contract assets	Contract liabilities
	kEUR	kEUR
Balance on January 1, 2023	**16,671**	**13,795**
Addition due to business combinations	1,775	1,356
Revenue recognition	18,646	(13,708)
Currency effect	(864)	(1,045)
Reclassification to trade receivables	(17,758)	-
Advance payments received from customers	-	14,053
Hyperinflation restatement	-	550
Balance on December 31, 2023	**18,470**	**15,002**

Revenue recognized in financial year 2024 includes kEUR 15,002 (2023: kEUR 13,708) which was reported under contract liabilities at the beginning of the financial year 2024.

The aggregate value of performance obligations that are completely or partially unsatisfied and presented as contract liability as of December 31, 2024 is kEUR 14,105 (December 31, 2023: kEUR 15,002). Nagarro expects to recognize this as revenue amounting to kEUR 13,910 (December 31, 2023: kEUR 14,217) within next year and balance kEUR 195 (December 31, 2023: kEUR 784) within next 2-3 years. This also includes contracts that can be terminated for convenience without a substantive penalty since, based on current assessment, the occurrence of the same is expected to be remote.

9. Trade receivables

Trade receivables are composed as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Customer receivables	226,884	188,325
Impairment of customer receivables	(7,552)	(5,837)
	219,332	**182,488**

Trade receivables comprising revenues in excess of billings from time and material contracts and fixed-price maintenance contracts are classified as financial assets when the right to consideration is unconditional and is due only after a passage of time. Nagarro's receivables are rights to consideration that are unconditional.

Transfer of trade receivables – recourse factoring

Nagarro has recourse factoring facility in Germany with a limit of kEUR 20,000 (December 31, 2023: kEUR 20,000). Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.65% p.a. (December 31, 2023: 1.65% p.a.) during the year. During the year 2024, an interest rate of 5.15% p.a. (December 31, 2023: 4.83%) was applied.

In Germany, Nagarro has sold its trade receivables under a recourse arrangement to a factoring partner for cash proceeds. These trade receivables have not been derecognized from the consolidated statement of financial position, as Nagarro retains substantially all of the risks and rewards – primary being the credit risk. The arrangement with the banks is such that the customers remit cash directly to Nagarro and Nagarro transfers the due amount to the factoring partner. The factor makes the payment against submitted receivables lists on a weekly basis. These due to factor payments are shown as "Loan from factor of Nagarro GmbH, Germany" under C.12. Loans and Borrowings and are in the nature of short-term loan.

The trade receivables are held within a held-to collect model consistent with Nagarro's continuing recognition of the receivables.

The following table shows the carrying amount of trade receivables that has been transferred but not been derecognized and the associated liabilities.

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Carrying amount of trade receivables transferred to a factor	2,441	-
Carrying amount of associated liabilities	(2,441)	-

The carrying amounts mentioned above represent the maximum exposure to the loss and approximates the fair value of the assets and liabilities.

Derecognition of trade receivables – non-recourse factoring

Nagarro has a non-recourse factoring facility with a limit of kEUR 33,695 [kUSD 35,000] (December 31, 2023: kEUR 31,711 [kUSD 35,000]) in the United States of America; kEUR Nil (December 31, 2023: kEUR 8,000 in Austria; and kEUR Nil [kNOK Nil] (December 31, 2023: kEUR 178 [kNOK 2,000]) in Norway.

In the United States of America, Nagarro has sold its trade receivables under a non-recourse arrangement to a factoring partner for cash proceeds, the details of which is in the following paragraphs. These trade receivables have been derecognized from the consolidated statement of financial position, as Nagarro has transferred substantially all of the risks and rewards – primary being the credit risk. The factor makes the payment against submitted receivables lists on a weekly basis in the United States of America. The

arrangement with the banks is such that the customers remit cash directly to Nagarro and Nagarro transfers the due amount to the factoring partner. The amount collected by Nagarro on behalf of the factor is shown as "Liabilities from factoring" under C.12. Loans and Borrowings.

Interest on the factored receivables in the United States of America is calculated at three-month SOFR plus a margin of up to 2.20 (December 31, 2023: 2.20) percentage points. During the year 2024, an interest rate of 7.29% p.a. was applied (December 31, 2023: 7.38%) and as at the year end, an interest rate of 6.56% p.a. was applied (December 31, 2023: 7.58%).

During the year, non-recourse facility in Austria and Norway were closed. In December 2024, an interest rate of Nil (December 31, 2023: 4.43% p.a.) was applied on the factored receivables in Austria.

Nagarro has derecognized trade receivables amounting to kEUR 25,274 (December 31, 2023:kEUR 26,188) under the non-recourse factoring facility. The carrying amounts mentioned above represents the maximum exposure to the loss and approximates the fair value of the assets and liabilities.

Credit and market risk, and impairment losses

Information about Nagarro's exposure to credit risk and impairment losses for trade receivables is included in note F.9. Financial risk management.

10. Cash

Cash is composed as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Bank balances	94,782	84,557
Cash on hand	21	20
Cash	**94,803**	**84,578**
3-months deposit (cash equivalent)	94,231	23,865
Investment in T-bills for less than 3-months (cash equivalent)	3,533	1,681
Cash and cash equivalents in the consolidated statement of financial position	**192,567**	**110,123**
Liabilities from factoring	(5,688)	(2,346)
Cash and cash equivalents in the consolidated statement of cash flows	**186,879**	**107,777**

Deposits with banks and investment in T-bills are subject to insignificant risk of changes in value.

Term deposits of original maturity of more than 3 months amounting to kEUR 476 (2023: kEUR 4,406) and investment in T-bills for more than 3 months amounting to kEUR 0 (2023: kEUR 545) are included in other financial assets (note C.5. Other financial assets).

11. Equity

Equity is composed as follows:

	Dec 31, 2024	Dec 31, 2023	Restated Jan 1, 2023
	kEUR	kEUR	kEUR
Share capital	13,776	13,776	13,776
Treasury shares, at cost	(39,757)	(39,757)	(10,018)
Capital reserve	241,030	251,717	247,901
Profit carried forward	215,631	166,476	166,476
Net profit for the period	49,156	49,155	-
Changes in equity recognized directly in equity	(260,612)	(260,612)	(260,612)
Other comprehensive income			-
Foreign currency reserve (including effect of Türkiye hyperinflation)	6,539	(6,964)	3,130
Actuarial gain or loss on pension provisions	(3,102)	(3,325)	(3,038)
Total Equity	**222,660**	**170,466**	**157,616**

Share capital

As of December 31, 2024, Nagarro SE had a share capital of EUR 13,775,985 (December 31, 2023: EUR 13,775,985), divided into 13,775,985 (December 31, 2023: 13,775,985) registered no-par value shares, each with a notional interest in the share capital of €1.00 per share. There was no change in the share capital during the reporting year 2024.

Each share has a calculated share in the share capital of EUR 1.00. All the Nagarro SE's shares are of the same class. The shares are fully paid in.

In Xetra trading on the Frankfurt Stock Exchange, on December 30, 2024, the closing price of the Nagarro SE share was EUR 79.15 (December 29, 2023: EUR 87.45).

Authorized capital

The Management Board is authorized, subject to the consent of the Supervisory Board, to increase Nagarro SE's registered share capital during the period ending on September 23, 2025 in one or more tranches by up to kEUR 5,456 in the aggregate by issuing up to 5,456,000 new no-par value registered shares against cash contribution and/or contribution in kind. The subscription rights of existing shareholders may be excluded under the further conditions specified in Section 6.2 of the Articles of Association of Nagarro SE.

Treasury shares

The changes in treasury shares are composed as follows:

	Dec 31, 2024	Dec 31, 2024	Dec 31, 2023	Dec 31, 2023
	Numbers	kEUR	Numbers	kEUR
Opening balance	453,867	39,757	103,867	10,018
Acquired during the year	-	-	350,000	29,739
Sale during the year	-	-	-	-
Closing balance	**453,867**	**39,757**	**453,867**	**39,757**

Capital reserves

The changes in capital reserves are composed as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Opening balance as at Jan 1	251,717	247,901
Share based payment expense	3,206	3,815
Reclassification to financial liabilities on modification	(13,893)	-
Closing balance as at Dec 31	**241,030**	**251,717**

The details of share-based payment expense routed through capital reserve is as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Equity-settled stock options - SOP		
Stock option expense of SOP 2020/II - Tranche 1	504	1,470
Stock option expense of SOP 2020/III	71	185
Stock option expense of SOP 2020/II - Tranche 2a	2,281	1,933
Stock option expense of SOP 2020/II - Tranche 2b	142	99
	2,999	**3,686**
Equity-settled stock options - ESPP		
Employee share participation program expense - ESPP 2023 - Tranche 1a	127	125
Employee share participation program expense - ESPP 2023 - Tranche 1b	3	2
Employee share participation program expense - ESPP 2023 - Tranche 2	54	3
Employee share participation program expense - ESPP 2024 - Tranche 1	22	-
	207	**130**
Expense routed through capital reserve	**3,206**	**3,815**

On November 16, 2024, Nagarro offered the option to convert the existing equity-settled option to cash-settled option for both SOP 2020/II and SOP 2020/III program. On modification of these equity-settled SOPs to cash-settled SOPs, the capital reserve on the date of modification has been reclassified to financial liabilities, the details of which is as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Equity-settled stock options - SOP		
SOP 2020/II - Tranche 1	8,879	-
SOP 2020/III	1,211	-
SOP 2020/II - Tranche 2a	3,583	-
SOP 2020/II - Tranche 2b	219	-
Reclassification to financial liabilities on modification	**13,893**	**-**

Nagarro has recognized an expense of kEUR 550 (2023: kEUR 0) from cash-settled option for both SOP 2020/II and SOP 2020/III program.

Changes in equity recognized directly in equity

Nagarro spun off from Allgeier SE (the erstwhile shareholder of Nagarro) in the year 2020 for which a total purchase consideration of kEUR 339,051 (including minority shareholders share of purchase consideration of kEUR 23,519) was paid. The spin-off transaction was preceded by business combinations under common control of Allgeier SE. As such, Nagarro applied the predecessor value approach by carrying forward the historical carrying amounts recorded by Allgeier Group without stepping up to fair value. Accordingly, Nagarro's share of the purchase consideration, namely, of kEUR 315,533, was reduced from equity under changes in equity recognized directly in equity. This was adjusted for the capital reserve and other transactions in total of kEUR 54,921 due to re-organization resulting in a net negative amount of kEUR 260,612 under changes in equity recognized directly in equity.

There has been no change in the amounts under changes in equity recognized directly in equity since the year 2020.

Changes in other comprehensive income

The changes in other comprehensive income are composed as follows:

	Dec 31, 2024	Dec 31, 2023 Restated
	kEUR	kEUR
Opening balance	(10,289)	92
Foreign currency reserve (including effects of Türkiye hyperinflation)	13,503	(10,094)
Actuarial gain or loss on pension provisions	223	(287)
Closing balance	**3,437**	**(10,289)**

12. Loans and borrowings

Outstanding balance of loans and borrowings is as follows:

	Dec 31, 2024			Dec 31, 2023		
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Loans and borrowings from banks						
Syndicated loan of Nagarro SE (unsecured)	318,273	318,721	(448)	266,134	266,379	(246)
Liabilities from factoring (unsecured)	5,688	-	5,688	2,346	-	2,346
Loan from factor of Nagarro GmbH, Germany (partly secured by factored receivables)	2,441	-	2,441	-	-	-
Bank loan of Nagarro GmbH Austria (unsecured)	492	240	252	352	352	-
Bank loan of Advanced Programming Solutions Limited (unsecured)	153	52	102	253	153	100
Bank loan of FWD View Limited (unsecured)	131	84	47	-	-	-
Working capital facility of Nagarro Software Pvt. Ltd. (secured)	-	-	-	2,700	-	2,700
Working capital facility of Nagarro Enterprise Services Pvt. Ltd. (secured)	-	-	-	500	-	500
Bank loan of Nagarro Software SRL (unsecured)	-	-	-	43	-	43
Mortgage of Advanced Technology Consulting Service Pvt. Ltd. (secured)	-	-	-	574	334	239
Loans and borrowings from other financial institutions						
Loan of Nagarro ES GmbH (unsecured)	2,433	1,737	695	1,843	1,369	474
Loan of MBIS (unsecured)	-	-	-	3	-	3
	329,612	**320,835**	**8,777**	**274,747**	**268,587**	**6,160**

The classification between secured and unsecured loans and borrowings is as follows:

	Dec 31, 2024			Dec 31, 2023		
	Total	**Non-current**	**Current**	**Total**	**Non-current**	**Current**
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Secured loans	-	-	-	3,774	334	3,439
Unsecured loans	329,612	320,835	8,777	270,973	268,253	2,721
	329,612	**320,835**	**8,777**	**274,747**	**268,587**	**6,160**

On September 23, 2022, Nagarro SE, as original borrower along with its certain subsidiaries, as mentioned below, as guarantors, entered into a revolving syndicated credit facility agreement with five European credit institutions amounting to €350 million with an option to further increase the loan facility amount to €450 million. The term of the financing arrangement is five years, which can be extended twice by one year each (5+1+1). Also, it has the possibility to issue Schuldscheine (promissory notes) or similar instruments for a volume of up to in aggregate €125 million. Further, the non-recourse factoring is limited to 15% of the value of assets of the group.

The following subsidiaries, who are guarantors for the syndicated loan facility, are liable for Nagarro SE's liabilities to banks:

- Nagarro ES GmbH, Germany
- Nagarro ES France SAS, France
- Nagarro Denmark A/S, Denmark
- Nagarro SRL, Romania
- Nagarro Inc., USA
- Nagarro Software Inc., USA
- Nagarro GmbH, Germany
- Nagarro GmbH, Austria
- Advanced Technology Consulting Service Inc., USA
- Nagarro Software AB, Sweden
- Nagarro AS, Norway
- Nagarro Software Ltd., UK

As per the syndicated loan facility agreement, a material affiliate, other than Indian and Chinese group entities, is required to become additional guarantor after 60 days of publishing the annual results. To be eligible as additional guarantor, the affiliate of the company should be material affiliate and the EBITDA of the affiliate should be 5% or more of group EBITDA or the revenue should be 5% or more of consolidated revenue of the group.

Furthermore, there is a negative clause on the unsecured part of the loan in which Nagarro assures the banks that it will not provide any credit collateral to other creditors apart from a group-wide pledge of participations or other assets of a maximum of € 20.0 million and, in addition, an assignment of receivables or bank balances customary for the factoring process.

Nagarro's syndicated loan has a covenant package which includes customary restrictions on total net leverage, minimum equity thresholds for pre-agreed milestones, permitted disposal and acquisitions, permitted financial indebtedness, and guarantees, dividend payments and change of control. In general, a breach of financial covenants, non-payment of interest amounts payable, any non-compliance with the provisions of the loan agreement and insolvency of the company, carry the risk of an event of default, which if not cured within the remedy period, will lead to a default on the credit facility. The loan contains a covenant stating that at the end of each quarter the total net leverage (the ratio of net debt to Adjusted EBITDA, as defined per the loan agreement) has not exceeded 3.5 and that a minimum equity of €100 million is maintained, otherwise the loan will be repayable on demand. Nagarro monitors all the covenants to ensure its compliance. The covenants are well within the acceptable range and Nagarro expects to comply with the quarterly covenants within 12 months after the reporting date. As per the terms of the loan agreement, Nagarro needs to provide the consolidated group financial statement to the banks together with a covenant statement by April 30 following the end of financial year. However, for 2024, the timeline for submission of the covenant statement has been extended by the banks to May 31, 2025. Due to the extension, Nagarro is not in default of this covenant.

Further, as per the terms of the loan agreement, Nagarro should comply with the Guarantor Threshold Test ('GTT') wherein downstream subsidiaries of Nagarro contributing to a certain threshold of revenue and EBITDA are required to be the guarantors in this loan agreement. To ensure continuing compliance with GTT, Nagarro is in the process of adding certain additional guarantors. To complete the process, it has a time limit of 30 days for German subsidiaries and 45 days for non-German subsidiaries post presentation of the covenant statement. Nagarro has already initiated this process and shall be able to complete this process in the given timeline. Thus, Nagarro is not in default of this covenant.

As of December 31, 2024, these loans under the syndicated credit facility denominated in euros totaled kEUR 319,500 (December 31, 2023: kEUR 267,050). These loans have a floating interest rate based on three-month or six-month Euribor (depending

upon the interest period) plus a margin of 1.75 (December 31, 2023: 1.75) percentage points as at December 31, 2024. The unutilized portion of the loan carries interest at 35% of the margin interest rate of the utilized loan. In financial year 2024, the loans had an average interest rate of 5.54% p.a. (2023: 4.94%). Further the unutilized portion of the loan carried an average interest rate of 0.61% p.a. (2023: 0.57%).

Nagarro has a non-recourse factoring facility in United States of America for its American entities and the liabilities from factoring represents cash collected from customers on behalf of the factor.

Nagarro has a recourse factoring facility in Germany for its two German entities (Nagarro ES GmbH and Nagarro GmbH, Munich), with a limit of kEUR 20,000 (December 31, 2023: kEUR 20,000) on which interest rate is at one-month Euribor plus a margin of up to 1.65% p.a. Interest on the factored receivables in Germany was calculated at one-month Euribor plus a margin of up to 1.65 (December 31, 2023: 1.65) percentage points during the year. During the year 2024, an interest rate of 5.15% p.a. was applied (December 31, 2023: 4.83% p.a.). The facility is partly secured by the underlying factored receivables.

Nagarro Austria has been granted unsecured loans for certain government related project amounting to kEUR 492 (2023:kEUR 352) and carries fixed interest rate. In the financial year 2024, the loans had an average interest rate of 1.05% (2023: 0.88% p.a.).

Advanced Programming Solutions Limited, Spain, had taken an unsecured loan amounting to kEUR 400 in 2022 for 48 months and carries fixed interest rate of 1.75% p.a. In the financial year 2024, the loan had an average interest rate of 1.75% p.a. (2023: 1.75%) p.a.

FWD View Limited, United Kingdom, had taken two unsecured loans denominated in GBP amounting to kGBP 50 (kEUR 60) in 2020 for 72 months and kGBP 154 (kEUR 186) in 2022 for 72 months and carries fixed interest rate of 2.50% p.a. and 8.3% p.a. respectively. In the financial year 2024, these loan had an average interest rate of 6.88% (2023: Nil) p.a.

Nagarro Software Pvt. Ltd., India uses loans denominated in euros with local banks to finance working capital fluctuations. As of December 31, 2024, these loans denominated in euros totaled kEUR Nil (December 31, 2023: kEUR 2,700) which are secured against exclusive charge on all current assets and movable assets of Nagarro Software Pvt. Ltd. except assets financed under finance lease, exclusive charge over entire immovable fixed assets including equitable mortgage over immovable property of Nagarro Software Pvt. Ltd and corporate guarantee of Nagarro Inc. In financial year 2024, the loans had an average interest rate of 5.44% p.a. (2023: 3.99% p.a.).

Nagarro Enterprise Services Pvt. Ltd., India uses loans denominated in euros with a local bank to finance working capital fluctuations. As of December 31, 2024, these loans denominated in euros totaled kEUR Nil (December 31, 2023: kEUR 500). In financial year 2024, the loans had an average interest rate of 5.44% p.a. (2023: 4.33% p.a.) and these loans are fully secured against exclusive charge on all current assets and movable fixed assets of Nagarro Enterprise Services Pvt. Ltd.

ATCS India had taken loans denominated in USD totaling to kUSD 964 (kEUR 928) and in EUR totaling kEUR 487. These loans were taken in 2020 and are repayable within 60 months. These loans are secured against land and building in Jaipur of Advanced Technology Consulting Services Private Limited, India and corporate guarantee of Nagarro Enterprise Services Private Limited. In the financial year 2024, the loans have been fully settled and had an average interest rate of 5.71% p.a. (2023: 5.71%) for USD denominated loans and 3.88% p.a. (2023: 3.88%) for EUR denominated loans.

In November 2019, Nagarro Software SRL, Romania, concluded a bank loan denominated in euros with a local bank to finance investments in a new office building. The loan had a duration till October 2024 and has been repaid fully in equal monthly installments. The loan had a floating interest rate based on 6-month Euribor plus a margin of 2.1 percentage points, with a minimum interest rate of 2.1% p.a.

Nagarro ES GmbH, Germany, had taken unsecured loans amounting to kEUR 2,433 (2023: kEUR 1,843) in 2024 ranging from 12 months to 60 months and carrying a fixed interest rate of 2.11% p.a. to 13.43% p.a. (2023: 3.64% p.a. to 13.43% p.a.). In the financial year 2024, the loan had an average interest rate of 3.96% (2023: 4.98%) p.a.

MBIS, Türkiye, had taken an unsecured loan denominated in TRY totaling kTRY 1,150 (kEUR 35) in 2022 for 48 months and carrying a fixed interest rate of 25.90% p.a. In the financial year 2024, the loans have been fully settled and had an average interest rate of 25.90% (2023: 25.90%) p.a.

13. Employee benefits liabilities

Employee benefits liabilities are composed as follows:

	Dec 31, 2024			Dec 31, 2023			Jan 1, 2023 Restated		
		of which:			of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Defined benefit obligations	22,184	19,610	2,574	17,252	14,865	2,387	13,184	11,419	1,765
Fair value of plan asset	(420)	-	(420)	(448)	-	(448)	(303)	-	(303)
	21,764	**19,610**	**2,154**	**16,805**	**14,865**	**1,940**	**12,881**	**11,419**	**1,462**
Liabilities for cash-settled stock-based arrangements	14,443	2,971	11,471	-	-	-	-	-	-
Liabilities from acquisitions - remuneration linked	2,460	(0)	2,460	268	-	268	3,737	-	3,737
	16,902	**2,971**	**13,931**	**268**	**-**	**268**	**3,737**	**-**	**3,737**
Total employee benefits liabilities	**38,666**	**22,581**	**16,085**	**17,073**	**14,865**	**2,208**	**16,618**	**11,419**	**5,199**

For more details on liabilities for cash-settled stock-based arrangements, see note F.8. Share based payment arrangement.

For more details on liabilities from acquisitions – remuneration linked, see note F.1. Business combinations.

Defined benefit obligations

Defined benefits obligations, net of fair value of plan assets is detailed above.

The Sri Lankan company and Indian companies have obligations for future gratuity payments to employees (gratuity obligations) who have worked with the company for a minimum period of five years that become payable when employees depart, regardless of termination by the employer or employee.

The UAE companies have obligations for future end of service benefits payment to employees (end of service benefits obligation) who have worked with the company and are paid lumpsum amount calculated as follows: for first 5 years of employment at 21 days' salary for each completed year of service or part thereof and after first 5 years of employment at 30 days' salary for each completed year of service or part thereof with maximum end of service benefit payable being equal to 24 months' salary. This amount is payable when an employee departs from the company.

The company in Philippines does not have an established retirement plan and provides the minimum regulatory benefit under the Retirement Pay Law (Republic Act No. 7641) which provides a retirement benefit equal to 22.5 days' pay for every year of credited service for employees who attain the retirement age of sixty (60) with at least five (5) years of service. The regulatory benefit is paid in a lump sum upon retirement.

The company in Türkiye, in accordance with the Turkish Labor Law, is obliged to pay severance pay to every employee who retires after 25 years of working (58 years for women and 60 years for men), whose employment relationship is terminated, who is called up for military service or who dies.

These severance payments represent a defined benefits plan in accordance with IAS 19. To cover these post–employment benefits obligations, provisions of kEUR 22,184 were recognized as of December 31, 2024 (December 31, 2023: kEUR 17,252). The amounts can be reconciled as follows:

	2024	2023
	kEUR	kEUR
Present value of the defined benefit obligation on January 1	17,252	13,184
Acquisitions through business combinations	-	57
Current service cost	4,722	3,879
Interest cost	1,176	899
Currency translation - relating to income statement	539	(416)
Currency translation - relating to OCI	169	(173)
Actuarial gains or losses - relating to OCI	(728)	553
Benefits paid	(946)	(730)
Present value of the defined benefit obligation on December 31	**22,184**	**17,252**

The fair value of plan assets relates to ATCS India having 485 (December 31, 2023: 669) employees at the year end. The funds in this case are managed by a life insurance company. The fair value plan asset is based on the latest fund statement of the life insurance company.

	2024	2023
	kEUR	kEUR
Fair value of plan assets on January 1	448	303
Acquisitions through business combinations	-	-
Interest income	33	22
Currency translation - relating to income statement	14	(15)
Currency translation - relating to OCI	-	-
Actuarial gains or losses on plan assets - relating to OCI	(2)	(0)
Contributions from the employer	-	166
Contributions from plan participants	-	-
Benefits paid	(72)	(28)
Fair value of plan assets on December 31	**420**	**448**

The change in defined benefits obligations affected the consolidated statements of comprehensive income as follows:

	2024	2023
	kEUR	kEUR
Staff costs		
Current service cost	4,722	3,879
Past service cost	-	-
	4,722	3,879
Finance expenses		
Interest cost	1,176	899
Interest income on plan assets	(33)	(22)
Net interest expense	1,143	877
Foreign exchange (loss) gain		
Currency translation	539	(416)
	539	(416)
Recognized in income statement	**6,404**	**4,339**
Losses (Gains) from remeasurement of defined benefit obligations and plan assets		
due to experience adjustments	324	342
due to changes in financial assumptions	(2,950)	211
due to changes in demographic assumptions	1,899	-
Actuarial gains or losses on plan assets	-	0
Currency translation - relating to OCI	169	(173)
Included in other comprehensive income	**(559)**	**380**

These end of service benefits /gratuity payments constitute a defined benefits plan according to IAS 19 and are measured using actuarial methods. Calculating the present value of defined benefits obligations is based on country-specific mortality tables for India, UAE, Sri-Lanka, Philippines and Türkiye and the following general assumptions on weighted average basis:

	Dec 31, 2024	Dec 31, 2023
Weighted average		
Calculated interest rate	7.5%	7.7%
Salary increase p.a.	9.9%	13.7%
Rate of staff turnover p.a.	18.4%	20.0%
Remaining term of service to retirement in years	28	29

As of December 31, 2024, the average expected length of service of a colleague with the Indian companies is assumed to be 6.1 years (December 31, 2023: 5.0 years), for UAE companies is assumed to be 6.3 years (December 31, 2023: 13.2 years), for the Sri Lankan company is assumed to be 3.2 years (December 31, 2023: 4.7 years), for the Philippines company is assumed to be 4.3 years (December 31, 2023: 4.0 years) and for the Turkish company is assumed to be 11.9 years (December 31, 2023: 9.3 years) respectively.

The following are the expected payments or contributions to the defined benefits plan in future years:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Within the next 12 months	2,289	2,055
Between 2 and 5 years	11,388	8,935
Between 6 and 10 years	12,585	9,652
Beyond 10 years	14,768	23,003
Total expected payments	41,030	43,644

Sensitivity analysis

As a result of the existing benefits commitments, Nagarro is exposed to the following actuarial risks:

Longevity risk	The life expectancy is higher than the best possible estimate according to the mortality tables. This increases an actual pension obligations at a later date.
Interest rate risk	The calculated interest rate to determine the present value of the defined benefit obligations is derived from the yield on high-quality corporate bonds. A decrease in interest on corporate bonds leads to an increase in benefit obligations.
Salary risk	Subsequent, unexpected salary increases lead to an increase in benefit obligations linked to remuneration.

The actuarial parameters used for calculating the present value of defined benefits obligations are the calculated interest rate, the expected annual salary increases for commitments linked to remuneration (salary trend), and the annual increase in current pensions (pension trend). On the assumption that the remaining parameters are constant, the present value of the defined benefits obligations as of December 31, 2024 and 2023 increases or decreases by changing one assumption at a time according to the following sensitivity analysis:

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2024		
Calculated interest rate (1.00% change)	(1,357)	1,524
Salary trend (1.00% change)	1,316	(1,247)
Pension trend (0.25% change)	-	-

	Increase	Decrease
	kEUR	kEUR
Dec 31, 2023		
Calculated interest rate (1.00% change)	(1,039)	1,154
Salary trend (1.00% change)	943	(900)
Pension trend (0.25% change)	-	-

The above sensitivity analyses were performed by extrapolating the effects of realistic changes in key assumptions at the end of the reporting period on the defined benefits obligation.

Defined contribution plans

Nagarro also supports private contribution through deferred compensation schemes.

Employer contributions of kEUR 2,239 (2023: kEUR 1,669) for defined contribution plans was recognized as an expense in the financial year under review.

For the former employees of GES, which was acquired with effect from January 1, 2020, deferred compensation is essentially offered through a fully multi-employer plan (Höchster Pensionskasse VVaG) for contributions up to 4% of the assessment ceiling in social security. The pension contribution fund ensures guaranteed minimum interest for which Nagarro is ultimately liable under the German Company Pensions Law.

The company is not liable for guarantees to employees from other companies. As Höchster Pensionskasse VVaG is a combined defined benefits plan for several companies and Nagarro has no right to the information required for accounting for this defined benefits plan, this plan is recognized as a defined contribution plan. Since 2020, new entitlements were no longer granted and were replaced by alternative remuneration. Further, the contribution to Höchster Pensionskasse VVaG for former GES employees has been stopped from January 2021.

14. Liabilities from acquisitions

The liabilities from acquisitions are composed as follows:

	Dec 31, 2024			Dec 31, 2023			Jan 1, 2023 Restated		
		of which:			of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities from acquisitions	5,873	4,468	1,405	11,504	2,575	8,929	23,274	6,682	16,592
	5,873	**4,468**	**1,405**	**11,504**	**2,575**	**8,929**	**23,274**	**6,682**	**16,592**

For details on liabilities from acquisitions refer to notes C.18. Financial instruments and F.1. Business combinations.

15. Other financial liabilities

Other financial liabilities are composed as follows:

	Dec 31, 2024			Dec 31, 2023			Jan 1, 2023 Restated		
		of which:			of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Wages and salaries	12,828	-	12,828	12,762	-	12,762	13,899	-	13,899
Leave obligations	19,918	5,662	14,256	16,717	4,482	12,235	12,936	2,291	10,645
Outstanding incoming invoices	8,177	-	8,177	5,984	-	5,984	8,520	-	8,520
Derivative financial instruments	1,631	-	1,631	1,283	-	1,283	3,038	-	3,038
Audit fees	1,015	-	1,015	1,161	-	1,161	980	-	980
Working time accounts	350	-	350	348	-	348	275	-	275
Accrued interest on bank loans	776	-	776	514	-	514	12	-	12
Others	1,527	81	1,445	1,999	223	1,776	1,933	457	1,475
	46,222	**5,743**	**40,478**	**40,767**	**4,705**	**36,062**	**41,592**	**2,748**	**38,844**

Obligations arising from vacation days not yet taken and granted to employees of Nagarro companies as of the reporting date are recognized as leave obligations. Expenditure per vacation day is calculated according to the individual average salary (excluding one-time payments) of the employees in the financial year under review, including social security contributions.

Others include credit card and other payables.

16. Other provisions

Other provisions are composed as follows:

	Dec 31, 2024			Dec 31, 2023		
		of which:			of which:	
	Total	Non-current	Current	Total	Non-current	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	22,135	-	22,135	20,149	-	20,149
Employers' liability insurance association	101	-	101	162	-	162
Restructuring, severance pay	914	434	480	454	394	60
Warranties to customers	1,452	-	1,452	1,719	-	1,719
Miscellaneous	2,196	-	2,196	1,974	-	1,974
	26,799	**434**	**26,365**	**24,458**	**394**	**24,064**

Provision for bonuses relate to performance-based remuneration of management and employees of Nagarro companies.

Non-current portion of restructuring, severance pay are expected to be paid within 2-5 years from the end of the reporting period.

Other provisions developed as follows:

	Jan 1, 2024	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	20,149	-	(19,252)	(776)	-	21,524	490	22,135
Employers' liability insurance association	162	-	(160)	(2)	-	101	-	101
Restructuring, severance pay	454	-	(60)	-	-	520	-	914
Warranties to customers	1,719	-	(487)	(1,155)	-	1,349	27	1,452
Miscellaneous	1,974	-	(1,921)	(36)	-	2,139	40	2,196
	24,458	**-**	**(21,880)**	**(1,969)**	**-**	**25,632**	**557**	**26,799**

	Jan 1, 2023	Additions through business combination	Use	Release	Disposals	Additions	Foreign currency fluctuation	Dec 31, 2023
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Bonuses	18,896	82	(17,035)	(1,149)	-	19,765	(410)	20,149
Employers' liability insurance association	176	-	(124)	(6)	-	117	-	162
Restructuring, severance pay	527	-	(197)	(0)	-	123	-	454
Warranties to customers	481	17	(244)	(238)	-	1,718	(16)	1,719
Miscellaneous	1,508	4	(1,446)	(27)	-	1,971	(36)	1,974
	21,589	**104**	**(19,046)**	**(1,421)**	**-**	**23,694**	**(462)**	**24,458**

17. Other liabilities

Other liabilities are composed as follows:

	Dec 31, 2024		Dec 31, 2023		Jan 1, 2023 Restated	
	of which:		of which:		of which:	
	Total	Current	Total	Current	Total	Current
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities from VAT	11,868	11,868	10,235	10,235	10,150	10,150
Social security liabilities	5,037	5,037	5,337	5,337	4,798	4,798
Other	117	117	194	194	68	68
	17,022	**17,022**	**15,766**	**15,766**	**15,016**	**15,016**

18. Financial instruments

a. Accounting classifications and carrying values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount				Fair value			
Dec 31, 2024	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	890	-	-	890	-	890	-	890
	890	-	-	890	-	890	-	890
Financial assets not measured at fair value - non-current								
Other financial assets	-	2,133	-	2,133	-	-	-	-
	-	2,133	-	2,133	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	216,890	-	216,890	-	-	-	-
Trade receivables - factored	-	2,441	-	2,441	-	-	-	-
Other financial assets - others	-	6,960	-	6,960	-	-	-	-
Cash	-	192,567	-	192,567	-	-	-	-
	-	418,859	-	418,859	-	-	-	-
	890	**420,991**	**-**	**421,881**	**-**	**890**	**-**	**890**

Dec 31, 2024	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	4,468	-	-	4,468	-	-	4,468	4,468
	4,468	-	-	4,468	-	-	4,468	4,468
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	1,405	-	-	1,405	-	-	1,405	1,405
Other financial liabilities - foreign exchange forward transactions	1,631	-	-	1,631	-	1,631	-	1,631
	3,036	-	-	3,036	-	1,631	1,405	3,036
Financial liabilities not measured at fair value - non-current								
Loans and borrowings - syndicated loan (unsecured)	-	318,721	-	318,721	-	325,006	-	325,006
Loans and borrowings - others (unsecured)	-	2,113	-	2,113	-	-	-	-
	-	320,835	-	320,835	-	325,006	-	325,006
Financial liabilities not measured at fair value - current								
Loans and borrowings - syndicated loan (unsecured)	-	(448)	-	(448)	-	-	-	-
Loans and borrowings (unsecured)	-	9,225	-	9,225	-	-	-	-
Trade payables	-	17,076	-	17,076	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	8,177	-	8,177	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	776	-	776	-	-	-	-
	-	34,807	-	34,807	-	-	-	-
	7,504	**355,641**	**-**	**363,145**	**-**	**326,637**	**5,873**	**332,510**

Dec 31, 2023	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial assets measured at fair value - current								
Other financial assets - foreign exchange forward transactions	232	-	-	232	-	232	-	232
	232	-	-	232	-	232	-	232
Financial assets not measured at fair value - non-current								
Other financial assets	-	3,339	-	3,339	-	-	-	-
	-	3,339	-	3,339	-	-	-	-
Financial assets not measured at fair value - current								
Trade receivables	-	182,488	-	182,488	-	-	-	-
Other financial assets - others	-	15,064	-	15,064	-	-	-	-
Cash	-	110,123	-	110,123	-	-	-	-
	-	307,675	-	307,675	-	-	-	-
	232	**311,014**	**-**	**311,246**	**-**	**232**	**-**	**232**

Dec 31, 2023	Carrying amount				Fair value			
	at FVTPL	at amortized cost	at FVOCI	Total	Level 1	Level 2	Level 3	Total
kEUR								
Financial liabilities measured at fair value - non-current								
Liabilities from acquisitions	2,575	-	-	2,575	-	-	2,575	2,575
	2,575	-	-	2,575	-	-	2,575	2,575
Financial liabilities measured at fair value - current								
Liabilities from acquisitions	8,929	-	-	8,929	-	-	8,929	8,929
Other financial liabilities - foreign exchange forward transactions	1,283	-	-	1,283	-	1,283	-	1,283
	10,212	-	-	10,212	-	1,283	8,929	10,212
Financial liabilities not measured at fair value - non-current								
Loans and borrowings (secured)	-	334	-	334	-	-	-	-
Loans and borrowings - syndicated loan (unsecured)	-	266,379	-	266,379	-	270,571	-	270,571
Loans and borrowings - others (unsecured)	-	1,874	-	1,874	-	-	-	-
	-	268,587	-	268,587	-	270,571	-	270,571
Financial liabilities not measured at fair value - current								
Loans and borrowings (secured)	-	3,439	-	3,439	-	-	-	-
Loans and borrowings - syndicated loan (unsecured)	-	(246)	-	(246)	-	-	-	-
Loans and borrowings (unsecured)	-	2,966	-	2,966	-	-	-	-
Trade payables	-	17,936	-	17,936	-	-	-	-
Other financial liabilities - outstanding incoming invoices	-	5,984	-	5,984	-	-	-	-
Other financial liabilities - accrued interest on bank loans	-	514	-	514	-	-	-	-
	-	30,595	-	30,595	-	-	-	-
	12,787	**299,182**	**-**	**311,969**	**-**	**271,854**	**11,504**	**283,358**

Contract assets (December 31, 2024: kEUR 15,961; December 31, 2023: kEUR 18,470) and lease liabilities (December 31, 2024: kEUR 54,483; December 31, 2023: kEUR 48,692) are not allocated to any of the measurement categories under IFRS 9 and are therefore not included in the tables above.

b. Measurement of fair value

i. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in Level 2 and Level 3 fair value for financial instruments in the consolidated statement of financial position, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between unobservable inputs and fair value measurement
Forward foreign exchange contracts	Marked to market values of derivative instruments based on forward rates at the reporting date using present value calculations based on high credit quality yield curves in the respective currencies	Not applicable	Not applicable
Liabilities from acquisitions	Monte-carlo valuation model - The valuation model considers the probability and present value of expected payments using risk-adjusted discount rate	(i) Expected contribution margin / EBITDA relevant to earn-out (ii) Risk-adjusted discount rate of 15.2% -24.0% (31 December 2023: 22.5% - 32.3%)	The estimated fair value would increase (decrease) if: (i) the expected contribution margin / EBITDA relevant to earn-out were higher (lower) (ii) the risk-adjusted discount rate was higher (lower)

ii. Transfers between the hierarchy levels

In the periods under consideration there were no reclassifications between hierarchy levels.

iii. Level 3 recurring fair values

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

	Contingent purchase price liabilities measured at fair value
	kEUR
Balance as at Jan 1, 2023 previously reported	**36,528**
Impact of correction of errors (The comparative information is restated on account of correction of errors. Refer note A.3 – Correction of errors and reclassifications)	(13,254)
Balance as at Jan 1, 2023 restated	**23,274**
Additions	4,188
Additions - through income statement	1,217
Interest effect	528
Reduction due to payments	(15,858)
Reduction due to payments- remuneration linked	(1,192)
Currency differences	(411)
Purchase price adjustment	(243)
Balance as at Dec 31, 2023	**11,504**
Additions	4,577
Additions - through income statement	755
Interest effect	407
Reduction due to payments	(9,290)
Currency differences	219
Purchase price adjustment	(2,299)
Balance as at Dec 31, 2024	**5,873**

Purchase price adjustment represents reversal of earnout payable of kEUR 2,299 (December 31, 2023: kEUR 243) mainly on account of acquisition of Techmill, Infocore, APSL and Telesis (December 31, 2023: Techmill) as the acquired entities were not able to achieve the earnout targets. The same has been recognized as income (refer D.2. Other operating income).

c. Sensitivity analysis

For the fair values of the contingent consideration, a change (increase or decrease) of input factors while keeping the remaining input factors constant has the following effects:

	Profit for the period			
	2024		2023	
	Increase	Decrease	Increase	Decrease
	kEUR	kEUR	kEUR	kEUR
Contingent consideration				
Change in the earn-out relevant EBITDA by 5% relative to plan	352	(369)	316	(332)
Risk-adjusted discount rate (5% movement (500bps))	(743)	843	(368)	375

d. Derivative financial instruments

Nagarro concludes foreign exchange forward transactions to hedge foreign currency risks of future cash flows.

In the Nagarro Indian companies, the Euro (EUR), US dollar (USD), the Swedish krone (SEK), the British pound (GBP), and the Australian dollar (AUD) are the currencies that were hedged with respect to the Indian rupee (INR), since the customer receivables are mainly in these currencies while purchasing costs (staff costs and the purchase of third-party services) are incurred in Indian rupees (INR).

In each case, the maturity of the foreign exchange forward contract is less than one year.

The foreign exchange forward contracts were concluded as follows:

	Dec 31, 2024			Dec 31, 2023		
Foreign exchange forward contracts	Nominal amount	Assets	Liabilities	Nominal amount	Assets	Liabilities
	thousands	kEUR	kEUR	thousands	kEUR	kEUR
USD-INR	92,625	-	1,552	80,832	113	59
EUR-INR	31,350	636	43	42,720	87	782
SEK-INR	34,295	92	9	61,860	-	281
GBP-INR	5,720	70	24	6,005	31	73
AUD-INR	4,675	92	3	4,069	1	88
		890	1,631		232	1,283

The gain or loss from the foreign exchange forward transactions is as below:

	2024	2023
	kEUR	kEUR
Net gain (loss) from foreign exchange forward transactions		
Income from foreign exchange forward transactions	4,023	4,215
Expense from foreign exchange forward transactions	(3,685)	(2,350)
	338	**1,865**

There are no derivative master netting agreements for the year 2024 and 2023.

e. Net gains and losses from financial instruments

Net gains and losses from financial instruments are comprised as follows:

	Dec 31, 2024	2024					
in kEUR	**Category in accordance with IFRS 9**	**Other operating income**	**Staff costs**	**Other operating expenses**	**Finance income**	**Finance costs**	**Total net gains (losses)**
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(1,403)	(1,403)
Derivative financial instruments	FVTPL	4,023	-	-	-	-	4,023
		4,023	**-**	**-**	**-**	**(1,403)**	**2,619**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	-	-	(3,015)	-	-	(3,015)
Trade receivables - factored - recourse	AC	-	-	-	-	(113)	(113)
Other financial assets	AC	-	-	-	640	-	640
Cash	AC	-	-	-	2,860	-	2,860
		-	**-**	**(3,015)**	**3,500**	**(113)**	**372**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	2,299	(755)	-	-	(407)	1,136
Liabilities from acquisitions - employment linked	n/a	-	(2,361)	-	-	-	(2,361)
Derivative financial instruments	FVTPL	-	-	(3,685)	-	-	(3,685)
		2,299	**(3,117)**	**(3,685)**	**-**	**(407)**	**(4,910)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(3,382)	-	-	(15,816)	(19,197)
Employee benefits liabilities (under IFRS 19)	n/a	-	-	-	-	(1,176)	(1,176)
Leases (under IFRS 16)	n/a	-	-	-	-	(2,125)	(2,125)
		-	**(3,382)**	**-**	**-**	**(19,117)**	**(22,498)**
		6,321	**(6,498)**	**(6,700)**	**3,500**	**(21,041)**	**(24,417)**

in kEUR	Dec 31, 2023	2023 (Restated)					
	Category in accordance with IFRS 9	Other operating income	Staff costs	Other operating expenses	Finance income	Finance costs	Total net gains (losses)
Financial assets measured at fair value							
Trade receivables - factored-non-recourse	FVTPL	-	-	-	-	(2,103)	(2,103)
Derivative financial instruments	FVTPL	4,215	-	-	-	-	4,215
		4,215	**-**	**-**	**-**	**(2,103)**	**2,112**
Financial assets not measured at fair value							
Trade and other receivables - others	AC	3,208	-	(4,112)	-	-	(904)
Other financial assets	AC	127	-	-	96	-	223
Cash	AC	-	-	-	1,711	-	1,711
		3,335	**-**	**(4,112)**	**1,808**	**-**	**1,031**
Financial liabilities measured at fair value							
Liabilities from acquisitions	FVTPL	243	(943)	-	-	(529)	(1,229)
Liabilities from acquisitions - employment linked	n/a	-	(274)	-	-	-	(274)
Derivative financial instruments	FVTPL	-	-	(2,350)	-	-	(2,350)
		243	**(1,217)**	**(2,350)**	**-**	**(529)**	**(3,852)**
Financial liabilities not measured at fair value							
Other financial liabilities	AC	-	(1,798)	-	-	(12,915)	(14,714)
Employee benefits liabilities (under IFRS 19)	n/a	-	-	-	-	(899)	(899)
Leases (under IFRS 16)	n/a	-	-	-	-	(1,763)	(1,763)
		-	**(1,798)**	**-**	**-**	**(15,577)**	**(17,375)**
		7,793	**(3,015)**	**(6,461)**	**1,808**	**(18,208)**	**(18,085)**

D. Notes to the consolidated statement of comprehensive income

1. Revenue

Disaggregated revenue information

The revenue by industry is as follows:

	2024	2023
	kEUR	kEUR
Automotive, manufacturing and industrial	219,794	199,339
Energy, utilities and building automation	73,544	69,110
Financial services and insurance	124,757	125,984
Horizontal tech	61,489	64,670
Life sciences and healthcare	70,893	70,341
Management consulting and business information	60,509	59,173
Public, non-profit, education	88,876	69,788
Retail and CPG	132,417	121,974
Telecom, media and entertainment	54,180	50,046
Travel and logistics	85,529	81,630
	971,987	**912,055**

The revenue by contract type is as follows:

	2024	2023
	kEUR	kEUR
Time and expenses	678,389	654,856
Fixed price	130,048	147,433
Periodic services	157,639	106,118
Other revenues	5,911	3,648
	971,987	**912,055**

Performance obligations and remaining performance obligations:

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when Nagarro expects to recognize these amounts in revenue. Applying the practical expedient as given in IFRS 15, Nagarro has not disclosed the remaining performance obligation related disclosures for contracts where the revenue recognized corresponds directly with the value to the customer of Nagarro's performance completed to date, typically those contracts where invoice is on time and expenses and periodic services.

For customer contracts whose original duration was at least one year, expected revenue from performance obligations yet to be fulfilled are as follows:

	Total	2024	2025	2026	2027	2028	2029
as of:	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
December 31, 2024	169,078	-	122,460	27,916	12,079	3,311	3,311
December 31, 2023	231,118	148,696	54,010	16,582	6,868	4,962	-

2. Other operating income

Other operating income is broken down as follows:

	2024	(Restated) 2023
	kEUR	kEUR
Income from currency translation	16,328	14,814
Income from foreign exchange forward transactions	4,023	4,215
Income from the sale of property, plant and equipment	141	866
Reversal of value adjustments on receivables	-	3,205
Release of provisions	1,969	1,421
Profit from purchase price adjustment	2,299	243
Collection of derecognized receivables	-	3
Gain on lease modification	71	198
Net monetary gain (hyper inflationary)	2,630	227
Miscellaneous	3,137	4,091
	30,597	**29,282**

Profit from purchase price adjustment represents reversal of earnout payable of kEUR 2,299 (December 31, 2023: kEUR 243) on account of acquisition of Techmill, Infocore, Telesis and APSL (December 31, 2023: Techmill) as the acquired entities were not able to achieve the earnout targets (refer C.18. Financial instruments).

3. Cost of freelancers and other direct cost

The cost of freelancers and other direct costs are composed as follows:

	2024	2023
	kEUR	kEUR
Purchased services	62,277	59,265
Software and other costs	6,486	13,119
Provision for onerous contracts	117	740
	68,879	**73,124**

Purchased services include external temporary staff and subcontractors engaged on a project-specific basis.

4. Staff costs

Staff costs are composed as follows:

	2024	(Restated) 2023
	kEUR	kEUR
Salaries and wages	586,417	554,005
Social security contributions	49,672	45,541
Gratuity	4,722	3,879
Defined contribution expenses	2,239	1,669
Bonuses	49,718	42,660
Equity-settled share based payments	3,206	3,815
Cash-settled share based payments	550	0
Retention bonuses - acquisition related	3,382	1,798
Earnout expense - acquisition related	3,117	1,217
	703,022	**654,585**

Staff costs of kEUR 3,333 (2023: kEUR 2,103) were incurred for non-capitalizable activities in connection with product development.

At year end, Nagarro had 17,695 (2023: 18,413) number of professionals out of which 16,192 (2023: 16,934) were professionals in engineering and 1,503 (2023: 1,479) were professionals in sales and administration. During the year, Nagarro had 18,124 (2023: 18,895) number of average professionals out of which 16,627 (2023: 17,510) were professionals in engineering and 1,497 (2023: 1,385) were professionals in sales and administration. The average values were calculated based on the number of employees on January 1, March 31, June 30, September 30 and December 31.

5. Other operating expenses

Other operating expenses are composed as follows:

	2024	2023
	kEUR	kEUR
Travel expenses	16,539	14,230
Vehicle costs	3,085	4,258
IT costs	13,259	10,436
Services	3,899	3,100
Land and building costs	4,004	3,308
Other staff costs	9,046	8,309
Advertising expenses	4,204	4,215
Communication expenses	2,630	3,204
Maintenance	1,549	1,486
Expense from currency translation	10,292	16,426
Expenses for foreign exchange forward transactions	3,685	2,350
Insurance, contributions	3,510	2,948
Legal and consulting fees	2,880	3,320
Entertainment expenses	934	916
Office supplies	759	1,004
Audit fees	1,834	1,502
Direct selling expenses	911	115
Supervisory board remuneration	713	638
Loss on lease modification	35	2
Residual book value from disposal of property, plant and equipment	361	430
Acquisition costs	334	956
Expenses relating to the exploration of the take-private option	3,861	-
Expenses relating to strategic review of listing and privatization choices	1,234	-
Miscellaneous	4,322	8,146
	93,878	**91,298**

Other operating expenses include fees for the auditor of the consolidated financial statements as follows:

	2024	2023
	kEUR	kEUR
Audit services	700	682
Other services	119	337
Other assurance services	11	6
	830	**1,025**

The fee for auditing services related to the audit of the consolidated financial statements of the Nagarro Group, the statutory audits of the annual financial statements of Nagarro SE and the subsidiaries included in the consolidated financial statements and the formal audit of the remuneration report. The other assurance services relate to a certification of credit ratios. The other services relate to support services for the implementation of regulatory requirements. The audit services include audit of the consolidated financial statements and the audit of the German subsidiaries.

6. Depreciation, amortization and impairment

For information on depreciation, amortization and impairment, please refer to Notes C.1. Intangible assets, C.2. Goodwill, C.3. Property, plant and equipment and C.4. Right-of-use assets and lease liabilities.

7. Finance income

Finance income is composed as follows:

	2024	2023
	kEUR	**kEUR**
Interest income on bank balances	2,860	1,711
Other finance income	640	96
	3,500	**1,808**

Other finance income mainly includes interest income relating to deposits with banks and interest income on plan assets relating to retirement benefits in India.

8. Finance costs

Finance costs are composed as follows:

	2024	2023
	kEUR	kEUR
Interest on bank loans	15,816	12,915
Interest on leases	2,125	1,763
Factoring interest (non-recourse)	1,403	2,103
Factoring interest (recourse)	113	-
Interest portion of additions to pension provisions	1,176	899
Other interest expenses	500	555
	21,133	**18,235**

For further Information please refer to Note C.12. Loans and borrowings.

9. Earnings per share (EPS)

	2024	(Restated) 2023
	kEUR	kEUR
Profit for the period	49,156	49,155
Weighted average number of shares outstanding - basic	13,322,118	13,488,468
Number of shares outstanding - basic	13,322,118	13,322,118
Effect of dilutive share-based payment (Employee Share Participation Plan)	2,627	60
Total effect of dilution	2,627	60
Weighted average number of shares outstanding - diluted	13,324,745	13,488,528
Number of shares outstanding - diluted	13,324,745	13,322,178
Basic earnings per share in EUR (based on weighted average)	3.69	3.64
Basic earnings per share in EUR (based on shares outstanding)	3.69	3.69
Diluted earnings per share in EUR (based on weighted average)	3.69	3.64
Diluted earnings per share in EUR (based on shares outstanding)	3.69	3.69

Earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 13,322,118 (December 31, 2023: 13,488,468) after excluding treasury shares.

Diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of outstanding shares of Nagarro SE of 13,324,745 (December 31, 2023: 13,488,528) after excluding treasury shares and adding for the effects of all dilutive potential shares.

As at December 31, 2024, 396,068 equity-settled options and 1,927 employee share participation plan (ESPP) shares (December 31, 2023: 578,904 equity-settled options and 3,147 ESPP shares) were excluded for the diluted weighted average number of shares calculations because their effect would have been anti-dilutive.

The average market value of Nagarro SE's shares for the purpose of calculating the dilutive effect of share options and employee share participation plan shares was based on quoted market price for the year during which the options were outstanding.

E. Notes to the consolidated statement of cash flows

1. Reconciliation of cash flows from changes in net working capital:

Cash flows from changes in net working capital reconcile to the cashflows from operating activities as follows:

	2024	2023
in kEUR		restated*
Changes in:		
Trade receivables, contract assets and contract liabilities	(22,540)	(9,574)
Trade payables	(8,020)	2,627
Employee benefits liabilities	143	548
Provisions	3,567	4,743
Other assets including other financial assets	5,256	290
Other liabilities including other financial liabilities	4,871	607
Cash flows from changes in net working capital	**(16,723)**	**(758)**

2. Reconciliation of net cash flows from non-recourse factoring

Net cash flows from non-recourse factoring reconcile to the cashflows from operating activities as follows:

		Cash flows	Currency differences	Interest	
	Jan 1, 2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	26,188	(3,463)	1,145	1,403	25,274
Liabilities from factoring	(2,346)	(3,067)	(275)	-	(5,688)
	23,842	**(6,530)**	**870**	**1,403**	**19,586**

		Cash flows	Currency differences	Interest	
	Jan 1, 2023	2023	2023	2023	Dec 31, 2023
	kEUR	kEUR	kEUR	kEUR	kEUR
Net cash flows:					
Trade receivables derecognized	49,408	(24,854)	(469)	2,103	26,188
Liabilities from factoring	(7,016)	4,601	69	-	(2,346)
	42,393	**(20,253)**	**(400)**	**2,103**	**23,842**

The changes in trade receivables derecognized and liabilities from factoring are disclosed as net cash flows from non-recourse factoring while change in gross trade receivables is shown as "Trade receivables, contract assets and contract liabilities" under changes in net working capital.

For more details on non-recourse factoring, refer to Note C.9. Trade receivables.

3. Reconciliation of financial liabilities

Financial liabilities reconcile to the cashflows from financing activities (i.e., excluding non-recourse factoring and including recourse factoring) as follows:

			Non-cash transactions					
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expense (income)	
	Jan 1, 2024	2024	2024	2024	2024	2024	2024	Dec 31, 2024
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities to banks								
Bank loans	272,401	51,641	-	137	55	-	(310)	323,924
Lease liabilities	48,692	(23,895)	26,378	59	1,563	1,684	-	54,483
	321,094	**27,747**	**26,378**	**195**	**1,618**	**1,684**	**(310)**	**378,407**

			Non-cash transactions					
		Cash flows	Additions	Acquisitions through business combinations	Currency differences	Lease modification	Unamortized interest expensed	
	Jan 1, 2023	2023	2023	2023	2023	2023	2023	Dec 31, 2023
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Liabilities to banks								
Bank loans	209,522	62,324	-	338	(27)	-	245	272,401
Lease liabilities	55,788	(25,066)	16,685	897	(628)	1,016	-	48,692
	265,310	**37,258**	**16,685**	**1,235**	**(655)**	**1,016**	**245**	**321,094**

Cash flows from operating activities are reported using the indirect method. Interest paid is included in cash flows from financing activities. Interest received is included in cash flows from investing activities.

4. Net cash flows from business combinations

Cash outflows for the acquisition of subsidiaries from third parties, net of cash acquired are reconciled as follows:

Entity acquired	Year of acquisition	2024	(Restated) 2023
		kEUR	kEUR
At the time of business combination			
FWD View	2024	8,651	-
MBIS	2023	-	17,887
APSL	2023	-	6,919
Telesis	2023	-	6,076
Infocore	2023	-	4,986
		8,651	**35,868**
Contingent consideration			
APSL	2023	1,350	-
Telesis	2023	982	-
Infocore Germany	2023	389	-
Techmill	2022	100	392
ATCS	2021	6,470	15,466
Nagarro MENA	2019	-	-
		9,290	**15,858**
Liabilities from acquisitions - remuneration linked			
Infocore UAE	2023	274	917
RipeConcepts	2022	-	3,698
		274	**4,615**
		18,216	**56,342**

Also refer Note C.18. Financial instruments.

Cash outflows for the acquisition of subsidiary from third party at the time of business combination in the financial year 2024, net of cash acquired, reconcile as follows:

B	FWD View
	kEUR
Purchase consideration	14,829
Contingent purchase price liabilities	(4,478)
Purchase price paid in cash in current year	10,351
Acquired cash and cash equivalents	(1,700)
Outflow (inflow) of cash and cash equivalents	**8,651**

Cash outflows for the acquisition of subsidiaries from third parties at the time of business combination in the financial year 2023, net of cash acquired, reconcile as follows:

B	Infocore	MBIS	APSL	Telesis7	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Purchase consideration	6,408	19,173	11,403	9,393	46,377
Contingent purchase price liabilities	(851)	-	(882)	(2,736)	(4,469)
Purchase price paid in cash in current year	5,558	19,173	10,521	6,657	41,908
Acquired cash and cash equivalents	(572)	(1,286)	(3,602)	(581)	(6,040)
Outflow (inflow) of cash and cash equivalents	**4,986**	**17,887**	**6,919**	**6,076**	**35,868**

F. Other disclosures

1. Business combinations

Acquisition of FWD View

By way of a share purchase agreement dated October 29, 2024, Nagarro Software Limited, United Kingdom, acquired FWD View Limited, United Kingdom ("FWD View").

FWD View is recognized for its expertise in delivering data-driven solutions to clients in the financial services industry. FWD View excels in data quality, governance, protection and analytics and cloud-based solutions using cutting-edge tools and platforms such as Delphix, Collibra, Databricks and AWS. The transaction significantly broadens Nagarro's access to key players in the UK financial services sector. With this transaction, key clients can anticipate an enhanced level of services and an expanded array of offerings in the data technology domain.

Included in the identifiable assets and liabilities acquired at the date of acquisition of FWD View are inputs (orders in hand, customer relationships), delivery processes and an organized workforce. Goodwill includes the assembled workforce amounting to kEUR 708 (kGBP 595) through which synergies will be derived by Nagarro. Nagarro has determined that together the acquired inputs and processes significantly contribute to the ability to create revenue. Nagarro has concluded that the acquired set is a business.

A maximum purchase price of GBP 18.0 million (including earnout payment of GBP 10.0 million over the period) plus excess working capital was agreed for the acquisition of FWD View. The fixed component of the purchase price of GBP 8.0 million (€9.5 million) and estimated working capital of GBP 0.7 million (€0.8 million) was paid on October 29, 2024 and the balance excess working capital of GBP 0.5 million (€0.6 million) will be paid in coming months. The remaining purchase price is due to be paid between 2025 and 2028, depending on the achievement of EBITDA targets as outlined in the share purchase agreement. Nagarro has included GBP 3.2 million (€3.8 million) as contingent consideration related to additional consideration, which represents its fair value at acquisition. The contingent consideration is expected to be in the range of GBP 0 million to GBP 10 million.

The closing of the deal has been done and one hundred percent of the equity of FWD View has been acquired with effect from October 29, 2024. Accordingly, FWD View has been consolidated for the first time with Nagarro from November 1, 2024. Below is the breakdown of net assets acquired from FWD View:

	Fair value
	kEUR
Intangible assets	4,091
Property, plant and equipment	8
Right of use assets	59
Other financial assets	1
Trade receivables	414
Other assets	502
Cash	1,700
Assets acquired	**6,775**
Lease liabilities	59
Liabilities to banks	137
Contract liabilities	28
Trade payables	516
Other financial liabilities	138
Other liabilities	223
Deferred tax liabilities	756
Income tax liabilities	114
Liabilities assumed	**1,971**
Total identifiable net assets at fair value	**4,804**
Goodwill arising on acquisition	10,025
Purchase consideration	**14,829**

From the date of acquisition, FWD View generated revenue of kEUR 2,138 and earnings before interest, taxes, depreciation and amortization of kEUR 486. If the combination had taken place at the beginning of the year, revenues from FWD View would have been kEUR 11,393 and earnings before interest, taxes, depreciation, and amortization would have been kEUR 1,615. In connection with the transaction there were costs of kEUR 334 which were recognized in other operating expenses in 2024. The goodwill is not tax-deductible.

2. Related party transactions

Transactions and outstanding balances with related parties exist for some members of Nagarro's key management personnel.

	Family member of a KMP		Accnite	
	2024	2023	2024	2023
	kEUR	kEUR	kEUR	kEUR
Revenue and other income				
Revenue	-	-	45	167
	-	-	45	167
Expense				
Salaries and wages	107	95	-	-
Impairment of trade receivables and contract assets	-	-	41	-
Other operating expense	-	-	87	90
	107	95	128	90

Revenue

Revenue, in one Nagarro German entity, from the above company mainly relates to technology consulting and software development.

Expense

Salaries and wages, in one Indian entity, includes remuneration to one of the family member of a KMP in India.

Other operating expense includes full year expenses towards professional services provided to Nagarro SE by Accnite, entities owned by one of the Supervisory Board members.

Balances resulting from transactions with companies in which the key management personnel have interest

	Family member of a KMP		Accnite	
	Dec 31, 2024	Dec 31, 2023	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR	kEUR	kEUR
Total assets				
Other current assets	-	-	28	28
	-	**-**	**28**	**28**
Total liabilities				
Employee benefits liabilities	16	17	-	-
Trade payables	-	-	4	2
	16	**17**	**4**	**2**

Lantano Beteiligungen GmbH, which is held by one of the Supervisory Board members, holds more than 20% of Nagarro's holding and accordingly has significant influence on Nagarro. There are no transactions and balances between Nagarro and Lantano Beteiligungen GmbH during the current year and previous year.

Remuneration of key management personnel

Nagarro has a large and flat senior management team, reflecting the broad scope of its operations. In past reporting periods, all members of the senior management team were identified as key management personnel, except for the members of the Glass Window diversity program who are temporarily added to the senior management team each year. As Nagarro has continued to grow, the senior management team has continued to grow, with the addition of senior management personnel from acquisitions, new leaders, new CTOs, and so on. This approach of treating all senior management personnel as key management personnel had become difficult to maintain. In 2023, the ways of working were modified, and the group of key management personnel was reduced to a subset of the senior management team totaling to 41.

The total number of colleagues (including the supervisory board members) who were a part of key management during the year 2024 were 7 (2023: 41). The previous year's figure of 2023 is adjusted to 41 due to the inclusion of 4 Supervisory Board members.

The cost incurred for the above-described key management personnel has historically been already fully charged within the entities in scope of the consolidated financial statements.

	2024	2023
	kEUR	kEUR
Salaries and other short-term employee benefits	2,157	8,874
Post-employment benefits	0	34
Stock option expense	237	188
Total	2,394	9,096

There are no loans that have been provided to the members of the key management personnel.

Of the provisions for post-employment benefits kEUR 17 (December 31, 2023: kEUR 364) relate to the members of the key management personnel.

Of the provisions for leave encashment kEUR 51 (December 31, 2023: kEUR 151) relate to the members of the key management personnel.

Remuneration of all the three Management Board members for the entire year amounts to kEUR 1,444 (December 31, 2023: kEUR 987). Further details are disclosed in Note F.10. Governing Bodies of Nagarro SE.

Remuneration of the Supervisory Board members amounts to kEUR 713 (December 31, 2023: kEUR 638). Further detail is disclosed in Note F.10. Governing Bodies of Nagarro SE.

3. Adjusted EBITDA

Adjusted EBITDA is calculated according to economic criteria and is independent of IFRS rules. It provides information on the profitability of Nagarro and contains elements of the consolidated statements of comprehensive income relating to operating performance. It is adjusted for “Special items”. All items mentioned in the table below and qualifying as special items are generally eliminated irrespective of the amount for the purpose of calculating the Adjusted EBITDA. Therefore, the Adjusted EBITDA is more suitable for comparing operating performance over several periods.

Nagarro SE’s approach to EBITDA adjustments is to exclude effects that we consider extraordinary, such as impairment of goodwill, purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, spin-off and listing costs, share based payment arrangements costs, the expenses related to the rollover of minorities and acquisition expenses, retention bonus and non-capitalized earn-out expenses related to acquisitions, and in the current year, expenses relating to the exploration of the take-private option and expenses relating to strategic review of listing and privatization choices.

The reconciliation of EBITDA (as reported in the consolidated statements of comprehensive income) to Adjusted EBITDA is presented below:

	2024	2023
	kEUR	kEUR
EBITDA	134,049	118,565
Adjustment for special items		
Income from purchase price adjustments	(2,299)	(243)
Exchange loss (gain) on purchase price components	32	2
Share based payment arrangements cost	3,756	3,815
Acquisition expense	334	956
Retention bonus expense as part of share purchase agreement of the acquired entities	3,382	1,798
Non-capitalized earn-out expense relating to acquisitions	3,117	1,217
Expenses relating to strategic review of listing and privatization choices	1,234	-
Expenses relating to the exploration of the take-private option	3,861	-
Total adjustment for special items	**13,415**	**7,546**
Adjusted EBITDA	**147,464**	**126,110**
Revenues	971,987	912,055
Adjusted EBITDA (as % of revenues)	15.2%	13.8%

4. Gross profit and gross margin

Gross profit is calculated on the basis of total performance which is the sum of revenue and own work capitalized. Cost of revenues is the total direct costs needed to service the revenue. It includes direct costs related to colleagues (employees and freelancers) allocated to the performance of customer services regardless of whether the colleagues are actually performing customer services during a given period of time, costs related to travel of these colleagues, cost of licenses and other, smaller, reimbursable and non-reimbursable cost components. The gross margin is calculated as the difference between the total performance and the cost of revenues, expressed as a percentage of the revenue.

In the past, Nagarro categorized all costs incurred by Business heads and Centers of Excellence (COEs) as cost of revenues, regardless of their nature including the sales personnel within their teams to drive consultative selling. Nagarro has revised the detailed definition of cost of revenues to align it better with that of other IT services companies. As per the new method, the cost of management of the Global Business Units (GBUs), cost of consultative sales and thought leadership across Centers of Excellence (CoEs) and GBUs have been reclassified from cost of revenues to sales and marketing, general and administrative costs from Q1 2024. For our 2024 reporting, we are providing the gross profit and margin based on the new method and also the previous method to allow better comparison with the 2023 numbers which were reported via the previous method.

The gross profit and margin based on both the current method and the previous method to allow comparisons with the numbers delivered for 2023 via the previous method is presented below:

	2024	2023
	kEUR	kEUR
Revenue	971,987	912,055
Own work capitalized	259	346
Total performance	972,246	912,401
Cost of revenues - previous method	(718,313)	(676,696)
Costs reclassified to Selling, General and Administrative expenses	41,819	-
Cost of revenues - current method	(676,494)	-
Gross profit - previous method	253,933	235,705
Gross profit - current method	295,752	-
Gross margin (as % of revenue) - previous method	26.1%	25.8%
Gross margin (as % of revenue) - current method	30.4%	-

The items "Costs of revenues" and "Selling, General and Administrative expenses", both not including depreciation and amortization, reconcile to income and expense presented in consolidated statements of comprehensive income as follows:

	2024				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	68,879	68,455	424	-	68,879
Staff costs	703,022	585,756	107,012	10,254	703,022
Other operating expenses	93,878	22,284	66,134	5,460	93,878
Impairment of trade receivables and contract assets	3,015	-	3,015	-	3,015
Other operating income	(30,597)	-	(28,298)	(2,299)	(30,597)
Total	**838,197**	**676,494**	**148,288**	**13,415**	**838,197**

	2023 Restated				
	thereof				
	Costs by nature	Cost of revenues	Selling, General and Administrative expenses	Special items	Total
	kEUR	kEUR	kEUR	kEUR	kEUR
Cost of freelancers and other direct cost	73,124	73,124	-	-	73,124
Staff costs	654,585	584,276	63,478	6,831	654,585
Other operating expenses	91,298	19,297	71,044	958	91,298
Impairment of trade receivables and contract assets	4,112	-	4,112	-	4,112
Other operating income	(29,282)	-	(29,039)	(243)	(29,282)
Total	**793,837**	**676,696**	**109,595**	**7,546**	**793,837**

The “Special items” relate to non-recurring items, purchase price adjustments and acquisition costs, spin-off and listing costs, share-based payment arrangements cost, the expenses related to the rollover of minorities, acquisition expense, retention bonus expense as part of share purchase agreement of the acquired entities; non-capitalized earn-out expense relating to acquisitions and from current year, expenses relating to the exploration of the take-private option and expenses relating to strategic review of listing and privatization choices as discussed in note F.3. Adjusted EBITDA.

5. Segment information

The segment report for Nagarro has been prepared using the guiding principle of IFRS 8 and the Custodian of Entrepreneurship in the Organization (CEO) has been identified as the Chief Operating Decision Maker (CODM). Nagarro provides various types of software development and consulting technology services in an integrated manner to clients in various industries and geographic locations. Nagarro's operations are located in 38 countries. The CODM reviews the financial information prepared on a consolidated basis and thus Nagarro has determined that it operates as a single operating and reportable segment.

The geographical country wise revenues are as follows:

	2024	2023
	kEUR	kEUR
Attributed to the entity's country of domicile		
Germany	214,931	192,910
Attributed to all foreign countries in total from which the entity derives revenues		
United States of America	342,309	324,753
Others	414,747	394,392
	757,056	719,145
	971,987	**912,055**

Nagarro derives its revenue predominantly from the provision of software services to its clients. This type of work makes up for more than 90% of Nagarro's business. The services revenue growth is mainly driven by growth in existing accounts. In 2023 and 2024, a large part of Nagarro's services business was contracted on a time and expense basis. In 2024, time and expense-based services accounted for about 70% of the total revenue (2023: 72%), with almost all the remaining being contracted on a fixed bid basis, periodic-service basis and others.

Nagarro is not dependent on single major customers contributing more than 4% (2023: 4%) to Nagarro's total revenues.

The assets and liabilities for the single segment can be taken from the consolidated balance sheet and notes.

Geographical Information of Nagarro's non-current assets

Geographical information about Nagarro's non-current assets (excluding goodwill, financial instruments and deferred tax asset) is based on locations where the assets are located. Total non-current assets (excluding goodwill, financial instruments, and deferred tax assets) amount to kEUR 29,361 (December 31, 2023: kEUR 31,995) located in Germany and kEUR 78,433 (December 31, 2023: kEUR 68,052) located in foreign countries. Thereof there are no material assets in an individual foreign country that need to be disclosed separately.

6. Contingent liabilities and guarantees

Contingent liabilities

In the Indian entities, there are some contingencies around income tax demands where company has preferred appeals amounting to kEUR 1,361 (December 31, 2023: kEUR 1,394).

Guarantees

Against the syndicated loan of kEUR 350,000 (December 31, 2023: kEUR 350,000), Nagarro SE, together with certain subsidiaries, has given guarantees. Refer note C.12 Loans and Borrowing for details.

Others

Nagarro Inc. ("NI"), a company of Nagarro, is involved in legal proceedings with one of its clients since 2020. NI had an outstanding receivable against a client for which Nagarro has written off the bad debt of kEUR 1,251 during the earlier years. Meanwhile, the client filed a counter claim of US$1.26 million against NI for recovery of amounts paid by them to NI under the agreement claiming that the deliverables were not fit for purpose. It has also demanded US$1 million in damages along with legal costs.

The client has attempted to include Nagarro Software Private Limited ("NSPL"), the India subsidiary of NI into the proceedings. The case against NSPL has been dismissed by the Indian court.

In our understanding, the client's claim is wrongful and not tenable.

7. Capital management

Nagarro ensures that there is always sufficient liquidity and maintains a balanced capital structure. These objectives are achieved by focusing on a strong business performance and receivables management. Decisions regarding acquisition of subsidiaries are made after due consideration of the impact on capital structure and the effects of the transactions on future years.

Nagarro monitors the capital using the ratio of "Equity" to "total assets" and uses Equity and total assets as per the "consolidated statement of financial position". Nagarro targets to maintain the Equity to total assets ratio below 30%.

Net debt is calculated as a total of liabilities to banks and lease liabilities less cash. Adjusted EBITDA is taken for the trailing twelve months. Nagarro policy is to keep the net debt to Adjusted EBITDA below 3 times.

The key figures used for capital management are as follows at the respective balances sheet dates:

	Dec 31, 2024	Dec 31, 2023
	Total	Total
	kEUR	kEUR
Liabilities to banks	329,612	274,747
Lease liabilities	54,483	48,692
Cash	(192,567)	(110,123)
Net debt	191,527	213,316
Adjusted EBITDA	147,464	126,110
Debt ratio (Net debt to Adjusted EBITDA)	1.3	1.7
Total assets	795,701	666,080
Equity	222,660	170,466
Equity ratio (% of total assets)	28%	26%

8. Share-based payment arrangements

Nagarro SE has issued stock options under stock option plans and stocks under employee share participation program. The details of these plans are as follows:

Description of the share-based payment arrangements

Stock option plan

The details of the plans under which these options were issued are as follows:

People addressed	Members of the management of Nagarro SE and its group companies and employees of group companies	Members of the Management Board of Nagarro SE
Number of options authorized	800,000 until October 22, 2025	45,000 until October 22, 2025
Authorization by	General meeting on October 31, 2020	General meeting on October 31, 2020
Plan name	Stock Option Plan 2020/II	Stock Option Plan 2020/III
Vesting period	4 years	4 years
Term	10 years	10 years
Exercise price valuation	110% of the average closing price of the last five trading days prior to the offer	110% of the average closing price of the last five trading days prior to the offer
Vesting condition	25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date	25% of the stock options granted to an option holder vest after 12, 24, 36 and 48 months following the issuance date
Settlement method	Equity shares of Nagarro SE	Equity shares of Nagarro SE
Exercising of option	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures	Exercisable after a vesting period of 4 years and limited to a period of two weeks after each Annual General Meeting and after the publication of annual, semi-annual and quarterly figures

Plan name	**Stock Option Plan 2020/III**	**Stock Option Plan 2020/II (Tranche 1)**	**Stock Option Plan 2020/II (Tranche 2a)**	**Stock Option Plan 2020/II (Tranche 2b)**
Number of options issued	45,000	410,000	141,500	8,750
Date of grant	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023
Exercise price	EUR 95.35	EUR 95.35	EUR 110.08	EUR 91.55
Average closing price on the grant date	EUR 86.68	EUR 86.68	EUR 100.07	EUR 83.23
Stock price on the grant date	EUR 78.60	EUR 78.60	EUR 94.60	EUR 83.40
Weighted average fair values at the measurement date	EUR 27.19	EUR 27.19	EUR 46.42	EUR 42.12
Dividend yield	0.00%	0.00%	0.00%	0.00%
Expected volatility	34.27%	34.27%	37.90%	37.80%
Risk–free interest rate	-0.37%	-0.37%	2.96%	2.94%
Term of share options	10 years	10 years	10 years	10 years
Expected life of share options	7 years	7 years	7 years	7 years
Model used	Binomial	Binomial	Binomial	Binomial

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur.

The expected volatility reflects the assumption that historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily reflect the actual outcome.

Since no options of the company are traded on derivative exchanges, the expected volatility cannot be determined from the implied volatilities of traded options of Nagarro SE. Historical share prices for the newly listed Nagarro SE were not available at the time of valuation of Tranche 1 in 2021. Also, not sufficient time after listing had elapsed at the time of valuation of Tranche 2 (a) and Tranche 2(b) in 2023. Therefore, the historical volatility based on price movements of comparable listed companies (peer group) in the past is

used as an estimate for the expected volatility. Based on this peer group and with an average exercise period of seven years, Nagarro SE has a historical volatility of 34.27% for Tranche 1; 37.90% for Tranche 2 (a) and 37.80% for Tranche 2 (b).

The movement of the equity settled stock options is as follows:

	2024		2023	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	569,500	98.88	425,000	95.35
Options issued during the year	-	-	150,250	109.00
Forfeited during the year	(8,062)	104.14	(5,750)	102.39
Exercised during the year	-	-	-	-
Conversion of equity settled options into cash settled options	(499,000)	98.71	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	62,438	99.54	569,500	98.88
Exercisable at the end of the year	**-**	**-**	**-**	**-**

On November 16, 2024, Nagarro offered the option to convert the existing equity-settled option to cash settled option for both SOP 2020/II and SOP 2020/III programs. The last date for accepting the offer was November 20, 2024. As the market was open for three days from November 16, 2024 to November 20, 2024, three separate fair valuations for these SOPs were made based on the modification dates of these equity-settled SOPs to cash-settled SOPs.

The following disclosures are only relevant for the equity settled program modified to cash-settled:

Plan name	**Stock Option Plan 2020/III**	**Stock Option Plan 2020/II (Tranche 1)**	**Stock Option Plan 2020/II (Tranche 2a)**	**Stock Option Plan 2020/II (Tranche 2b)**
Number of options opted for cash settled	45,000	330,000	116,000	8,000
Date of grant of options	Jan 15, 2021	Jan 15, 2021	Apr 26, 2023	May 23, 2023
Term of options	10 years	10 years	10 years	10 years
Expected life of options	7 years	7 years	7 years	7 years
Fair value on the modification date (November 18, 2024)	EUR 42.99	EUR 42.99	EUR 46.07	EUR 51.08
Dividend yield (on modification date)	0.00%	0.00%	0.00%	0.00%
Expected volatility (on modification date)	44.28%	44.28%	42.96%	42.90%
Risk–free interest rate (on modification date)	2.20%	2.20%	2.21%	2.21%
Dividend yield (on reporting date)	0.00%	0.00%	0.00%	0.00%
Expected volatility (on reporting date)	44.83%	44.83%	43.20%	43.24%
Risk–free interest rate (on reporting date)	2.19%	2.19%	2.25%	2.25%
Fair value on the reporting date	EUR 30.67	EUR 30.67	EUR 33.82	EUR 37.98
Model used	Black-scholes	Black-scholes	Black-scholes	Black-scholes

The movement of the cash-settled stock options is as follows:

	2024		2023	
	Number of stock options	Weighted average exercise price (EUR)	Number of stock options	Weighted average exercise price (EUR)
Outstanding at 1 January	-	-	-	-
Conversion of equity settled options into cash settled options	499,000	98.71	-	-
Options issued during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 December	499,000	98.71	-	-
Exercisable at the end of the year	-	-	-	-

The liabilities for the cash-settled stock options is as follows:

	2024	2023
	kEUR	kEUR
Total carrying amount of cash-settled options liabilities	14,443	-
Total intrinsic value of liabilities of cash-settled options for vested benefits	-	-

The movement of liabilities for the cash-settled stock options is as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Opening balance as at Jan 1	-	-
Reclassification from capital reserve on modification	13,893	-
Expense during the year	550	-
Closing balance as at Dec 31	**14,443**	**-**

Employee Share Participation Program

On January 16, 2023, Nagarro rolled out the MyN (My Nagarro) program, an Employee Share Participation Program ("ESPP"), globally for every Nagarrian whereby for every multiple of 3 shares purchased and held by the employees ("investment shares") for 3 years (while staying a Nagarrian), 1 free matching share will be given by Nagarro. The program had two offering windows (Tranche 1 and Tranche 2) in 2023 and one offering window (Tranche 1) in 2024 with an annual maximum contribution of EUR 2,500 per employee, for all employees, and a higher contribution limit offered by exception in certain special cases.

Since matching shares are equity instruments of Nagarro SE, ESPP is accounted for as an equity-settled share-based payment scheme in line with IFRS 2. Once all eligible employees have decided upon their yearly participation, the fair value of the equity instrument granted is calculated and fixed for each tranche on the basis of proportional share price at the grant date taking into consideration the discounted estimated dividends.

The development of acquired investment and estimated matching shares, as well as the parameters used for the calculation of the fair value are as follows:

	Tranche 1a (Feb 2023)	Tranche 1b (May 2023)	Tranche 2 (December 2023)	Tranche 1 (June 2024)
Investment period	February 8 - 20, 2023	May 8 - 21, 2023	November 20 - December 1, 2023	May 15 - May 28, 2024
Grant date	February 20, 2023	May 25, 2023	December 13, 2023	June 6, 2024
Matching date	February 20, 2026	May 26, 2026	December 11, 2026	June 5, 2027
Reporting date	December 31, 2024	December 31, 2024	December 31, 2024	December 31, 2024
Acquired investment shares	12,834	447	6,837	5,142
thereof forfeited investment shares	(1,323)	-	(300)	(141)
Estimated matching shares	4,278	149	2,279	1,714
thereof forfeited matching shares	(441)	-	(100)	(47)
Fair value at grant date	€ 124.40	€ 79.50	€ 87.60	€ 82.20
recognized estimated dividend	€ 0.00	€ 0.00	€ 0.00	€ 0.00
Estimated leavers	15%	15%	15%	15%

Other information relating to the share-based payment arrangements

Against the grant of these equity-settled stock options and ESPP, Nagarro has recognized an expense of kEUR 3,206 (December 31, 2023: kEUR 3,815) and recognized its corresponding effect in capital reserve (refer Note C.11. Equity). Against the converted cash-settled stock options, Nagarro has recognized an expense of kEUR 550 (December 31, 2023: kEUR 0).

The detailed breakup of the expense of share-based payment arrangement is as follows:

	Dec 31, 2024	Dec 31, 2023
	kEUR	kEUR
Equity-settled stock options expense - SOP - routed through capital reserve	2,999	3,686
Equity-settled stock options expense - ESPP - routed through capital reserve	207	130
	3,206	**3,815**
Cash-settled stock options expense - SOP - routed through financial liabilities	550	-
	550	**-**
Total share-based payment expenses	**3,756**	**3,815**

The weighted average remaining contractual life for the equity-settled stock options outstanding, cash-settled stock options outstanding and ESPP as at December 31, 2024 was 0.7 years (2023: 1.6 years), 0.6 years (2023: Nil) and 1.6 years (2023: 2.4) respectively.

The weighted average fair value of equity-settled options and ESPP granted during the year was EUR Nil (2023: EUR 46.17) and EUR 82.20 (2023: EUR 110.89) respectively. The weighted average fair value of cash-settled options at the reporting date was EUR 32.36 (2023: EUR Nil).

The Stock Option Plans' exercise prices range from EUR 91.55 to EUR 110.08 per stock option.

9. Financial risk management

The financial instruments of Nagarro are subject to various risks, such as liquidity risks, credit risks and market risks from changes in market prices and exchange rates. For the identification, evaluation and limitation of these risks, tiered risk management and control systems are used. Nagarro also implements safeguards and concludes hedges for the avoidance, early identification and mitigation of risks arising from financial instruments.

Risk management is an integral part of the strategic planning and implementation of our business model, whereby the Management Board is responsible for defining the risk policy. The risk management system comprises various components such as risk strategy and planning, risk identification, risk analysis, risk assessment and risk measures. These structures established by the Management Board are intended to enable the early identification, thorough analysis, assessment and appropriate treatment of potential risks. In accordance with the organizational structure and the defined responsibilities at Nagarro, the senior management as risk owners are obliged to regularly review the risks assigned to them and related developments in their business units, to develop appropriate countermeasures and to report on these to the central Risk and Compliance Team.

Nagarro's risk management system is based on a comprehensive, interactive and management-oriented approach that is integrated into the corporate structure and takes into account both risks and opportunities. Our risk management approach is based on the internationally recognized standards of the COSO framework (Committee of Sponsoring Organizations of the Treadway Commission) and has been tailored specifically to Nagarro's requirements. Among other things, risk-bearing capacity is applied by using Monte Carlo Simulation to model the impact of uncertainties and variability in the financial parameters on long-term stability. In the simulation, the aggregated risks are compared with a portfolio figure (50% of the planned Group equity as at 31 December 2025) and a liquidity figure (freely available cash and cash equivalents and available syndicated loans as at 31 December 2025).

The focus of our risk management system is on preventive measures based on a risk management cycle and risk assessment carried out at least once a year by the central Risk and Compliance Team at Group level in all business units. Nagarro has established a risk management system with four main categories: financial, operational and strategic, regulatory risks and risks caused by "bad actors". The process of early risk detection comprises risk identification, risk assessment, risk communication, risk management, risk control and continuous monitoring of the early detection system. If significant risks are identified, both the Management Board and, if necessary, the Supervisory Board are informed immediately.

The risk management function is organized according to the hub-and-spoke principle. The central Risk and Compliance Team, which is led by a member of the Management Board, acts as a central body responsible for operational activities at a central level. The Risk and Compliance Team works regularly with functions that primarily deal with risk topics, such as the Security Council, the Global Privacy Council and the legal team, which manages customer contracts.

Nagarro's business operating system, Ginger, enables the hub-and-spoke concept by facilitating data collection from the various operational functions for the central Risk and Compliance Team. The risk register was developed according to the principle of "low touch, lean and scalable" as a bidirectional process that is geared towards a dialogue between the decentralized risk owners and central risk management. "Low touch, lean, and scalable" describes a process design that focuses on minimal human intervention (low touch), efficient use of resources (lean) and the ability to adapt quickly to growing requirements (scalable). Risks are identified and reassessed at least once a year. Risks are assessed according to their financial impact and the probability of their occurrence. The risk owner also defines measures to mitigate and avoid risks and evaluates the effectiveness of these measures. If individual operational and strategic risks are countered by aligning the business model accordingly, these are not reported and assessed as separate risk mitigation measures. The entries are assigned to the risk register, which is managed by the Risk and Compliance Team. The forecasting activities cover the foreseeable future of one year.

These figures form the basis for risk aggregation using a Monte Carlo Simulation, which is used to determine risk-bearing capacity. The risk-bearing capacity analysis showed that the company is viable in all scenarios.

The risk-bearing capacity is assessed not only for the overall risk situation, but also for each of the risk categories listed below. Management does not see any threat to the Nagarro Group's status as a going concern. The current risks for the Nagarro Group are not considered to jeopardize its status as a going concern and are readily acceptable. Nagarro's financial resources are stable, and its liquidity requirements are currently covered by existing liquidity and available financing instruments.

a. Liquidity risks

Liquidity risk is the risk that Nagarro may not be able to meet obligations associated with its financial liabilities. Our aim is to have sufficient liquidity to conduct our business smoothly. We manage liquidity by continuously monitoring it, forecasting our cash inflows and outflows and taking appropriate measures as required. In order to ensure sufficient liquidity at all times, we utilize bank loans, leasing and rental agreements (for the procurement of computers and equipment as well as for buildings) and factoring options to finance our business operations and investment activities. On December 31, 2024, the financial liabilities of Nagarro amounted to kEUR 453,264 (December 31, 2023: kEUR 393,647), of which kEUR 86,132 (December 31, 2023: kEUR 89,176) are due within one year.

As of December 31, 2024, 100% of the current financial liabilities (December 31, 2023: 100%) were covered by current financial assets in the amount of kEUR 419,749 (December 31, 2023: kEUR 307,907).

Current net liquidity from financial assets and liabilities increased by kEUR 96,420, from kEUR 189,513 as at December 31, 2023 to kEUR 285,933 as at December 31, 2024. Nagarro has sufficient factoring agreements in the USA and Germany. Nagarro also has a syndicated revolving credit facility totaling kEUR 350,000. These euro-denominated loans under the syndicated loan facility amounted to a total of kEUR 319,500 (December 31, 2023: kEUR 267,050). These revolving loans have a variable interest rate based on the three-month or six-month Euribor (depending on the interest period) plus a margin of 1.75 (December 31, 2023: 1.75) percentage points as at December 31, 2024. The unutilized portion of the loan carries interest at 35% of the margin rate of the utilized loan. In the financial year 2024, the loans had an average interest rate of 5.54% p.a. (2023: 4.94%). The unutilized portion of the loan was subject to an average interest rate of 0.61% p.a. (2023: 0.57%). At the end of 2024, Nagarro had unutilized balance of syndicated loan facility amounting to kEUR 30,500 (December 31, 2023: kEUR 82,950).

The covenant package for our syndicated loan contains the usual restrictions on total net debt and minimum equity thresholds. In general, a breach of the financial covenants harbors the risk of an event of default which, if not cured within the remediation period, may lead to a default under the credit facility. However, this is mitigated by regular and careful monitoring of the covenants by the Finance Council and compliance with a safety margin to the relevant thresholds as well as a contractual escalation mechanism that the risk is considered as a medium risk.

Future undiscounted cash flows associated with financial liabilities were as follows based on contractually agreed terms and conditions at the respective balance sheet dates:

	Dec 31, 2024	**Maturity within one year**		**Maturity between one and five years**		**Maturity later than five years**	
	Total	**Repayment**	**Interest**	**Repayment**	**Interest**	**Repayment**	**Interest**
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE	319,500	-	19,603	319,500	31,261	-	-
Loan from factor of Nagarro GmbH, Germany	2,441	2,441	-	-	-	-	-
Liabilities from factoring	5,688	5,688	-	-	-	-	-
Bank loan of Nagarro GmbH Austria	492	252	4	240	7	-	-
Bank loan of Advanced Programming Solutions Limited	153	102	2	52	0	-	-
Loan of Nagarro ES GmbH	2,433	695	69	1,737	76	-	-
Loan of FWD View Limited, United Kingdom	131	47	8	84	7	-	-
Trade payables	17,076	17,076	-	-	-	-	-
Derivative financial instruments	104,705	104,705	-	-	-	-	-
Liabilities from acquisitions	6,527	1,431	26	5,096	628	-	-
Other financial liabilities	8,954	8,954	-	-	-	-	-
	468,099	**141,390**	**19,712**	**326,709**	**31,980**	**-**	**-**

	Dec 31, 2023	Maturity within one year		Maturity between one and five years		Maturity later than five years	
	Total	Repayment	Interest	Repayment	Interest	Repayment	Interest
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Syndicated loan of Nagarro SE	267,050	-	13,445	267,050	24,755	-	-
Working capital facility of Nagarro Software Pvt. Ltd.(secured)	2,700	2,700	14	-	-	-	-
Working capital facility of Nagarro Enterprise Services Pvt. Ltd. (secured)	500	500	4	-	-	-	-
Liabilities from factoring	2,346	2,346	-	-	-	-	-
Bank loan of Nagarro Software SRL	43	43	0	-	-	-	-
Mortgage of Advanced Technology Consulting Service Pvt. Ltd. (secured)	574	239	25	334	7	-	-
Bank loan of Nagarro GmbH Austria	352	-	3	352	6	-	-
Bank loan of Advanced Programming Solutions Limited	253	100	4	153	2	-	-
Loan of MBIS	3	3	1	-	-	-	-
Loan of Nagarro ES GmbH	1,843	474	74	1,369	100	-	-
Trade payables	17,936	17,936	-	-	-	-	-
Derivative financial instruments	82,613	82,613	-	-	-	-	-
Liabilities from acquisitions	11,843	8,960	32	2,883	308	-	-
Other financial liabilities	6,498	6,498	-	-	-	-	-
	394,555	**122,413**	**13,602**	**272,141**	**25,179**	**-**	**-**

In addition to the tables above, financial liabilities include lease liabilities in the amount of kEUR 54,482 (December 31, 2023: kEUR 48,693), the details, including undiscounted lease liabilities, of which are included in Note C.4. Right-of-use assets and lease liabilities.

b. Credit risks

For financial assets, a general risk exists that customers or contracting parties will not meet their obligations and that contract assets, receivables and other financial assets, including loans granted, default. Credit risks arise from operations and from certain financing activities. Our goal is to keep the ratio of default to customer revenue within the acceptable limit of 1%. We manage our default risk by evaluating the financial health of a prospective customer at the beginning of the engagement and setting up their credit terms accordingly. For existing customers, receivables are managed and incoming payments tracked on a decentralized basis in the Nagarro companies. The theoretical maximum credit risk corresponds to the carrying amount totaling kEUR 437,843 (December 31, 2023: kEUR 329,716). Impairments of kEUR 7,790 (December 31, 2023: kEUR 6,262) were recognized on the gross amount of total customer receivables and other financial assets as of December 31, 2024. The impairment ratio on the gross amount was 1.7% (December 31, 2023: 1.9%).

Impairment losses on financial assets, trade receivables and contract assets recognized in statement of comprehensive income are as follows:

	2024	2023
	kEUR	kEUR
Impairment of trade receivables and contract assets	3,015	4,112
Recognized in income statement	**3,015**	**4,112**

The specific credit risks are as follows:

Contract assets and trade receivables

Nagarro has a broad-based customer structure which minimizes larger individual risks. The largest individual customer accounted for about 4% (2023: 4%) of revenue of Nagarro in 2024. Trade receivables are generally due within 14 days to 120 days. Credit checks occur on a regular basis for customers with whom Nagarro has an ongoing business relationship. The creditworthiness of new customers is checked before order commitments are made and additional information is obtained in specific cases. If customers default on payments, the steps required to collect the receivables are taken in a timely manner. Where possible, trade receivables are subject to retention of title which expires only when the respective receivable is paid. Currently Nagarro has no indications that the credit risk for financial assets exceeds the carrying amount.

As Nagarro's trade receivables or contract assets do not contain a significant financing component, it uses simplified approach of ECL and recognizes lifetime ECL. Under the simplified approach in accordance with IFRS 9 expected credit losses on trade receivables are calculated on the basis of calculated loss rates derived from historical and forecast data and taking into account the respective customer and the economic environment of the region. The management also considers the factors that may influence the credit risk of its customers, including the default risk associated with industry and country in which the customer operates. Nagarro uses the customer's country risk premium as the forward-looking rate for ECL.

Impaired receivables and the respective accumulated impairments are derecognized if there is no probability of payment. Trade receivables generally do not bear interest. Nagarro does not require collateral in respect of the trade receivables and contract assets and thus does not have any loss allowance due to collateral.

As of December 31, 2024, the exposure to credit risk for trade receivables and contract assets by geographic region is as follows:

	2024	2023
	kEUR	kEUR
North America	72,504	56,153
Central Europe	77,495	62,225
Rest of Europe	26,685	28,288
Rest of World	66,161	60,129
	242,844	**206,795**

As of December 31, 2024, the exposure to credit risk for trade receivables and contract assets by customer's industry is as follows:

	2024	2023
	kEUR	kEUR
Automotive, Manufacturing and Industrial	57,204	46,900
Energy, Utilities and Building Automation	14,189	15,214
Financial Services and Insurance	26,004	29,306
Horizontal Tech	13,432	16,041
Life Sciences and Healthcare	17,806	19,211
Management Consulting and Business Information	16,008	7,070
Public - US	30,145	6,152
Non-profit - US	8,987	4,057
Rest Public, Non-profit and Education	2,887	16,703
Retail and CPG	28,405	23,203
Telecom, Media and Entertainment	11,321	11,633
Travel and Logistics	16,457	11,304
	242,844	**206,795**

The past due structure of contract assets and trade receivables is as follows:

	As at Dec 31, 2024	Not past due	Days past due			
			1-90	91-180	181-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	2%	5%	25%	94%
Gross carrying amount						
Contract assets	15,961	15,961	-	-	-	-
Customer receivables	226,884	159,795	41,415	16,736	3,990	4,947
Total	242,844	175,756	41,415	16,736	3,990	4,947
Impairment	(7,552)	(257)	(846)	(794)	(1,006)	(4,650)
Carrying amount	235,292	175,499	40,569	15,942	2,985	297

	As at Dec 31, 2023	Not past due	Days past due			
			1-90	91-180	181-360	>360
	kEUR	kEUR	kEUR	kEUR	kEUR	kEUR
Expected loss rate		0%	1%	5%	46%	71%
Gross carrying amount						
Contract assets	18,470	18,470	-	-	-	-
Customer receivables	188,325	117,540	53,636	8,349	4,721	4,079
Total	206,795	136,010	53,636	8,349	4,721	4,079
Impairment	(5,837)	(47)	(271)	(435)	(2,184)	(2,900)
Carrying amount	200,958	135,963	53,365	7,914	2,537	1,179

Impairment losses on ECL on trade receivables, contract assets and other financial assets have developed as follows:

	2024	2023
	kEUR	kEUR
Balance as of January 1	6,261	6,554
Impairment of trade receivable and contract assets	3,015	4,112
Reversal	-	(3,332)
Bad debt written off	(1,401)	(990)
Currency differences	(86)	(83)
Balance on December 31	7,789	6,261

The theoretical maximum exposure to credit risk at the end of the reporting period in respect of trade receivables and contract assets is kEUR 242,844 (December 31, 2023: kEUR 206,795). Nagarro limits its exposure to credit risk from customer receivables by a maximum payment period of 120 days.

Other financial assets

Nagarro uses general approach for the measurement of expected credit loss. It takes into consideration credit rate / assessment, credit risk relating to various other financial assets and uses country risk premium as forward-looking rate for arriving at impairment of

expected credit loss. The gross carrying amounts before impairment losses and net carrying amounts of other financial assets are shown in the following tables:

	At amortized cost			
Dec 31, 2024	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	kEUR	kEUR	kEUR
Gross value before loss allowance	9,330	-	-	9,330
Loss allowance	(238)	-	-	(238)
Residual carrying amount	9,093	-	-	9,093

	At amortized cost			
Dec 31, 2023	**Expected 12-month credit loss**	**Lifetime ECL - no credit impaired**	**Lifetime ECL - credit impaired**	**Total**
	kEUR	kEUR	kEUR	kEUR
Gross carrying amount	18,828	-	-	18,828
Loss allowance	(425)	-	-	(425)
Amotized cost	18,403	-	-	18,403
Carrying amount	**18,403**	**-**	**-**	**18,403**

	At amortized cost			
2024	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	**kEUR**	**kEUR**	**kEUR**
Balance as at January 1	425	-	-	425
Net revaluation of loss allowance	(185)	-	-	(185)
Reclassification to lifetime expected credit loss - no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(2)	-	-	(2)
Balance as on December 31	238	-	-	238

	At amortized cost			
2023	Expected 12-month credit loss	Lifetime ECL - no credit impaired	Lifetime ECL - credit impaired	Total
	kEUR	**kEUR**	**kEUR**	**kEUR**
Balance as at January 1	564	-	-	564
Net revaluation of loss allowance	(127)	-	-	(127)
Reclassification to lifetime expected credit loss -no credit-impaired	-	-	-	-
Reclassification to lifetime expected credit loss - credit-impaired	-	-	-	-
Currency differences	(12)	-	-	(12)
Balance as on December 31	425	-	-	425

Derivative assets

Derivatives are entered into with banks that are considered financially sound. To diversify the risk, various banks are used. Nagarro takes into consideration credit ratings of the different banks and uses country risk premium as forward looking rate for arriving at impairment of expected credit loss. As of December 31, 2024, there were assets resulting from foreign exchange forward transactions of kEUR 890 (December 31, 2023: kEUR 232). There was no material impact of expected credit loss and no loss has been recognized on the derivative assets.

Cash

Nagarro uses general approach for the measurement of expected credit loss on cash. To diversify the risk business relationships are maintained with various banks.Cash is deposited with banks that have a first-class rating. As of December 31, 2024, Nagarro had cash of kEUR 192,567 (December 31, 2023: kEUR 110,123). There was no material impact of expected credit loss on cash and no loss has been recognized on cash.

c. Interest rate risks

Our significant portion of the financial liabilities have floating interest rates and are subject to the risk that interest rates can change and thereby impact the results of Nagarro. Our aim is to minimize interest cost for Nagarro. So, we leverage our relationship in lower interest rate regions for getting loan facilities on attractive terms. The interest rates we receive are often linked to conditions, e.g. in the case of our syndicated loan facility. The finance team regularly reviews compliance with our covenants and takes financial measures to ensure that our ratio of net debt to EBITDA is within acceptable limits. A deterioration in interest costs due to these covenants is currently not expected.

The floating rate financial liabilities totaled kEUR 326,402 on December 31, 2024 (December 31, 2023: kEUR 268,522). A change in interest rates by 100 basis points p.a. would result in an increase or decrease in the financial result of kEUR 3,264 in 2024 (2023: kEUR 2,685). In this case and applying a tax rate of 27% (2023: 27%), equity would increase or decrease by kEUR 2,383 (December 31, 2023: kEUR 1,960).

Nagarro monitors the interest rate situation and adjusts its strategy accordingly.

d. Currency risks

Our use of financial instruments for risk management is limited to hedging currency risk. Currency risk is the risk that exchange rates may fluctuate and affect our results. Since we operate worldwide, we often invoice our customers in non-Euro currencies or pay our employees in other currencies. Currency fluctuations can affect both our revenue and our profitability. The goal of our efforts is to reduce its negative impact on the profitability. We can often renegotiate billing rates to compensate for unfavorable changes in exchange rates. However, there is a short-term currency risk, which we partially mitigate through currency hedging for the largest service region, India.

This hedging is not carried out at the level of individual transactions, but on the basis of the aggregate receivables of the Indian entities. In 2024, we mainly hedged five (2023: five) currency pairs over the course of the year: USD-INR [USD 160.5 million hedged] (2023: USD 165.8million hedged), EUR-INR [EUR 48.4 million hedged] (2023: EUR 62.0 million hedged), SEK-INR [SEK 51.6 million hedged] (2023: SEK 89.4 million hedged), GBP-INR [GBP 11.2 million hedged] (2023: GBP 11.5 million hedged) and AUD-INR [AUD 8.3 million hedged] (2023: AUD 7.0 million hedged).

In addition, we have a natural hedge in high-turnover regions such as the USA and Germany. A significant proportion of our revenue and expenses are denominated in the respective local currency. To ensure the intended effectiveness, the currency hedging follows a documented policy. The policy involves a monthly process to hedge a fixed fraction (typically 1/12) of the expected receivable for each month up to one year in the future if still unhedged. There is also a mechanism allowing some room for hedging beyond that, with adequate oversight and amount limits. The maximum term is one year.

We may also be exposed to currency risk if we acquire companies at a purchase price that is denominated in a non-Euro currency. In these cases, too, we consider hedging our currency risk.

The following sensitivity analysis shows the impact of currency risks (including the impact of forward foreign currency contracts) in accordance with IFRS 7 for the most important foreign currencies in the event of a strengthening or weakening of the foreign currency by 5 percent against the EUR. All monetary assets and liabilities denominated in a foreign currency different from the functional currency of the respective Nagarro company were analyzed at the respective balance sheet date and sensitivity analysis was carried out for the respective currency pairs, to show the net risk and its impact on profit for the period and equity. This analysis assumes that all other variables, in particular interest rates, remain constant.

2024	Profit before tax for the period	
Effect in kEUR	**5% increase**	**5% decrease**
INR	4,025	(3,748)
USD	(8,674)	9,118
SAR	(655)	724
AED	(541)	598
DKK	(295)	327

2023	Profit before tax for the period	
Effect in kEUR	**5% increase**	**5% decrease**
INR	(668)	1,428
USD	(10,928)	11,693
SAR	-	-
AED	(184)	203
DKK	136	(151)

Nagarro hedges some of the cash flows to reduce its currency risks. Details are provided in Note C.18. Financial instruments.

10. Governing bodies of Nagarro SE

Supervisory Board

The members of the Nagarro SE Supervisory Board during the year end 2024 were as follows:

Member	Membership with Nagarro SE	Additional information
Carl Georg Dürschmidt	Chairperson since August 10, 2020 Member and Deputy Chairperson from February 19, 2020 to August 10, 2020	Chairperson of the supervisory board of Allgeier SE (since September 30, 2022) Diplom-Betriebswirt (Business Administration), Resident of Bad Abbach, Germany
Shalini Sarin	Member since October 31, 2020	Executive Director at Elektromobilitat India Private Limited and Telenergy Technologies Private Limited, Resident of Delhi, India
Christian Bacherl	Member since November 8, 2022 Deputy Chairperson since November 16, 2022	Managing Partner of ACCNITE Partners GmbH Diplom-Betriebswirt (Business Administration), B.Sc. (Computer Sciences) Resident of Vaterstetten-Baldham, Germany
Vishal Gaur	Member since June 26, 2023	Professor of Operations, Information and Technology Management at the Samuel Curtis Johnson Graduate School of Management, Cornell SC Johnson College of Business, Cornell University Resident of Ithaca, New York, USA

Further memberships of the supervisory board members of Nagarro SE in other supervisory or management boards:

Carl Georg Dürschmidt

- Member of the supervisory board at: Allgeier SE (since July 7, 2022, Chairperson of the supervisory board since September 30, 2022), Allgeier Public SE (since March 7, 2023)
- Chairperson of the supervisory board at: Allgeier Management AG, Allgeier Experts SE, and Allgeier Enterprise Services AG (until September 30, 2021)
- Chairperson of the management board at: Allgeier SE (until September 30, 2021)

Shalini Sarin

- Member of the board at: Linde India Ltd; Meritor HVS (India) Ltd.; Automotive Axles Ltd.; and Kirloskar Oil Engines Ltd.; Sagility India Pvt. Ltd.; and Schneider Electric India Pvt. Ltd.

Christian Bacherl

- Managing Director of Halidon Ventures GmbH (until February 28, 2023)

Vishal Gaur

- Member of the Advisory Board of DIBIZ Pte. Ltd, Singapore

Total remuneration of the members of the Supervisory Board in the 2024 financial year was kEUR 713 (December 31, 2023: kEUR 638) out of which kEUR 178 (December 31, 2023: kEUR 178) were outstanding as at the balance sheet date and were paid subsequently. Refer Nagarro remuneration report 2024 for details.

Management Board

The members of the Nagarro SE Management Board at the year-end 2024 were as follows:

Member	Membership with Nagarro SE	Additional information
Manas Human	Member since July 15, 2020 (Chairperson) Custodian of Entrepreneurship in the Organization	**Primary area(s) for responsibility:** - Representing the company; deciding the roles, remuneration, hiring, relieving of senior management outside management board **Other information:** - PhD in Engineering - Resident of Gurugram, India
Vikram Sehgal	Member since July 15, 2020 Custodian of Operational Excellence	**Primary area(s) for responsibility:** - Finalization of budgets and financial statements. **Other information:** - Bachelor of Engineering - Resident of Los Altos, USA
Annette Mainka	Member since July 15, 2020 Custodian of Regulatory Compliance	**Primary area(s) for responsibility:** - Compliance with regulations in the different environments and contexts in which we operate. **Other information:** - Diplom-Betriebswirtin (Business Administration) - Resident of Munich, Germany

Further memberships of the management board members of Nagarro SE in other supervisory or management boards:

Manas Human

- Founder and Trustee of Re-Imagining Higher Education Foundation, since 2018
- Member of the Governing Body of Plaksha University, since 2023
- Managing Director of Halidon Ventures GmbH, since 2023
- Managing Director of All Nag Beteiligungs-GmbH & Co. KG, since 2023

Vikram Sehgal

- Board Member of Hundred Percentile Education Private Limited, since 2007
- Founder of Re-Imagining Higher Education Foundation, since 2019

Total remuneration of the members of the Management Board in the 2024 financial year for their services in that capacity was kEUR 1,444 (December 31, 2023: kEUR 987) out of which kEUR 851 (December 31, 2023: kEUR 549) was from Nagarro SE and kEUR 594 (December 31, 2023: kEUR 438) was from other Nagarro companies. This information is according to Section 314 No. 6 of the German Commercial Code (HGB). Refer Nagarro remuneration report 2024 for details.

Further, the remuneration of the board members for the entire year is also included in the key management remuneration.

11. Publication

Nagarro SE, Munich, is the company that prepares the consolidated financial statements for the largest and smallest group of companies. The consolidated financial statements are published in the company register and are available online at https://www.nagarro.com/en/investor-relations/financial-reports-and-publications.

The consolidated financial statements were approved for publication by the Management Board on May 14, 2025. The consolidated financial statements are published in the company register (Unternehmensregister).

The following companies included in the consolidated financial statements of Nagarro SE make full use of the exemption pursuant to Section 264 (3) of the German Commercial Code (HGB):

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany
- Nagarro ATCS GmbH, Stuttgart, Germany
- Infocore Engineering & IT Services GmbH, Kronberg im Taunus, Germany

Each of the following companies have a profit-sharing agreement with Nagarro SE:

- Nagarro ES GmbH, Kronberg im Taunus, Germany
- Nagarro GmbH, Munich, Germany

12. Corporate governance code

The statement on the Corporate governance code prescribed by Section 161 of the German Stock Corporation Act (AktG) was submitted and made accessible on the website of Nagarro SE.

13. Events after the balance sheet date

In the period between December 31, 2024, and the date when the consolidated financial statements were prepared by the Management Board and approved for publication, the following events of particular importance exist:

Treasury shares

On February 5, 2025, the Management Board of Nagarro SE resolved to make use of the authorization, which was granted by the shareholders' meeting of October 30, 2020, pursuant to Sec. 71 para. 1 no. 8 of the German Stock Corporation Act (Aktiengesetz, AktG) to repurchase shares of the Company until September 23, 2025, provided that these shares, together with other treasury shares which the Company has already acquired and still holds or which are attributable to it pursuant to Sections 71a et seq. of the German Stock Corporation Act (AktG), do not at any time account for more than 10% of the share capital. The 10%-limit is determined based on the amount of share capital at the time when the authorization became effective. The acquisition may be made on the stock exchange or by means of a purchase offer directed to all shareholders. The consideration for the acquisition of the shares (excluding incidental acquisition costs) may not exceed or fall below the arithmetic mean of the closing prices on the Frankfurt Stock Exchange in XETRA trading (or a comparable successor system) by more than 10%.

In aggregate, up to 684,384 shares of Nagarro SE shall be repurchased as part of a share buyback program, corresponding to a portion of the current nominal share capital of approximately 4.97%, subject to an overall purchase volume limit of EUR 70 million (excluding ancillary costs of purchase). Nagarro SE announced the terms of this share buyback program on February 6, 2025, in accordance with art. 5 para. 1 lit. a) of the Regulation (EU) no. 596/2014 and art. 2 para. 1 of the Commission Delegated Regulation (EU) no. 2016/1052.

The share buyback began from February 6, 2025 and will be carried out until September 19, 2025.

Further information is available online under shares buyback 2025.

Proposed dividend

The Management Board and Supervisory Board of Nagarro SE propose to the Annual General Meeting that a dividend of EUR 1.00 per no par value share carrying dividend rights be paid to shareholders from the unappropriated net income amounting to kEUR 22,053 and that the remaining amount be allocated to retained earnings.

The final amount of the total dividend payment depends on the number of no par value shares carrying dividend rights as of the date of the resolution on the appropriation of net income as adopted on the day of the Annual General Meeting.

Incorporation of a legal entity

Nagarro has incorporated one new legal entity in United Arab Emirates, namely Nagarro AI Limited and one new legal entity in Kazakhstan, namely Nagarro LLC.

Closure of a legal entity

Nagarro is in the process of closing its legal entity in Australia, namely Tech Mills (Australia) Pty Ltd.

Employee Share Participation Program

As part of MyN (My Nagarro) program, an Employee Share Participation Program ("ESPP"), the first offering period for year 2025 was from March 7, 2025 to March 18, 2025. Since matching shares are equity instruments of Nagarro SE, ESPP is accounted for as an equity-settled share-based payment scheme in line with IFRS 2.

The development of acquired investment and estimated matching shares, as well as the parameters used for the calculation of the fair value are as follows:

	Tranche 1 (March 2025)
Investment period	March 7, 2025 - March 18, 2025
Matching date	March 25, 2028
Acquired investment shares	7,296
thereof forfeited investment shares	-
Estimated matching shares	2,432
thereof forfeited matching shares	-
Fair value at grant date	€ 77.59
recognized estimated dividend	€ 0.00

Business combination of Notion Edge France SAS

By way of a business transfer agreement dated April 2, 2025, Nagarro France SAS, entered into a strategic business transfer of assets with Notion Edge France SAS ("Notion Edge"). Notion Edge specializes in SAP CX (Customer Experience) suite and delivers end-to-end SAP-enabled innovative solutions particularly within retail, CPG, B2B manufacturing and digital commerce sectors to help businesses with digital transformation. This transaction strengthens Nagarro's access to key industry players and allows clients to benefit from an expanded portfolio of customized end-to-end CX solutions that are aligned with the high standards of delivery quality. The transfer also enables wider access to the African market while reinforcing Nagarro's market position in Europe.

A maximum purchase price of EUR 3.5 million (including earnout payment of EUR 1.5 million, contingent payment of EUR 0.7 million and retention bonus of EUR 1 million) was agreed for the business transfer of Notion Edge. The closing of the deal has been done and the fixed component of purchase price of EUR 0.3 million was paid on April 2, 2025. The contingent payment of EUR 0.7 million is dependent on the achievement of target set for FY2025. The remaining purchase price is due between 2026 and 2029, depending on the achievement of targets set in the agreement.

The closing of the deal has been done and the business of Notion Edge has been acquired. Accordingly, the acquired business of Notion Edge will be included for the first time with Nagarro from April 2, 2025.

At the time the consolidated financial statements were authorized for issuance, Nagarro group has not yet completed the accounting for the business acquisition of Notion Edge. Accordingly, the fair values of the assets and liabilities acquired and other disclosures have not been made.

Covenants

In consultation with the banks, the submission of the covenant certificate has been postponed to May 31, 2025. Details can be found under C.12. Loans and borrowings.

Change in Supervisory Board members

Subsequent to the year end, Mr. Carl Georg Dürschmidt, Chairman of the Supervisory Board member, decided to step down for personal reasons effective as of May 1, 2025. On May 1, 2025 the Supervisory Board appointed Mr. Christian Bacherl as Chairperson, Ms. Shalini Sarin as Deputy Chairperson and Mr. Vishal Gaur as Chairperson of the audit committee of the Supervisory Board for the remaining term of office of the current Supervisory Board, i.e. until the conclusion of the upcoming AGM.

For the Management Board of Nagarro SE:

Manas Human	**Annette Mainka**	**Vikram Sehgal**
Chairperson	Member	Member

RELATED PARTY TRANSACTIONS

For details of the related party transactions for the six months period ended September 30, 2026 and during Fiscals 2026, 2025 and 2024, reported as per the requirements under Ind AS 24 'Related party disclosures' notified under Section 133 of the Companies Act read with Companies (Indian Accounting Standard) Rules 2015, as amended, please see the section titled "*Financial Information*" on page 103.

SUMMARY OF INDUSTRY

*The industry-related information contained in this section is derived from a report prepared by Zinnov Management Consulting Private Limited ("**Zinnov**") (the "**Zinnov Report**"), which has been exclusively commissioned and paid for by us to enable the investors to understand the industry in which we operate in connection with the Issue. Zinnov is an independent third party to our Company. The Zinnov Report is not a recommendation to invest in, sell or hold any securities of our Company.*

References to the information technology services industry in the Zinnov Report and information derived therefrom, are in accordance with the presentation, analysis and categorization in the Zinnov Report.

The Zinnov Report has been commissioned and paid for by our Company in connection with the Issue. The Zinnov Report is based on assumptions, estimates and projections made using data obtained from publicly available sources, industry databases and primary research, including interviews with industry participants. Zinnov has not independently verified the data or information from third-party sources used in preparing the Zinnov Report and does not guarantee the accuracy, adequacy or completeness of the data. Industry publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Market-size estimates, growth projections, competitive-positioning assessments and other forward-looking statements contained in the Zinnov Report are uncertain and may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. The recipient should not construe any of the contents in the Zinnov Report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the Issue. Unless otherwise indicated, financial, operational, industry and other related information derived from the Zinnov Report and included herein with respect to any particular year refers to such information for the relevant calendar year. For further information on the risks associated with reliance on the Zinnov Report, please see "Risk Factors — We have commissioned an industry report from Zinnov that is based on estimates, assumptions and projections that may prove to be inaccurate" on page 65.

1. Economic Outlook and Technology Investment Trends

Economic Outlook

Global nominal GDP increased from approximately USD 98.4 Tn in CY2021 to USD 118.2 Tn in CY2025, representing a CAGR of 4.7%. It is projected to reach approximately USD 151.4 Tn by CY2030, growing at a CAGR of 4.6% during CY2026–2030 according to the IMF.

Continued investment in digital infrastructure, cloud, enterprise software and technology modernization is supporting business expansion and economic activity across industries.

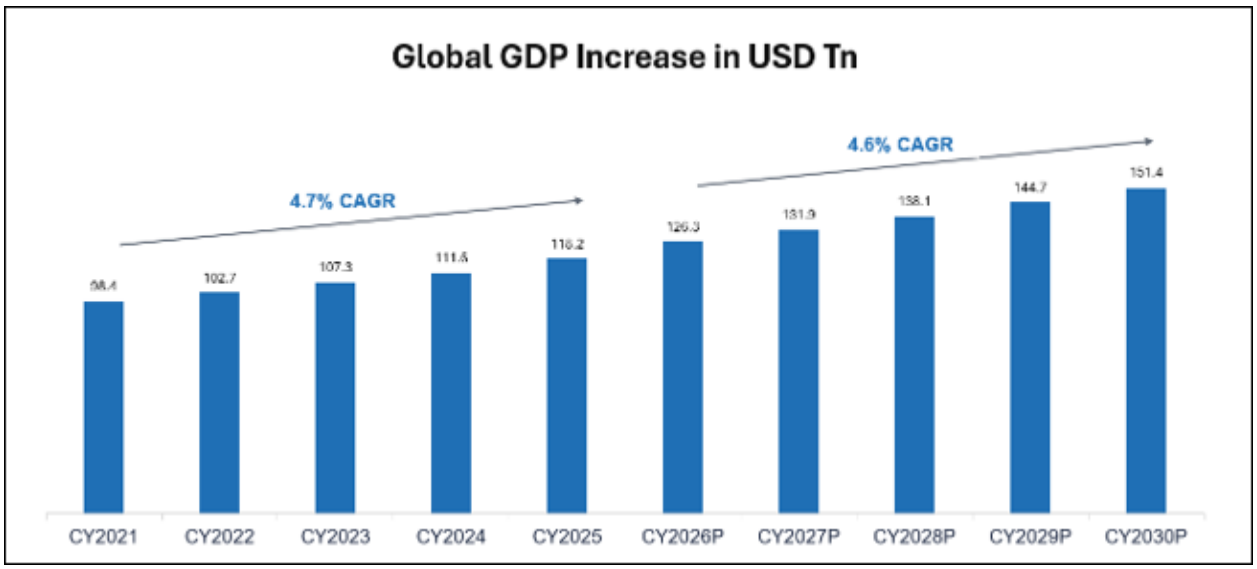


Fig 1: Increase in Global GDP (CY2021-CY2030P)

Source: International Monetary Fund; CY: Calendar year; P = Projected

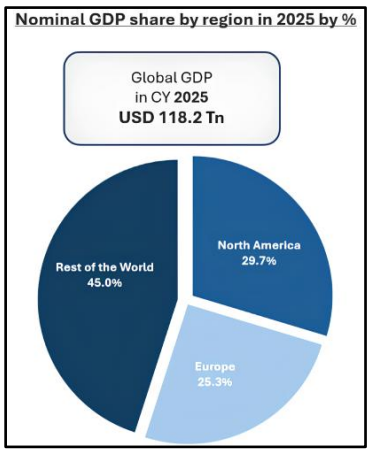


Fig 2: Global GDP distribution by regions
Source: International Monetary Fund

Together, North America and Europe accounted for 55% of global nominal GDP in CY2025, giving the two regions significant influence over global enterprise demand and investment. They represent two of the largest and most developed economic regions globally, supported by large consumer markets, mature enterprise ecosystems, and continued investment in technology and innovation. Both regions are expected to sustain economic expansion through CY2030, supported by continued investment in digital infrastructure, enterprise technology modernization, and technology-led innovation.

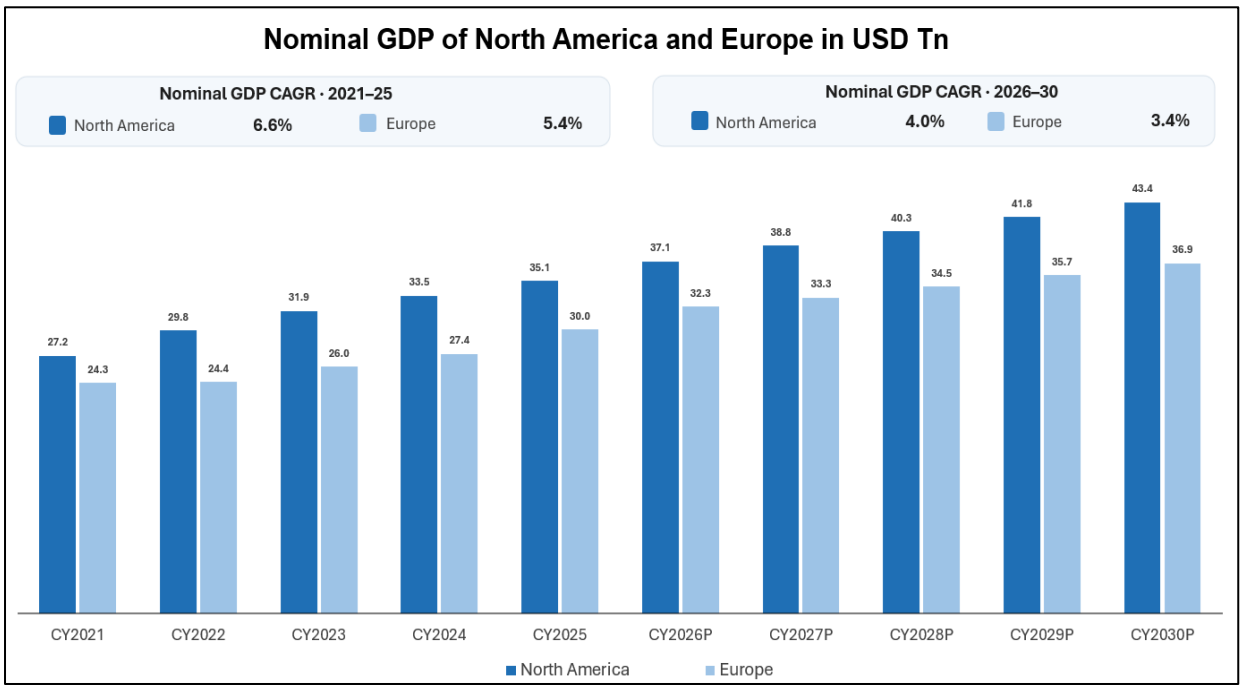


Fig. 3: Historical data of Nominal GDP Growth for North America & Europe (for CY 2021-30)
Source: International Monetary Fund; CY: Calendar year; P = Projected

North America and Europe combine deep digital infrastructure with high levels of technology adoption, supporting sustained investment in software, data, computing infrastructure and digitally enabled services.

Technology Investment Intensity

North America and Europe remain the principal global centres of enterprise technology adoption and digital infrastructure. Europe represents a large and increasingly technology-intensive market, with 52.7% of EU enterprises using paid cloud services in CY2025, up from 45.2% in CY2023 according to Eurostat in 2026. In

addition, 72% of EU businesses had reached at least a basic level of digital intensity. Eurostat measures digital intensity through its Digital Intensity Index (DII), which assesses enterprises across areas including e-business, e-commerce, ICT security, IoT, data analytics, AI and cloud computing; enterprises meeting at least 4 of the 12 criteria are considered to have reached a basic level of digital intensity.

North America is also seeing increasing adoption of advanced technologies. In the United States, U.S. Census Bureau in H1 CY2026 showed AI use among 17–20% of U.S. businesses, with 20–23% expecting to use AI within the following six months and adoption reaching 37% among large firms with 250+ employees. In Canada, 19.2% of businesses reported using AI over the 12 months preceding Q2 CY2026, rising to 27.8% among businesses with 100+ employees, according to Statistics Canada.

The continued growth in technology spending is being driven by several key trends shaping enterprise technology demand:

Deeper Technology penetration across Industries: Technology is becoming more deeply embedded across industries, increasing the amount of technology required to operate and compete. 2026 U.S. Census Bureau data shows that AI use reached 39.7% in Information and 33.9% in Finance and Insurance, highlighting stronger technology adoption in technology and BFSI sectors.

Cloud Adoption: Enterprises are continuing to shift toward cloud-native technology environments, increasing demand for cloud migration and modernization capabilities. A 2025 CNCF and SlashData study found that hybrid cloud usage rose from 22% in 2021 to 32% in 2025, while multi-cloud usage reached 26%, showing the continued expansion of distributed cloud architectures.

Technology Convergence: The boundaries between software, data, infrastructure, connectivity and engineering technologies are becoming increasingly interconnected, creating broader and more integrated technology requirements. In a 2025 World Economic Forum study, 76% of surveyed executives identified technology convergence as a top investment priority, while 53% reported already evaluating technologies in combination rather than independently.

Enterprise Technology Priorities/Trends

Enterprise technology priorities are increasingly centred on digital transformation and more flexible digital environments. In this context, Digital Transformation refers to the use of platforms and AI-led digital engineering to drive efficiencies, unlock new revenue streams and business models, improve customer experiences and lower costs. The World Economic Forum further notes that competitive advantage increasingly depends on bringing technologies, data and processes together, rather than deploying individual technologies in isolation.

Platform Engineering and Developer Platforms: Enterprises are building platform engineering capabilities to standardize and simplify software development environments. The 2026 Linux Foundation State of Tech Talent Report found that platform-engineering understaffing fell from 45% in 2025 to 34% in 2026, reflecting the increasing attention enterprises are placing on platform engineering as a technology priority.

Enterprise AI Adoption: AI is moving beyond experimentation and becoming part of enterprise applications, workflows and operations. In 2025, OECD reported that 20.2% of firms used AI in CY2025, up from 8.7% in CY2023, **with adoption reaching 52.0% among large firms**. Looking ahead, the 2025 Future of Jobs World Economic Forum report shows that 86% of employers expect AI and information-processing technologies to transform their business by CY2030, indicating further integration of AI across enterprise environments.

Legacy and Core Modernization: Aging applications and technology estates are increasingly becoming a barrier to digital transformation, AI adoption and more flexible operating models. The 2025 U.S. GAO report found that around 80% of more than USD 100 Bn in annual federal IT spending goes toward operating and maintaining existing IT investments, highlighting the scale of resources tied to legacy systems. Modernization is therefore becoming an important priority as enterprises seek to replace rigid architectures and integrate newer technologies.

Data and Cloud Platform adoption: Enterprises are generating larger volumes of data across transactions, applications, devices and documents, creating more complex data environments. Big Data refers to these large volumes of structured and unstructured data, generated at high speed, which exceed traditional systems and are processed through modern data platforms and AI to deliver insights, decisions and automation. Enterprises are therefore moving data and workloads to scalable cloud-based platforms to support growing storage and processing

requirements. A 2024 European Commission study estimated that cloud-based data flows across Europe reached approximately 46,000 petabytes and generated around USD 115.5 Bn in economic value, including approx. USD 83.1 Bn within the EU, reflecting the growing scale and importance of cloud-based data environments.

Expansion of Digital Engineering across verticals: Digital Engineering is increasingly extending beyond technology-native industries as enterprises embed engineering capabilities into digital products and platforms. In its 2025 Annual Strategic Review, NASSCOM noted that Digital Engineering was expanding into BFSI, Healthcare and Retail, with nearly two-thirds of large deals centred on this shift, highlighting the broadening role of engineering-led transformation across industries.

Cybersecurity and Resilience: As digital environments become more connected and business-critical, cybersecurity is becoming an increasingly important part of technology investment. The 2025 ENISA report noted that cybersecurity budgets accounted for 9% of IT budgets in 2025, with a median budget of approx. USD 1.7 Mn, while spending increasingly shifted toward technology and external services. This reflects the growing role of cybersecurity in enterprise technology environments.

Technology Market Structure

The technology market has three layers.

- **Hardware** covers the physical base: devices, servers, storage, networking equipment and semiconductors.

- **Software** covers the code enterprises license or subscribe to, from applications and SaaS to platforms and infrastructure software.

- **Services** cover the people and IP-led work that designs, builds, integrates and runs technology for enterprises. This report focuses on services.

The services market divides along funding source and scope of work.

- **IT services** are funded by the CIO and cover the systems a company relies on to run its business. They include IT consulting and advisory, application development and management, package implementation, enterprise data, analytics and AI, cloud and infrastructure, cybersecurity, digital CX and contact center, and intelligent automation.

- **Digital engineering** is funded by R&D budgets by the CTO or product owner and represents the portion of Engineering and R&D (ER&D) spend directed at digital technologies. This comprises spend on digital infrastructure, which modernizes how products are developed and launched, and spend on enabling new products and services, such as connected cars, wearables, and predictive asset maintenance. Digital engineering is underpinned by technologies including AI/ML, analytics, cloud, 5G, AR/VR, digital thread, and digital twin.

AI is changing how both kinds of services are delivered, through governed AI platforms, agentic workflows and providers' own tools and accelerators. These are shown as enablers, not a separate market, and are not sized on their own.

Legacy engineering spend, covering traditional mechanical, electronics, and embedded engineering without a digital component, completes the R&D pool but sits outside the focus of this report.

2. Technology Services Market: Digital Engineering (DE) and IT Services

Global Digital Engineering & IT Services spend

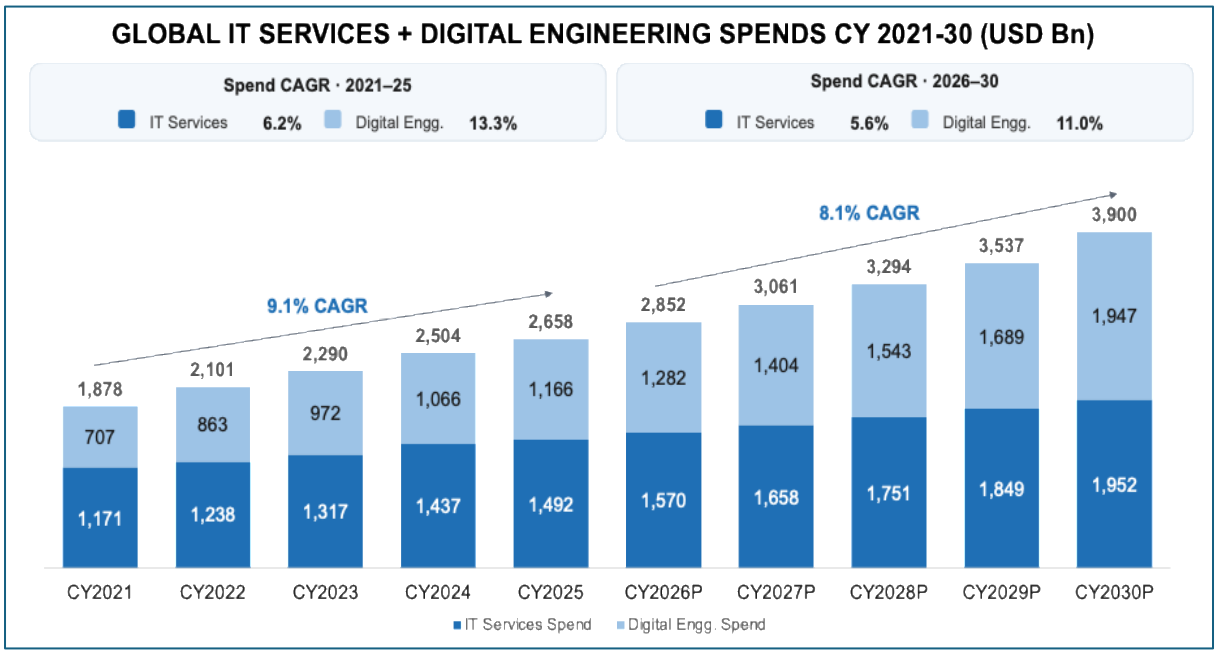


Fig. 4: Global IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

Global Digital Engineering and IT Services spend continues to expand as enterprises move beyond foundational cloud adoption toward AI-led transformation, modernization of core technology estates and software- and data-intensive business models. Technology spending is increasingly shifting toward engineering-led activities as enterprises build digital products, modernize platforms and embed AI across customer, operational and product workflows.

In CY2025, Global Digital Engineering and IT Services spend was estimated at USD 2,658 Bn, of which Digital Engineering accounted for approximately USD 1,166 Bn. The market expanded from USD 1,878 Bn in CY2021, reflecting a CAGR of 9.1% over the period. Growth between CY2021 and CY2025 was supported by cloud and data platform modernization, accelerated GenAI investment, and rising outsourcing of engineering workloads to third-party providers.

Looking ahead, the market is projected to increase to USD 3,900 Bn by CY2030, implying a CAGR of 8.1% between CY2026 and CY2030. Digital Engineering is projected to grow at 11.0% over this period against 5.6% for IT Services, as AI-led product development, cloud-native modernization and custom software engineering accelerate.

While technology services demand is broad-based across industries, technology spend does not move uniformly across the economy. Within the broader technology services market, Banking, Financial Services and Insurance (BFSI), Healthcare & Life Sciences (HLS), and Hi-Tech stand out as three significant demand pools, combining sizeable technology spend with high digital and engineering intensity. These verticals represent three distinct and highly relevant technology-spend archetypes: a large, services-intensive and regulated sector in BFSI; a compliance- and innovation-led ecosystem in HLS; and a digital-native, engineering-intensive sector in Hi-Tech.

BFSI: Includes banking, financial services and insurance organizations, including banks, insurers, payments and other financial-services institutions

HLS: Comprises of healthcare payers and providers, pharmaceutical companies and MedTech organizations.

Hi-Tech: Software and internet companies, including enterprise/software product companies, cloud- and platform-led businesses and internet-native firms.

Breakup by Key Industry Verticals

The three verticals share the same underlying shift toward engineering-led, AI-enabled spend, but differ in both their scale today and their pace of growth. **BFSI represents the largest IT services-led spend pool**, growing steadily off a high base; **HLS is mid-sized but compounding faster** as care and R&D digitize; and **Hi-Tech, carries the highest digital-engineering intensity and the fastest growth.**

Banking, Financial Services and Insurance (BFSI)

Technology spend in BFSI vertical spans across core transaction and policy platforms, payments, customer channels, risk and compliance, data infrastructure and increasingly AI-enabled workflows.

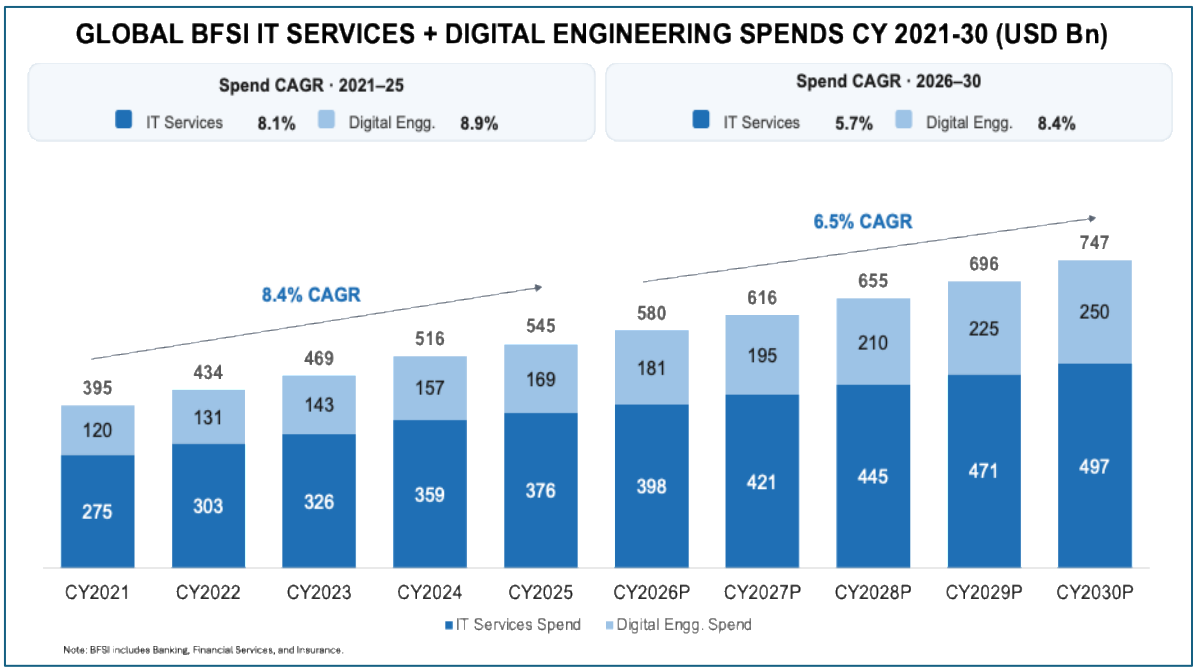


Fig. 5: Global BFSI IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

Global BFSI IT Services and Digital Engineering spend increased from USD 395 Bn in CY2021 to USD 545 Bn in CY2025, representing an 8.4% CAGR. IT Services remained the larger component, reaching USD 376 Bn in CY2025, while Digital Engineering increased from USD 120 Bn to USD 169 Bn. Growth across the two segments was relatively balanced over this period, 8.1% for IT Services and 8.9% for Digital Engineering, reflecting continued investment in core modernization alongside the build-out of digital platforms and products.

Growth is expected to moderate over CY2026–30. Total BFSI spend is projected to reach USD 747 Bn by CY2030, growing at approximately 6.5% CAGR from CY2026. While IT Services is expected to grow at 5.7%, Digital Engineering is projected to expand faster at 8.4%, taking Digital Engineering spend to USD 250 Bn by CY2030.

The key growth drivers identified for the BFSI vertical are:

Real-Time & Cross-Border Payment Transformation: A 2024 Bank for International Settlements (BIS) report highlighted that more than 100 jurisdictions worldwide have implemented fast payment systems, while initiatives like Project Nexus are working to interconnect domestic instant-payment networks across countries. This is expanding engineering requirements across payment orchestration, interoperability, fraud controls and real-time transaction processing.

Digital Risk, Fraud & Compliance Infrastructure: As financial services become more digital and interconnected, banks are strengthening identity, fraud detection, cybersecurity and regulatory data platforms. BIS identifies digital identity, interoperable payment networks and real-time fraud prevention as foundational

components of future-ready digital financial infrastructure, supporting continued investment in secure data architectures, compliance automation and AI-enabled monitoring.

GenAI Adoption: Banks and insurers are moving from GenAI pilots toward production use cases across customer service, document processing, KYC, underwriting, fraud detection and employee productivity, increasing demand for AI engineering, MLOps and governance platforms.

Core Banking & Legacy Modernization: Aging core systems are being progressively modernized to support real-time processing, faster product launches and integration with cloud-native applications, sustaining demand for platform engineering, migration and application modernization.

Healthcare and Life Sciences (HLS)

Technology spend in HLS spans clinical and patient platforms, drug discovery and development, connected medical devices, data and analytics, regulatory systems and increasingly AI-enabled workflows.

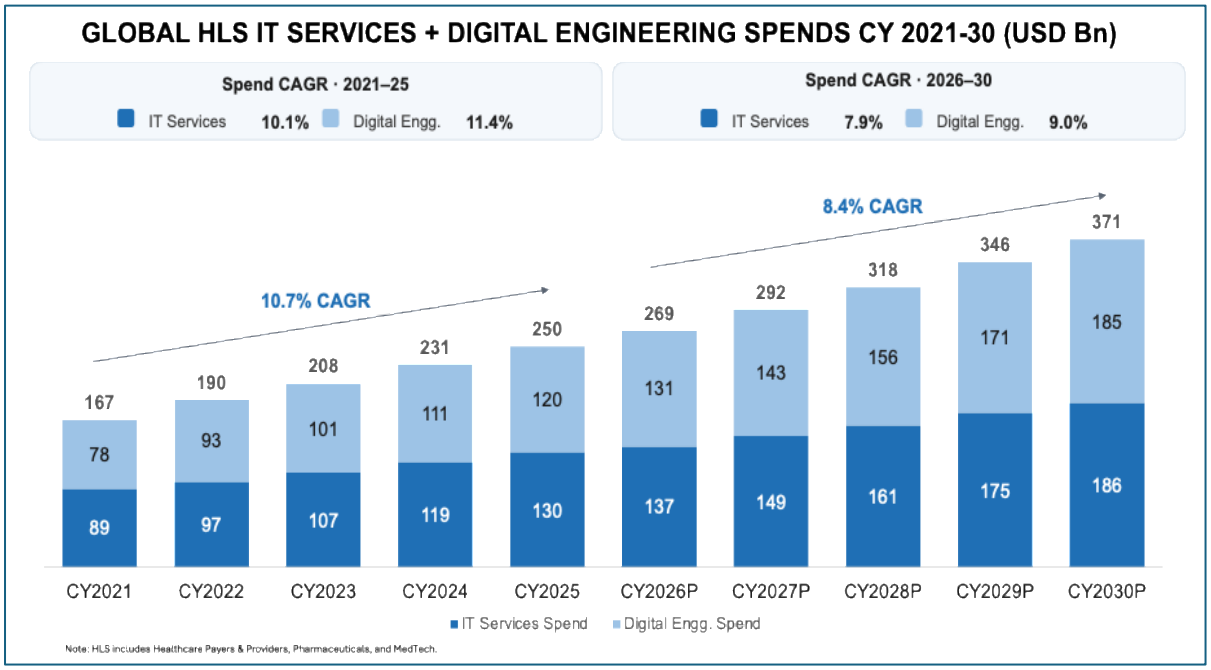


Fig. 6: Global HLS IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

Global HLS IT Services and Digital Engineering spend increased from USD 167 Bn in CY2021 to USD 250 Bn in CY2025, representing a 10.7% CAGR. Digital Engineering marginally outpaced IT Services over this period, growing at 11.4% compared with 10.1% for IT Services. Growth was supported by rising investment in digital health platforms, research and development digitisation, data infrastructure and software-enabled products.

In CY2026, total HLS spend stands at USD 269 Bn and is projected to reach USD 371 Bn by CY2030, implying an 8.4% CAGR over CY2026–30. Digital Engineering is projected to grow faster at 9.0%, compared with 7.9% for IT Services, taking Digital Engineering spend from USD 131 Bn in CY2026 to USD 185 Bn by CY2030.

The key growth drivers identified for the HLS vertical are:

Digital Health & Interoperability: Governments and health systems globally are increasing focus on connected and interoperable digital-health infrastructure. This is driving investment in interoperable health-data platforms, digital public infrastructure, API integration and standardized health information systems.

Technology-enabled Pharma & Clinical R&D: Clinical development is becoming increasingly data and technology-intensive, with greater use of electronic data capture, wearables, sensors and decentralized data sources. This increases demand for validated clinical platforms, data integration, analytics and digital trial workflows.

AI-Enabled Medical Devices & Connected Care: AI is increasingly embedded into diagnostic, monitoring and therapeutic devices, creating engineering demand across embedded software, cloud connectivity, data platforms and post-market monitoring. The Food and Drug Administration (FDA) had authorized more than 1,600 AI-enabled medical devices as of September 2026, highlighting the scale at which software and AI are becoming integral to MedTech.

Hi-Tech

Technology spend in the Hi-Tech vertical is concentrated across product engineering, cloud-native platforms, data infrastructure, developer tooling, cybersecurity and AI-native applications services. Compared with BFSI and HLS, the sector is inherently more engineering-intensive, with technology investment closely tied to product innovation, platform scalability and speed-to-market.

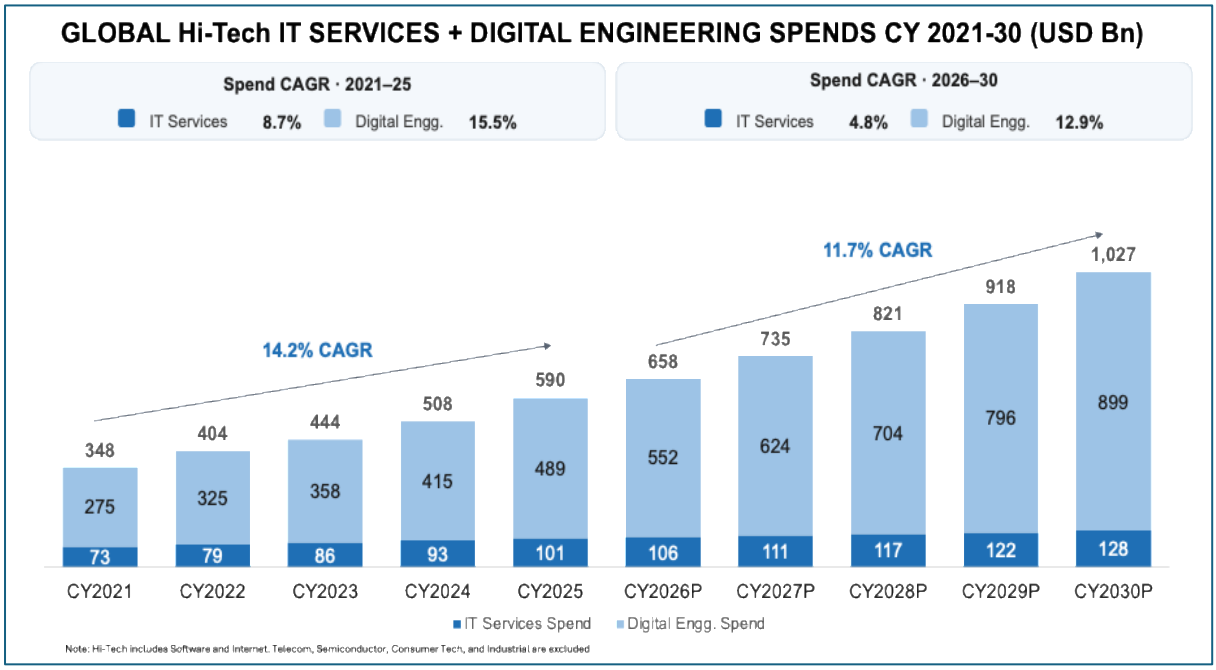


Fig. 7: Global Hi-Tech IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. Global Hi-Tech IT Services and Digital Engineering spend has expanded from USD 348 Bn in CY2021 to USD 590 Bn in CY2025, representing a 14.2% CAGR. Digital Engineering has been the clear growth engine, expanding at 15.5% CAGR versus 8.7% for IT Services, reflecting the increasing software intensity of Hi-Tech products and growing demand for digital capabilities.

2. Growth is expected to remain strong through CY2030, with combined spend projected to reach USD 1,027 Bn at an 11.7% CAGR

The key growth drivers identified for the Hi-Tech vertical are:

AI-Native Software Product Development: Record investment in AI is reshaping how software and internet companies build and monetize products. According to the Stanford HAI AI Index, global corporate AI investment reached USD 581.7 Bn in 2025. This measure includes private investment, mergers and acquisitions, minority stakes and public offerings. Within this total, global private AI investment reached USD 344.7 Bn, of which USD 170.9 Bn went to generative AI companies. These investments are driving demand for AI/ML platform engineering, generative AI and agentic product development, and the re-architecting of software around AI capabilities.

AI Infrastructure & Platform Engineering: AI infrastructure has become one of the technology sector's largest capital-allocation priorities, as firms build the data pipelines, model-serving, inference optimization and MLOps foundations needed to run AI products at scale. AI workloads are increasing demand for scalable compute, cloud-native infrastructure and modern application-delivery platforms.

Cloud-Native & Platform Engineering: Software firms are continuing to modernize applications around microservices, Kubernetes, API gateways and internal developer platforms to improve scalability, developer productivity and release velocity. The Cloud Native Computing Foundation (CNCF) estimates the global cloud-native developer population at 19.9 million in 2026, underscoring the growing role of platform engineering.

Outsourcing penetration – IT Services and Digital Engineering

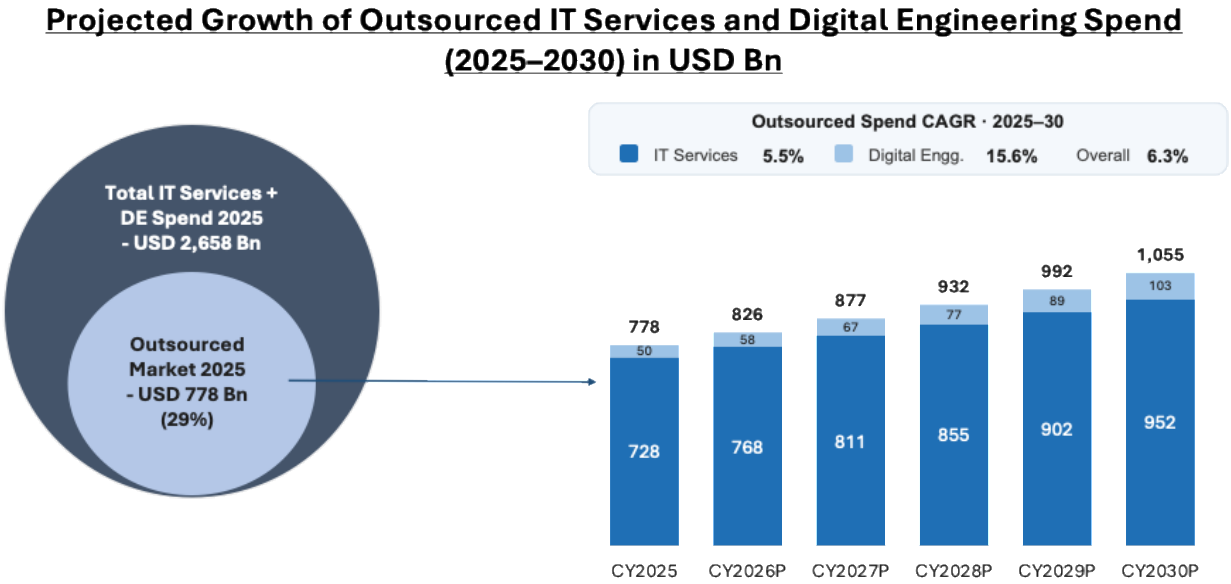


Fig. 8: Outsourced IT Services and Digital Engineering Spend (for CY 2025-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

Enterprises continue to increase their reliance on third-party providers across IT Services and Digital Engineering as technology environments become more complex, innovation cycles shorten, and access to specialized talent becomes increasingly important. In CY2025, third-party providers address ~29% of the combined USD 2.7 Tn IT Services and Digital Engineering spend pool, with outsourced spend of USD 778 Bn in CY2025. This outsourced market is projected to reach USD 1.1 Tn by CY2030, growing at a 6.3% CAGR; however, growth is increasingly skewed toward Digital Engineering, which is expected to expand at 15.6% CAGR versus 5.5% for IT Services. While IT Services remains a relatively mature outsourcing market, the lower penetration and significantly faster growth of Digital Engineering create greater structural headroom for third-party providers.

IT Services

The global IT Services market is large and structurally reliant on third-party providers, with outsourcing embedded across application development and maintenance, infrastructure services, cloud operations, cybersecurity, systems integration, and managed services**.** India remains the anchor of this global delivery base, with IT services export revenue of USD 137.1 Bn in FY25 (NASSCOM). The nature of outsourcing is also evolving from labor-led delivery toward cloud, AI and managed services.

The factors driving IT Services outsourcing are:

Cost optimization: Enterprises continue to face pressure to improve technology ROI and reduce the cost of running increasingly complex estates. Third-party providers offer global delivery leverage, automation, standardized platforms and shared operating infrastructure that would often be uneconomic to replicate internally.

Access to AI-ready talent and skills: Rapid technology shifts are creating skill gaps that enterprises cannot easily address through internal hiring alone. Talent shortages are intensifying across application development, cloud-native engineering, data science, AI/ML and cybersecurity. Enterprises are increasingly balancing permanent and contingent talent and leveraging outsourcing partnerships to improve workforce agility.

Increasing complexity of cloud and application estates: Enterprises increasingly operate hybrid environments spanning legacy applications, multiple public clouds, SaaS platforms and AI workloads. This is creating ongoing demand for specialized external providers. Application modernization remains a critical enterprise priority, and

many organizations still require outside providers not just for modernization but also for operational efficiency in multi-cloud environments.

Digital Engineering

Digital Engineering sits within the broader Engineering R&D ecosystem, where enterprises have historically retained a significant proportion of product design, architecture and intellectual-property-intensive work internally. As products become increasingly software-defined, however, enterprises are expanding the role of external Engineering Service Providers and global engineering centers.

According to the NASSCOM–BCG 2023 study the outsourced ER&D spend is projected to reach approximately USD 600–770 Bn (~24% of global ER&D expenditure) by 2030. Digital Engineering is expected to be central to this shift. Digital Engineering outsourced spend is expected to rise through 2030 as AI, software-defined products, connected systems, cloud, embedded software and digital twins increasingly converge with traditional engineering. The factors driving digital engineering outsourcing are:

Software-defined products engineering workload: The growing software content of physical products is one of the strongest structural drivers of Digital Engineering outsourcing. This is visible across automotive, industrial, medical devices and other product sectors. For automotive specifically, OEMs and Tier-1 suppliers are increasingly relying on specialized engineering service providers as vehicles become software-defined platforms built around connectivity, centralized computing, cybersecurity and AI-led vehicle intelligence.

Faster time-to-market and product-cycle compression: Enterprises are under pressure to launch products quickly and update them continuously after launch. External engineering providers allow companies to add capacity rapidly across software development, testing, validation, digital twins and product platforms without permanently building every capability in-house.

Specialized digital skills: Rapid evolution across AI, cloud, data and cybersecurity is widening enterprise skill gaps. According to World Economic Forum, 63% of employers identified skills shortages as a key barrier to transformation in 2025, increasing reliance on external providers for specialized capabilities.

a. Regional Demand Dynamics

North America Digital Engineering & IT Services market

North America, led by the U.S., remains a key global market for Digital Engineering and IT Services. The region benefits from its scale, mature technology infrastructure and large presence of regulated and product-led industries.

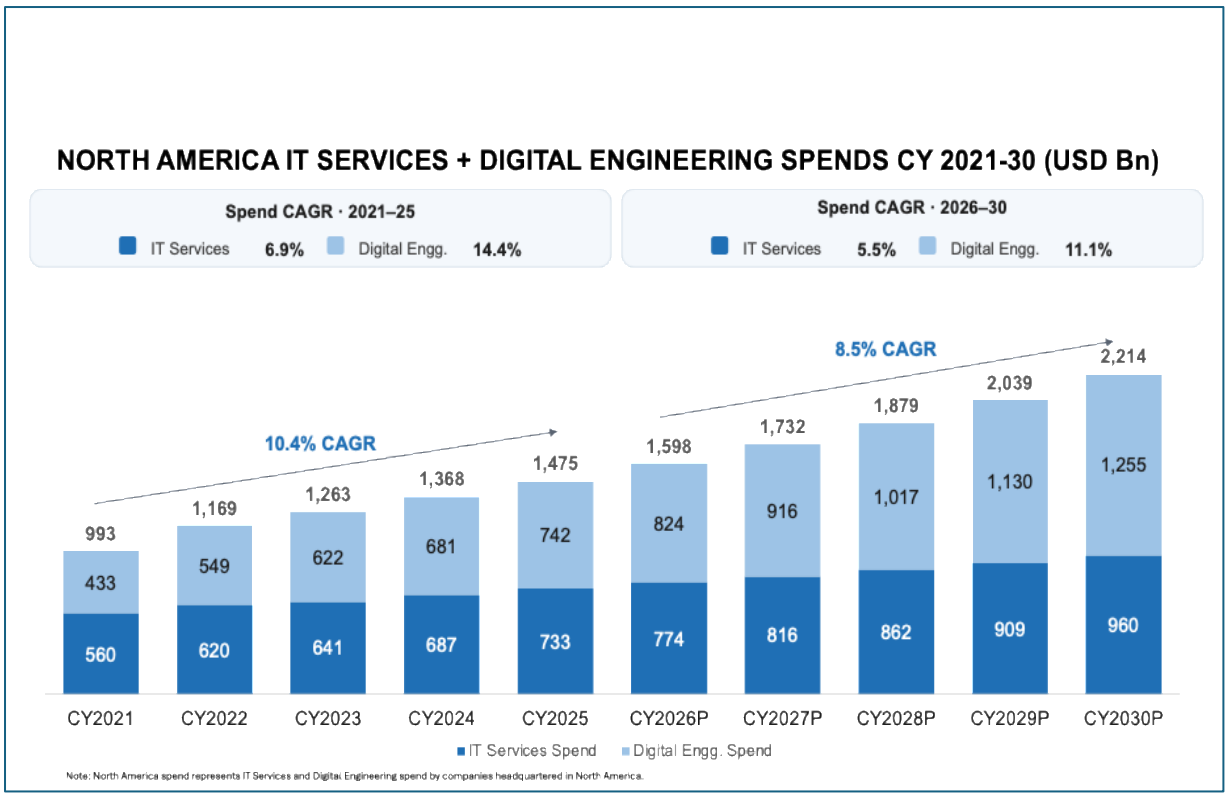


Fig. 9: North America IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

In CY2025, North America IT Services and Digital Engineering spend was estimated at USD 1,475 Bn, up from USD 993 Bn in CY2021, reflecting a 10.4% CAGR, of which Digital Engineering accounted for approximately USD 742 Bn, marginally surpassing IT Services spend of USD 733 Bn. This reflects the increasing shift toward engineering-led investments across cloud-native platforms, digital products, data and AI.

Looking ahead, the market is projected to increase to USD 2,214 Bn by CY2030, implying a CAGR of 8.5% between CY2026 and CY2030. Digital Engineering is projected to grow at 11.1% over this period against 5.5% for IT Services. This faster growth is expected to be supported by increasing adoption of AI-led engineering, cloud-native development, DevOps and next-generation product engineering.

Breakup by key industry verticals

Banking, Financial Services and Insurance (BFSI)

North America is one of the most digitally mature BFSI technology markets. The region combines large incumbent financial institutions with a mature fintech ecosystem, creating sustained demand for modernization of legacy estates alongside investment in real-time payments, cloud, data and AI.

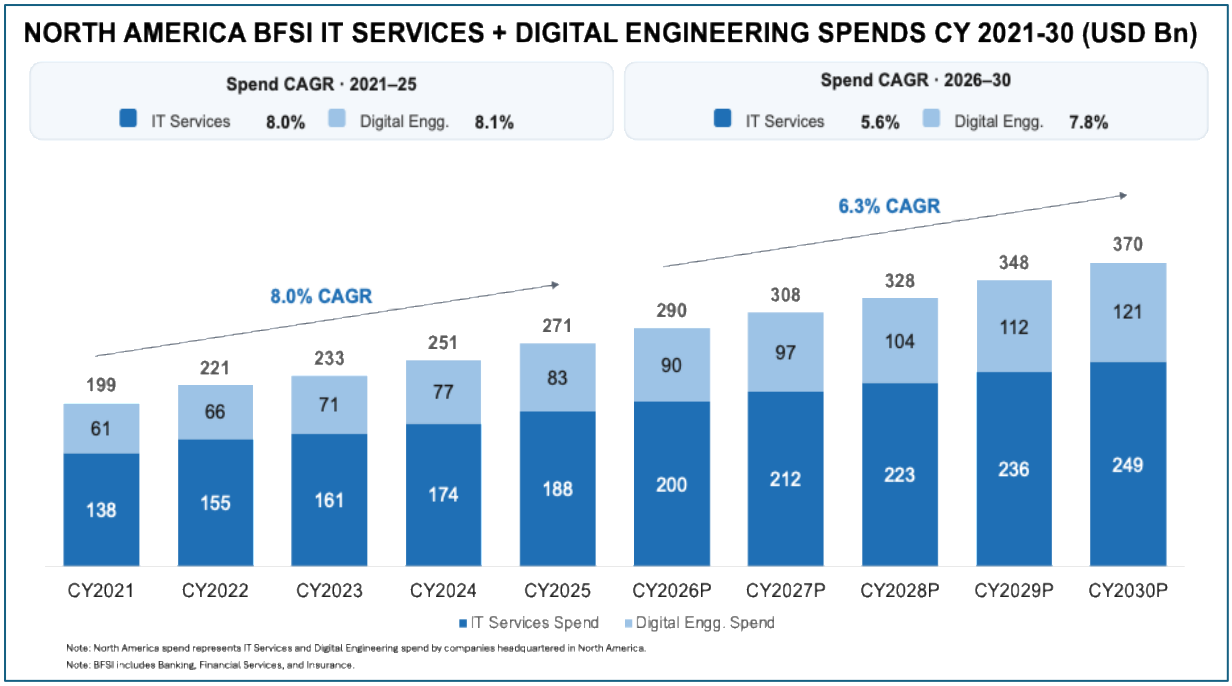


Fig. 10: North America BFSI IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

North America BFSI IT Services and Digital Engineering spend increased from USD 199 Bn in CY2021 to USD 271 Bn in CY2025, representing an 8.0% CAGR. IT Services remained the dominant component, increasing from USD 138 Bn to USD 188 Bn, while Digital Engineering grew from USD 61 Bn to USD 83 Bn. Growth was nearly balanced across the two segments, 8.0% for IT Services and 8.1% for Digital Engineering, reflecting continued modernization of large core technology estates alongside investment in digital platforms and products.

Growth is expected to moderate over CY2026–30, while becoming more engineering-led. Total BFSI spend is projected to increase from USD 290 Bn in CY2026 to USD 370 Bn by CY2030, implying a 6.3% CAGR. Digital Engineering is projected to grow at 7.8%, ahead of 5.6% for IT Services, taking Digital Engineering spend to USD 121 Bn by CY2030.

The key growth drivers identified for the North America BFSI vertical are:

Real-Time Payment Architectures: Growing adoption of real-time payments is increasing technology requirements across the U.S. banking and payments ecosystem. This is creating demand for real-time payment processing, new payment products, fraud-prevention capabilities and secure, resilient infrastructure.

Regulatory Compliance & Fraud Engineering: Rising fraud exposure and tighter reporting requirements are increasing technology investment across financial institutions. These pressures are driving investment in automated compliance, fraud prevention, transaction monitoring and secure data infrastructure.

Digital Customer Experience & Personalization: Mature digital banking adoption is shifting competitive differentiation toward richer mobile experiences, personalization, embedded advice and omnichannel engagement, sustaining investment in customer-data platforms, recommendation engines and digital product engineering.

Healthcare and Life Sciences (HLS)

The North America region combines a large healthcare delivery system with leading biopharma and MedTech ecosystems, supporting sustained technology investment across care delivery, research, product engineering and regulatory compliance.

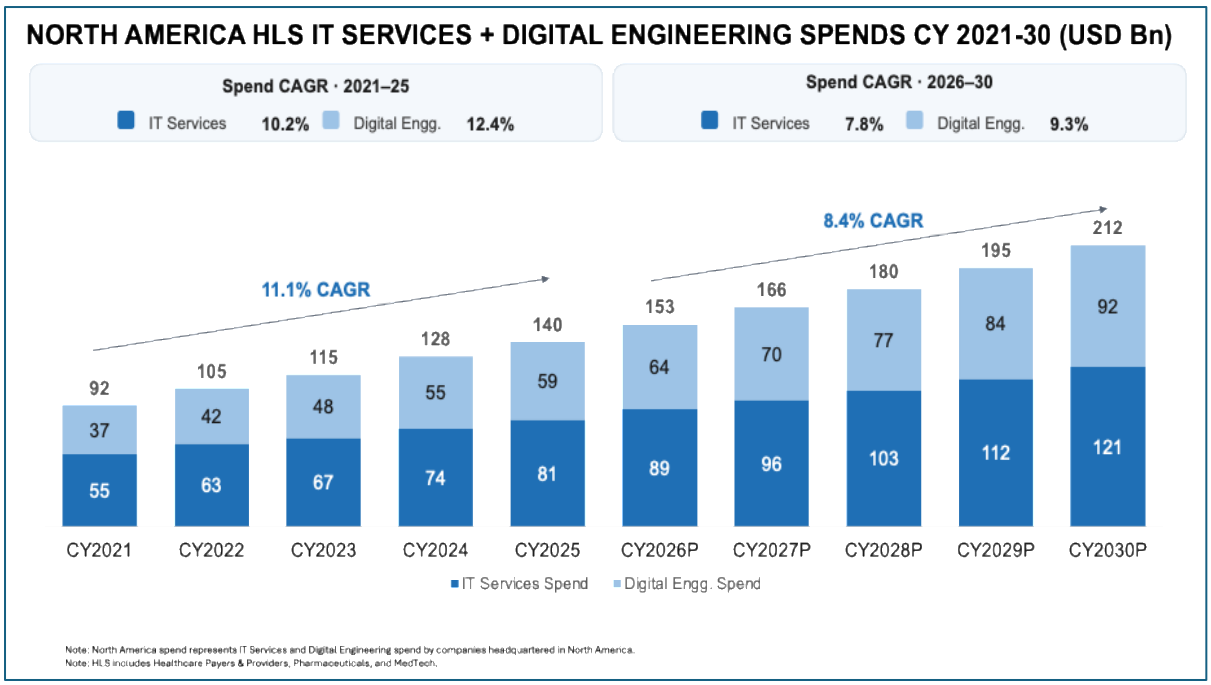


Fig. 11: North America HLS IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. North America HLS IT Services and Digital Engineering spend increased from USD 92 Bn in CY2021 to USD 140 Bn in CY2025, representing an 11.1% CAGR. IT Services rose from USD 55 Bn to USD 81 Bn, while Digital Engineering increased faster from USD 37 Bn to USD 59 Bn, corresponding to CAGRs of 10.2% and 12.4%, respectively.

2. Growth is expected to moderate over CY2026–30 while remaining increasingly engineering-led. Total HLS spend is projected to increase from USD 153 Bn in CY2026 to USD 212 Bn by CY2030, implying an 8.4% CAGR. Digital Engineering is expected to grow at 9.3%, ahead of 7.8% for IT Services, taking Digital Engineering spend from USD 64 Bn to USD 92 Bn over the period.

The key growth drivers identified for the North America HLS vertical are:

Payer & Provider Interoperability: Regulatory requirements for greater health-data exchange are driving technology investment across the U.S. healthcare ecosystem. CMS finalized its Interoperability and Prior Authorization rule in 2024, with operational requirements beginning in 2026, and estimates that these changes could save approximately USD 15 Bn over 10 years, supporting investment in API integration, data standardization and secure health-data exchange.

Pharma & BioTech R&D Digitization: Data-intensive drug discovery and clinical research is driving life sciences companies to modernize research environments and data infrastructure. In 2025, FDA updated Good Clinical Practice guidance to support more technology-enabled and risk-based clinical trials while in 2026, it introduced an electronic clinical-trial protocol standard and launched real-time clinical-trial pilots using AI and data science. These developments are increasing demand for clinical-trial systems, research data platforms, data integration and automated workflows.

Hi-Tech

North America is a Hi-Tech hub, with majority of the world's leading software, platform and internet-native companies headquartered here. The region's concentration of large software vendors, hyperscalers and digital-native platforms makes technology investment closely tied to product innovation, platform scalability and speed-to-market.

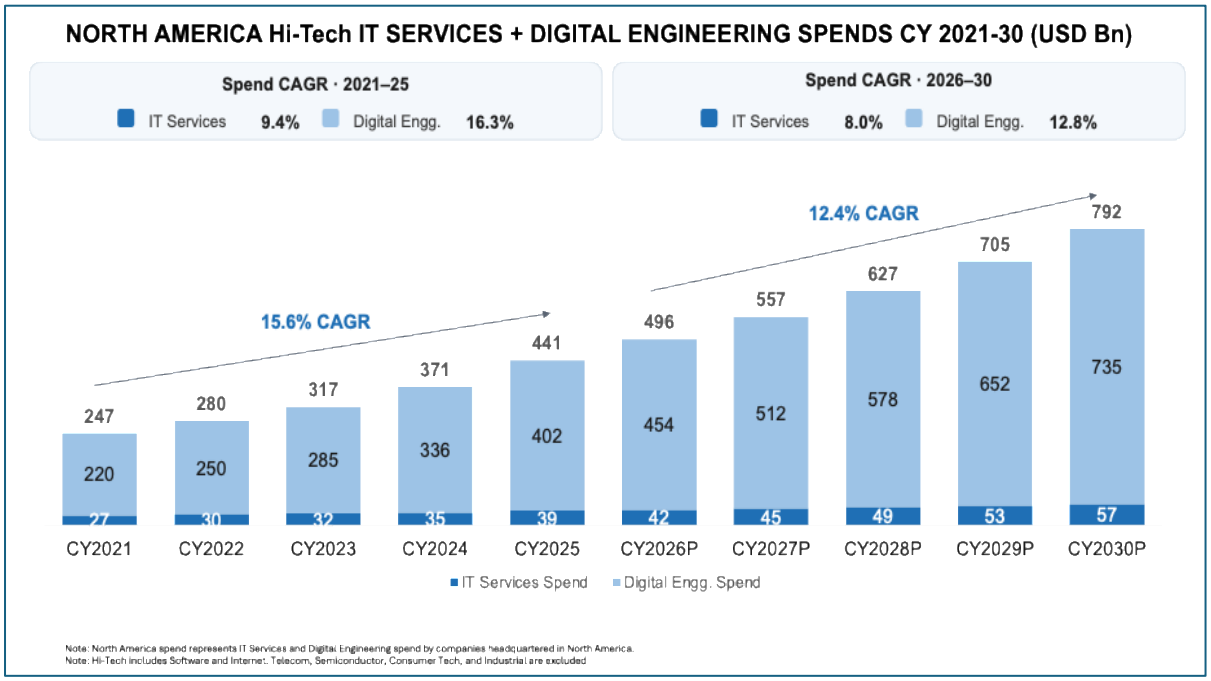


Fig. 12: North America Hi-Tech IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. North America's combined IT Services and Digital Engineering spend rose from USD 247 Bn in CY2021 to USD 441 Bn in CY2025, at 15.6% CAGR. Digital Engineering spend increased from USD 220 Bn in CY2021 to USD 402 Bn in CY2025, representing a 16.3% CAGR, supported by rapid expansion of cloud-based software, digital platforms and increasingly AI-intensive product development.

2. Growth is expected to remain strong through CY2030, with combined spend projected to reach USD 792 Bn at a 12.4% CAGR.

The key growth drivers identified for the Hi-Tech vertical are:

AI & Software Product Engineering: Software remains the largest technology focus area for U.S. business R&D. The State of U.S. Science and Engineering report found that U.S. businesses invested approximately USD 302 Bn in software and embedded-software R&D and USD 65 Bn in AI R&D, with the information industry accounting for 60% of business AI R&D in 2024. This high R&D intensity is driving sustained engineering demand across AI-native product development, model and data infrastructure, cloud-native software, platform engineering, and MLOps

Cloud-Native & Platform Engineering: North American software companies continue to modernize products around containers, APIs, microservices and internal developer platforms. CNCF reported that 89% of organizations in the Americas had adopted cloud-native techniques to some extent in 2024, while platform engineering is increasingly becoming the standardized operating model for development teams.

European Digital Engineering & IT Services market

Europe remains a large and mature market for IT Services and Digital Engineering, supported by continued enterprise modernization and an increasingly policy-driven push toward AI adoption, cloud transformation, cybersecurity and digital sovereignty. Europe's technology-spend mix is also structurally influenced by its automotive and industrial base. According to the European Automobile Manufacturers' Association (ACEA), Automotive accounts for roughly one-third of total EU private-sector R&D spend. This strengthens demand for engineering-led spend across embedded software, connected products, mobility platforms and advanced product development. Compared with North America, the region has a relatively higher share of traditional IT Services, but Digital Engineering is expanding faster as enterprises modernize applications, strengthen data platforms and invest in AI-enabled products and workflows.

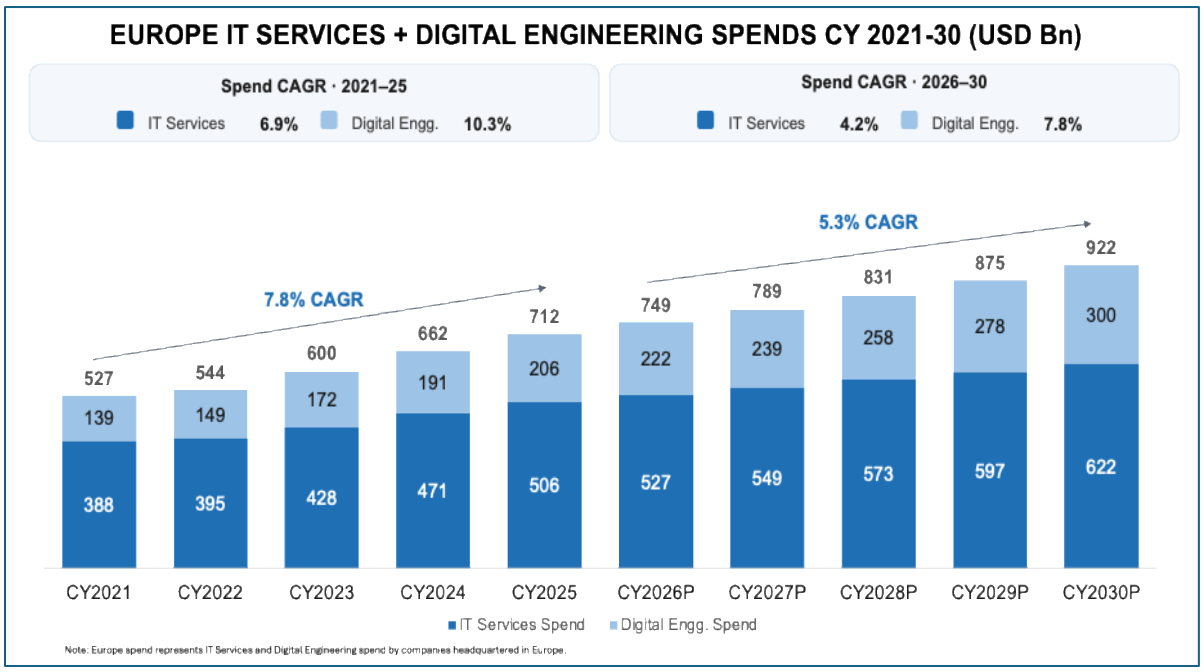


Fig. 13: Europe IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

In CY2025, Digital Engineering and IT Services spend is estimated at USD 712 Bn in Europe, of which Digital Engineering accounts for approximately USD 206 Bn. The market expanded from USD 527 Bn in CY2021, reflecting a CAGR of 7.8% over the period.

Looking ahead, the market is projected to increase to USD 922 Bn by CY2030, implying a CAGR of 5.3% between CY2026 and CY2030. Digital Engineering is projected to grow at 7.8% over this period against 4.2% for IT Services. Growth is expected to be supported by continued cloud transformation, AI adoption and product modernization, while European initiatives around digital sovereignty, cybersecurity and regulatory compliance are likely to sustain enterprise technology investment.

Breakup by key industry verticals

Banking, Financial Services and Insurance (BFSI)

Europe is one of the larger and mature BFSI technology market shaped by a dense base of universal banks, insurers and payment institutions headquartered across the region, operating within one of the world's most prescriptive regulatory environments.

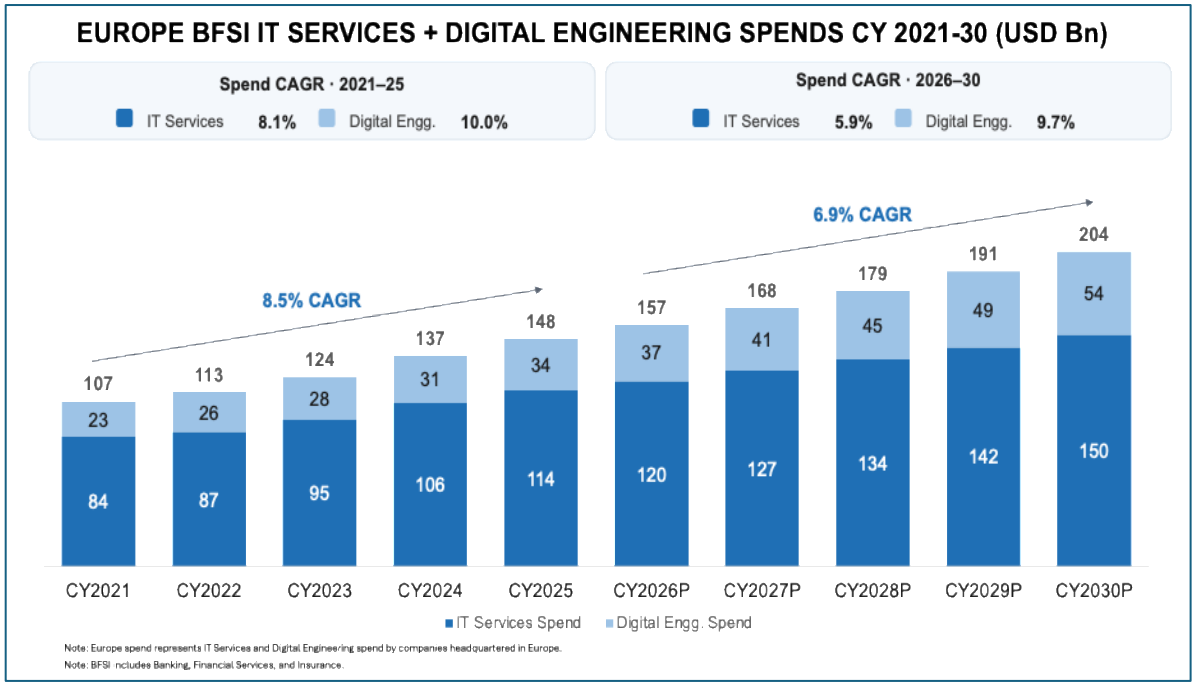


Fig. 14: Europe BFSI IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. Europe BFSI IT Services and Digital Engineering spend increased from USD 107 Bn in CY2021 to USD 148 Bn in CY2025, representing an 8.5% CAGR. IT Services remained the larger component, rising from USD 84 Bn to USD 114 Bn, while Digital Engineering increased faster from USD 23 Bn to USD 34 Bn. Digital Engineering grew at 10.0%, compared with 8.1% for IT Services, indicating a gradual shift toward engineering-led modernization alongside continued investment in core technology estates.

2. Growth is expected to moderate over CY2026-2030. Total BFSI spend is projected to increase from USD 157 Bn in CY2026 to USD 204 Bn by CY2030, implying a 6.9% CAGR. Digital Engineering is expected to grow at 9.7%, materially ahead of the 5.9% CAGR for IT Services, taking Digital Engineering spend to USD 54 Bn by CY2030.

The key growth drivers identified for the Europe BFSI vertical are:

Digital Operational Resilience & Cybersecurity: The EU's Digital Operational Resilience Act (DORA) has materially increased technology and governance requirements for financial institutions. DORA establishes requirements around ICT risk management, incident reporting, resilience testing and oversight of critical third-party technology providers. Additional technical standards covering ICT subcontracting and incident reporting were published in 2025, supporting continued investment in cybersecurity, observability, risk platforms and resilient infrastructure.

Core & Payments Modernization: European banks continue to modernize legacy platforms to support real-time payments, API-based ecosystems and increasingly digital customer journeys. New EU rules are making real-time payments a baseline requirement across the euro area. Under the EU Instant Payments Regulation, euro-area payment service providers have had to be able to receive instant euro payments since January 2025. This is driving demand for real-time payment processing, payee verification, fraud prevention and resilient, always-on infrastructure.

Healthcare and Life Sciences (HLS)

Europe is a major HLS technology market anchored by a strong base of pharmaceutical and medical-technology leaders, alongside large public and private healthcare systems. Regulatory intensity, strong pharma base and push toward cross-border health-data interoperability are creating a sustained need for technology modernization across care delivery, research and product development in this region.

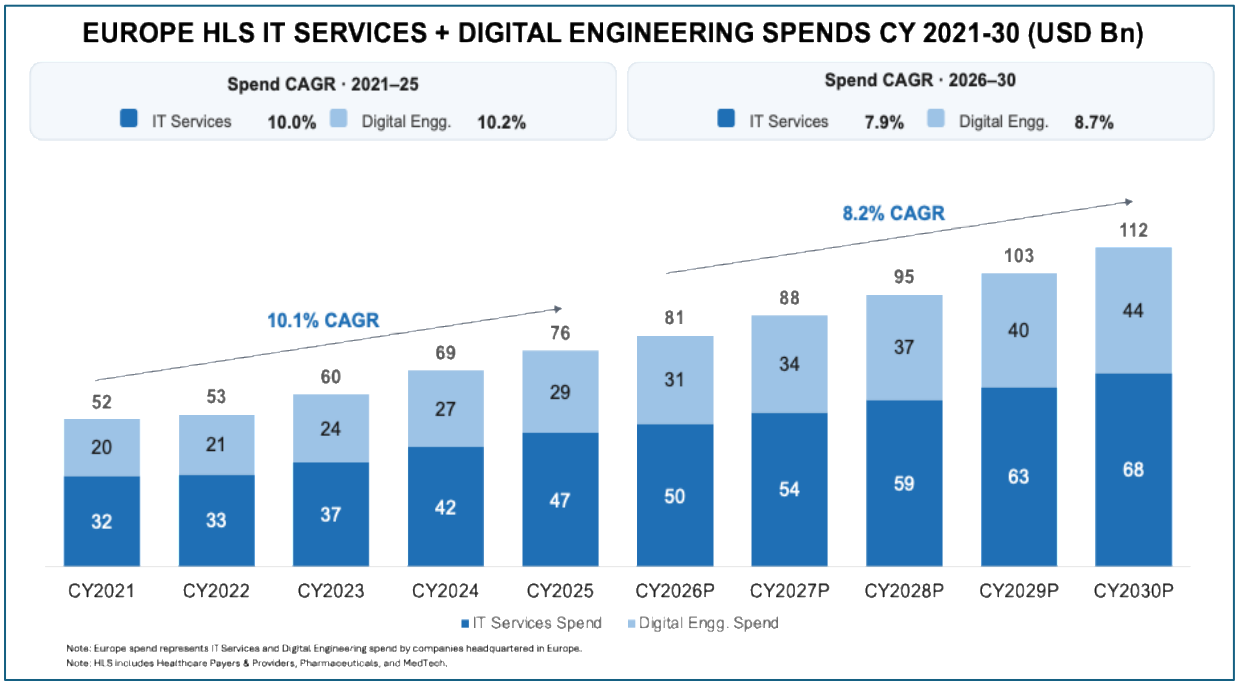


Fig. 15: Europe HLS IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. Europe HLS IT Services and Digital Engineering spend increased from USD 52 Bn in CY2021 to USD 76 Bn in CY2025, representing a 10.1% CAGR. IT Services rose from USD 32 Bn to USD 47 Bn, while Digital Engineering increased from USD 20 Bn to USD 29 Bn. Growth was relatively balanced across the two segments, 10.0% for IT Services and 10.2% for Digital Engineering, reflecting parallel investment in enterprise modernization and digital health, R&D and product-engineering capabilities.

2. Growth is expected to moderate over CY2026–30, while Digital Engineering gains momentum relative to IT Services. Total HLS spend is projected to increase from USD 81 Bn in CY2026 to USD 112 Bn by CY2030, implying an 8.2% CAGR. Digital Engineering is expected to grow at 8.7%, ahead of 7.9% for IT Services, taking Digital Engineering spend from USD 31 Bn to USD 44 Bn.

3. The key growth drivers identified for the HLS vertical are:

   a) **European Health Data Space (EHDS):** The EU legislation on health data is set to drive sustained technology investment across European health systems. The European Health Data Space regulation, formally adopted in 2025, requires electronic health record systems to meet common EU interoperability standards and enables secure cross-border access to health data for care and research, with obligations phasing in over the following years. This is driving demand for interoperability, data standardization, secure health-data exchange and modern health platforms.

   b) **Clinical AI & Pharma R&D Digitization:** The rapid adoption of AI in clinical and research settings is increasing demand for data platforms and engineering capability. A WHO/Europe survey in 2026 found that around 75% of EU member states already deploy AI-assisted diagnostics and nearly half have created dedicated AI and data-science roles in health. Together with the digitization of drug discovery and clinical trials, this is driving demand for clinical-trial systems, research data platforms, model engineering, data integration and automated workflows.

Hi-Tech

The European region consists of mature software base with strong cloud-native adoption and an increasingly regulation-sensitive digital ecosystem, sustaining investment in platform modernization, AI, data and developer productivity.

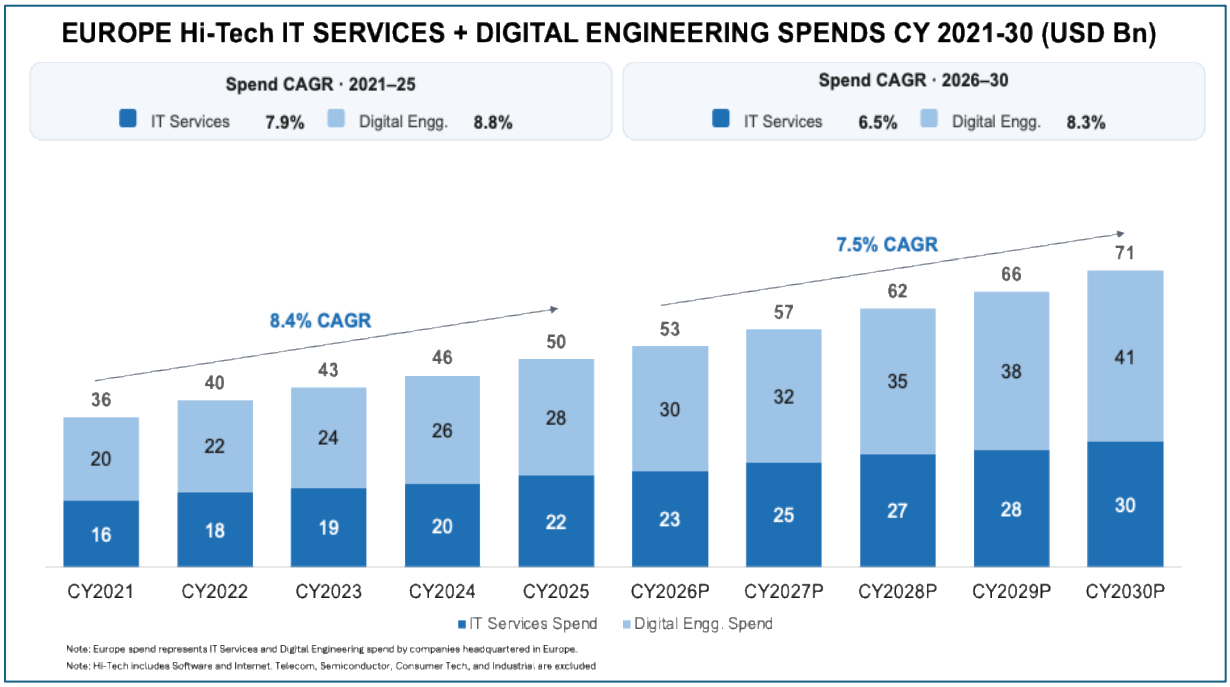


Fig. 16: Europe Hi-Tech IT Services and Digital Engineering Spend (for CY 2021-30)
Source: Zinnov Analysis and Research; CY: Calendar year; P = Projected

1. Europe's Hi-Tech market has grown steadily, with combined IT Services and Digital Engineering spend increasing from USD 36 Bn in CY2021 to USD 50 Bn in CY2025, representing an 8.4% CAGR. Digital Engineering has grown slightly faster than IT Services during the period (8.8% vs. 7.9% CAGR), reflecting increasing software and digital content across Hi-Tech products and services.

2. Growth is expected to moderate but remain healthy through CY2030, with combined spend projected to reach USD 71 Bn at a 7.5% CAGR.

The key growth drivers identified for the Hi-Tech vertical are:

AI-Led Software Product Engineering: AI adoption across European businesses is accelerating rapidly. According to European Commission, in 2025, 20% of EU enterprises used AI technologies, up from 13.5% in 2024, representing a 6.5 percentage point increase in one year. This is increasing demand from software and internet companies for AI-native application development, model integration, data engineering, MLOps and developer tooling as AI functionality becomes embedded into commercial software products. European Commission

Cloud-Native Platform Expansion: Cloud adoption is also broadening across the European enterprise base, sustaining demand for SaaS, platform engineering and cloud-native development. In 2025, 52.7% of EU enterprises used paid cloud services, up from 45% in 2023; among cloud users, 26.1% used cloud platforms for application development, testing or deployment, as reported by the European Commission. This supports continued engineering demand around scalable SaaS architectures, DevSecOps, observability and platform modernization. European Commission

AI Integration in Enterprise Workflows

AI is embedding itself across critical enterprise workstreams like software development, data analysis, customer operations and knowledge-intensive workflows, making it increasingly relevant to how enterprises build and operate technology. This broader expansion is reflected in the scale of AI investment and market growth. According to Stanford HAI's 2026 AI Index Report, global private investment in AI reached USD 344.7 Bn in CY2025. This represents the private investment component of the broader USD 581.7 Bn in global corporate AI investment, which also encompasses mergers and acquisitions, minority stakes and public offerings. Generative AI companies attracted USD 170.9 Bn in private investment, representing nearly half of total private AI investment. Looking ahead, the 2026 World Economic Forum outlook projects the global AI market to reach ~USD3.5T by 2033.

AI adoption is expanding across both regions, with 90% of organizations in North America reporting AI use in 2025, up from 61% in 2023, representing a CAGR of approximately 21.5%, according to 2026 Stanford AI Index Report. Europe presents significant growth opportunities for digital engineering and AI services, with the 2026 IMF report placing AI adoption at 37% of businesses in the EU and 34% in the UK, well below the EU's 2030 target of 75% of businesses using digital technologies such as AI, as outlined by the OECD in its 2025 study.

Adoption Readiness across Industries

Advantage in the AI era lies in combining engineering expertise, business understanding, judgment and continuous learning. The pace of AI adoption varies across industries based on the different requirements and constraints involved in scaling AI. Software and FinTech benefit from software-based products and workflows that allow easier AI integration. Banking and Financial Services must account for interconnected core banking, payments and risk systems, while maintaining strong controls around financial decisions.

Workflows across the Telecom space require AI to be deployed across large, always-on networks. Healthcare faces fragmented systems, complex clinical workflows and interoperability requirements, and Pharma faces long R&D cycles and extensive validation requirements. More traditional industries adopt later as legacy systems, physical processes and longer technology cycles make AI deployment more complex.

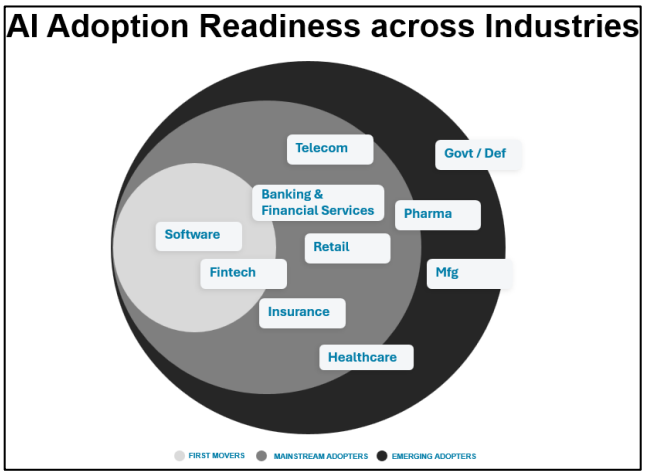


Fig 17: Industry Readiness for AI Adoption
Source: Zinnov Analysis and Research; Healthcare = Providers + Payers

AI-Augmented Industry Use Cases

AI adoption is increasingly industry-specific, with applications shaped by each sector's business priorities and core workflows. The following highlights the key use cases identified across each vertical:

Adoption Potential of AI Use Cases across Verticals

BFSI	Banking	AML / transaction monitoring & sanctions screening	Digital KYC & customer onboarding	Credit decisioning, scoring & pricing	Hyper-personalised offers & next-best-action
	Financial Services	Research automation	Trade surveillance & compliance monitoring (RegTech)	Robo-advisory & automated portfolio recommendations	Real-time KYC & identity verification
	Insurance	Claims intake & document extraction	Underwriting submission ingestion & guideline Q&A	Personalised / usage-based pricing	Claims fraud detection
Hi- Tech	Software & Hi-Tech	AI-native application & content engineering	Chip design	On-device assistants	Embedded copilots & agents in enterprise apps
	Consumer Tech	Industrial: Supply chain forecasting	Retail: Personalized shopping experience & recommendations	Retail : Marketing content & loyalty personalization	Hospitality: Smart pricing
	Telecom & Media	Telecom: Customer engagement & care	Media: Content personalisation & recommendations	Media: Content creation	Telecom: Network optimization
Healthcare	Healthcare Provider	Ambient clinical documentation / scribe	Patient engagement	Medical imaging & diagnostic support (radiology, pathology)	Revenue cycle (coding, CDI, denials) management
	Healthcare Payer	Prior authorisation automation	Digital front door & member super-apps	Automated claims adjudication	Chronic-condition management programmes
	Pharma	Drug discovery	Trial design & patient stratification	Quality deviation investigation & compliance	Smart pathology, digital imaging & biomarker discovery
	MedTech	Diagnostic imaging & interpretation (in-product)	Surgical robotics	Predictive patient monitoring & alerts	R&D knowledge synthesis (literature, research)

Legend: High Adoption Potential | Moderate Adoption Potential | Low Adoption Potential

Fig 18: Adoption Potential of Use Cases across Verticals
Source: Zinnov Analysis and Research, 2026

In BFSI, rising fraud, tighter regulation and real-time financial services are increasing the need for continuous monitoring of high-volume transactions and rapid anomaly detection. AI enables this at scale, supporting fraud detection, KYC/AML, risk management and customer engagement.

In technology and emerging verticals, shorter product cycles and growing software complexity are expanding the volume of coding, testing and maintenance work. AI can automate these repetitive engineering tasks, supporting software development, product engineering, infrastructure and customer experience.

In healthcare and life sciences, complex clinical and research processes are driving the need to process information faster and reduce manual effort. AI can automate documentation, support clinical analysis and accelerate research workflows, supporting applications across clinical documentation, diagnostics, claims, patient monitoring and drug discovery. These industry-specific needs determine where AI can be applied most effectively within each vertical.

b. Peer Benchmarking

Persistent Systems

Persistent Systems Limited, incorporated in 1990 and headquartered in Pune, India, is a global technology services company providing AI-led, platform-driven digital engineering and modernization services. They serve clients across three reported industry segments: Banking, Financial Services and Insurance (BFSI); Healthcare and Life Sciences; and Software, Hi-Tech and Emerging Industries, which covers telecom and media, industrial, consumer technology and other sectors. North America is their largest market, followed by India, Europe, and the rest of the world.

During its inception phase (1990–2001), Persistent focused on building software modules for database product and technology companies, serving as a software development partner to core technology companies in the US, with teams based in India. Persistent established itself as an early mover in outsourced product development between 2001 and 2008, carving out a differentiated niche in the category and earning recognition for growth strategy leadership.[1] From 2008 to 2016, they expanded their offerings across the full product lifecycle, completed their initial public offering in 2010 and ventured into big data. Between 2016 and 2019, Persistent established an early presence in digital transformation, expanded into the enterprise customer segment and developed domain-specific micro-vertical solutions with advanced analytics for individual industries. They were recognized as a Digital Transformation leader as early as 2016, and again in 2017, by Zinnov, on the back of a proprietary DT framework and flagship engagements across healthcare, banking and manufacturing. From 2019 to 2023, they implemented their Global Digital Engineering strategy, delivering industry leading growth and have now placed AI at the centre of their strategy. They have adopted an AI-led, platform-driven services strategy, focused on helping enterprises deploy and operationalize AI responsibly, at scale and with measurable business impact.

They also began building and modernizing enterprise data estates on major cloud and data platforms, adding their own accelerators and intellectual property, and taking on the role of orchestrating those platform ecosystems on behalf of clients. This strengthened their position in digital engineering, with Zinnov rating them a leader in platform engineering in 2019, then placing them in the leadership zone for Digital Engineering in every annual rating from 2020 through 2023.

Through this evolution, they have become a global AI-led, platform-driven digital engineering and enterprise modernization partner, focused on enterprise AI transformation.

Persistent reported a revenue of INR 147,484 Mn in Fiscal Year 2026. Their client base includes 18 of the Fortune 50[2] enterprises. They offer an integrated portfolio spanning product and platform engineering, data and artificial intelligence, cloud-enabled modernization, customer experience transformation and agentic business automation, supported by proprietary platforms and certifications across major cloud and data ecosystem partners.

[1] Frost & Sullivan recognized Persistent with the 2007 Growth Strategy Leadership Award for Outsourced Product Development

[2] The criterion for counting a company as a client is active revenue from that customer in the last three years, i.e. FY24-FY26

Persistent maintains strategic relationships with leading technology providers, including a global enterprise software and cloud provider for over 32 years, an enterprise technology and consulting provider for over 24 years and a leading CRM platform provider for over 20 years. These long-standing relationships strengthen its technical capabilities and market positioning by providing access to emerging technologies, joint go-to-market initiatives and integrated solutions that it can deploy at scale for its clients. Persistent holds top-tier partner status with each of the three major hyperscalers and multiple enterprise software providers, supported by over 26,500 partner certifications. These long-standing partnerships with leading software providers support recurring, high-value engagements and deep product-level expertise. Persistent's market positioning is further reinforced by an extensive ecosystem of partnerships and co-innovation initiatives, such as an AI-driven knowledge graph solution for life sciences research developed with a leading hyperscale cloud provider and an AI-driven contract management solution developed with a leading enterprise software provider.

Persistent's expanding global presence, including additions in Estonia and Australia, strengthens its delivery and innovation footprint. Separately, Brand Finance's IT Services 25 Report 2026 identified Persistent Systems as the fastest-growing IT services brand globally by brand value.

Persistent has used acquisitions to strengthen its technology and industry capabilities, with post-2021 transactions including Software Corporation International in 2021, Data Glove and MediaAgility in 2022, and Starfish Associates, Arrka and SoHo Dragon in 2024. These transactions added capabilities across payments, cloud, automation, cybersecurity, data and BFSI, with Software Corporation International establishing its payments business, Data Glove and MediaAgility adding Microsoft Azure and Google Cloud capabilities, and Starfish Associates, Arrka and SoHo Dragon adding enterprise communications automation, data privacy and AI governance, and data warehousing capabilities, respectively.

The ongoing acquisition of Nagarro is a step in Persistent's geographic expansion. Europe represents a substantial growth opportunity, and the Nagarro Acquisition would provide a significantly enhanced foothold in that market. It maintains a strong European presence across key markets and serves 1,000+ clients across 72 countries, with Europe and North America as its largest markets. Spend on IT services and digital engineering by Europe-headquartered companies is projected to reach USD 922 Bn by CY2030, with digital engineering growing at a 7.8% CAGR over CY2026-30. Nagarro is a global provider of digital engineering services, combining advanced technology with human expertise to deliver full-stack solutions across digital engineering, intelligent enterprise, and experience and design. The acquisition adds broader vertical depth with added vertical scale in BFSI, TMT and HLS, plus new verticals such as Industrials, Retail and Public Sector, supported by marquee client relationships.

Revenue Growth and Financial Trajectory

Persistent's revenue has more than tripled from FY21 to FY26, compounding at 28.6% a year in INR terms, rising from INR 41,879 Mn to INR 147,484 Mn on the back of a decisive pivot to AI-led, platform-driven engineering. Against overall IT services and digital engineering spend growth of 8.7% over CY2021-26P, Persistent has significantly outpaced the underlying market. Since FY21, it has been the only listed Indian IT services company to have achieved 25 consecutive quarters of sequential revenue growth, consistently delivering industry-leading growth.

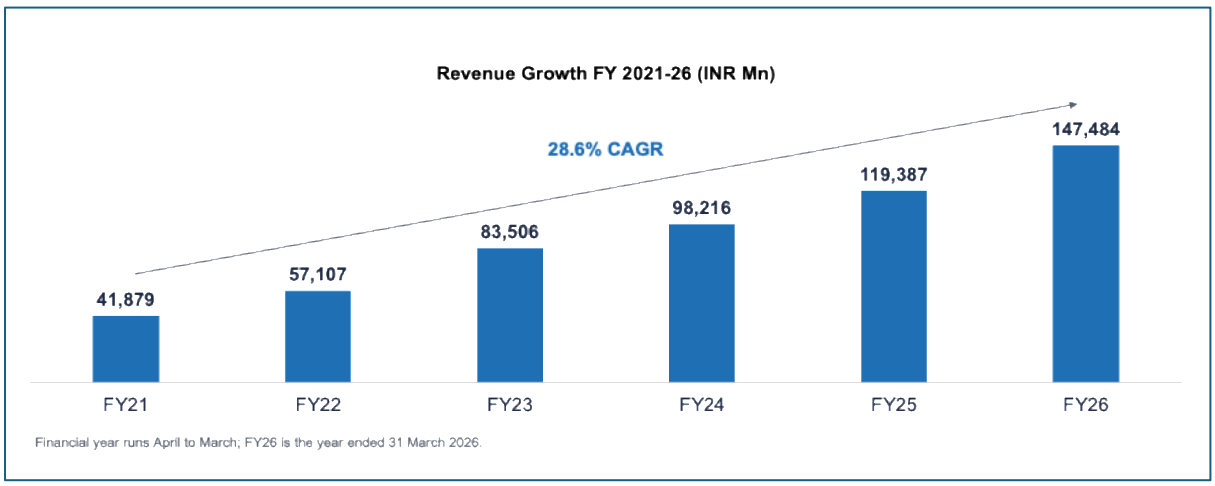


Fig 19: Revenue Growth (FY21-26)

Source: Company reported financials

Vertical Revenue Mix

Persistent's growth has been broad-based across verticals, with all three compounding at double digits between FY21 and FY26. Software, Hi-Tech & Emerging remains its largest business at INR 58,830 Mn in FY26, up from INR 20,898 Mn in FY21, a 23.0% CAGR versus 13.6% for the underlying market over the same period. Although the vertical's share of revenue has declined from 49.9% to 39.9%, it continues to benefit from Persistent's product engineering heritage. It maintains a high-quality client base of significant scale and serves as a preferred product development partner to several of the largest U.S. technology companies.

BFSI has grown at a 31.6% CAGR, between FY21 and FY26, to INR 50,933 Mn, roughly four times the underlying market's ~8% CAGR from FY21 to FY26, increasing its share of company revenue from ~31% to ~35%. The growth is anchored in relationships with leading U.S. and Indian banks and global payments and fintech companies.

Healthcare & Life Sciences has been Persistent's fastest-growing vertical, increasing from INR 8,083 Mn to INR 37,722 Mn at a 36.1% CAGR from FY21 to FY26 and lifting its share of company revenue from ~19% to ~26%. This is more than three times the underlying market's ~10% CAGR and the widest percentage-point outperformance of any Persistent vertical. Coverage spans scientific instruments and medical device companies, clinical research organizations, pharmaceutical manufacturers and health providers. Combined, Healthcare & Life Sciences and BFSI now contribute roughly 60% of total revenue.

Between FY2024 and FY2026, Persistent's portfolio of marquee clients included 18 of the Fortune 50, nine of the top 10 technology companies, six of the top 10 scientific instruments and medical device (SIMD) companies, seven of the top 10 U.S. banks, five of the top 10 Indian banks, five of the top 10 fintech companies, four of the top 10 pharmaceutical companies, three of the top 10 health providers and five of the top 10 clinical research organizations. Rankings are based on the top listed companies in each sector across Persistent's growth markets, measured by total assets for banks and by revenue for the latest reported financial year for all other sectors, excluding IT services peers from the technology company ranking.

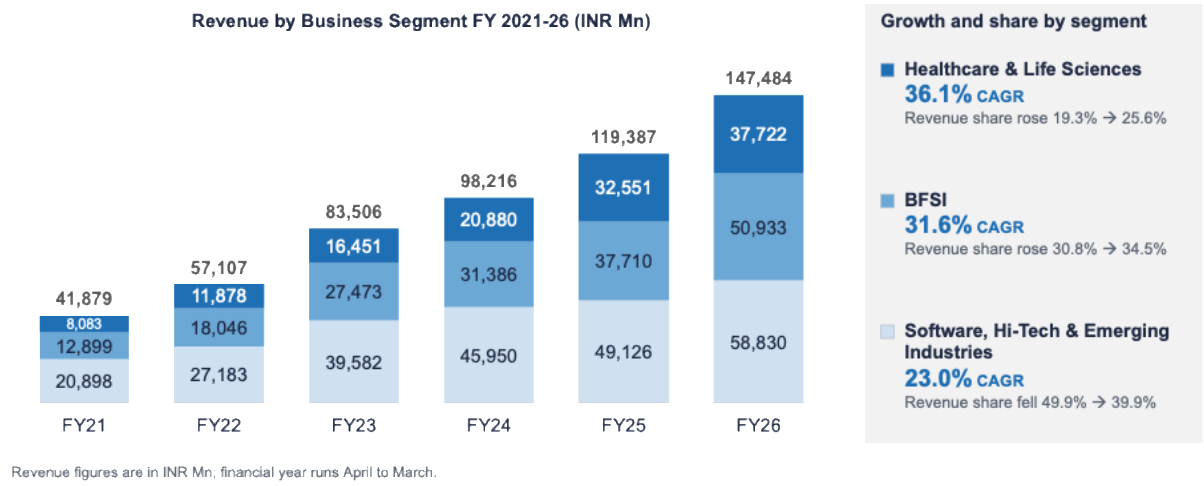


Fig 20: Revenue - Vertical mix (FY21-26)
Source: Company reported financials

Geography Revenue Mix

Persistent's growth has been led by North America, which remains their anchor market at INR 118,872 Mn in FY26, up from INR 33,838 Mn in FY21 at a CAGR of 28.6%, making up ~81% of the total revenue. This tracks the concentration of enterprise technology spend in the region and is consistent with the depth of their coverage of large US financial institutions and technology companies.

Europe has more than tripled in size, compounding at 27.2% CAGR, from INR 3,853 Mn in FY21 to INR 12,831 Mn in FY26. India has grown at a 29.8% from INR 3,518 Mn to INR 12,979 Mn. The rest of the world has contributed between 1.6% and 1.9% of revenue through the same period, rising from INR 670 Mn to INR 2,802 Mn.

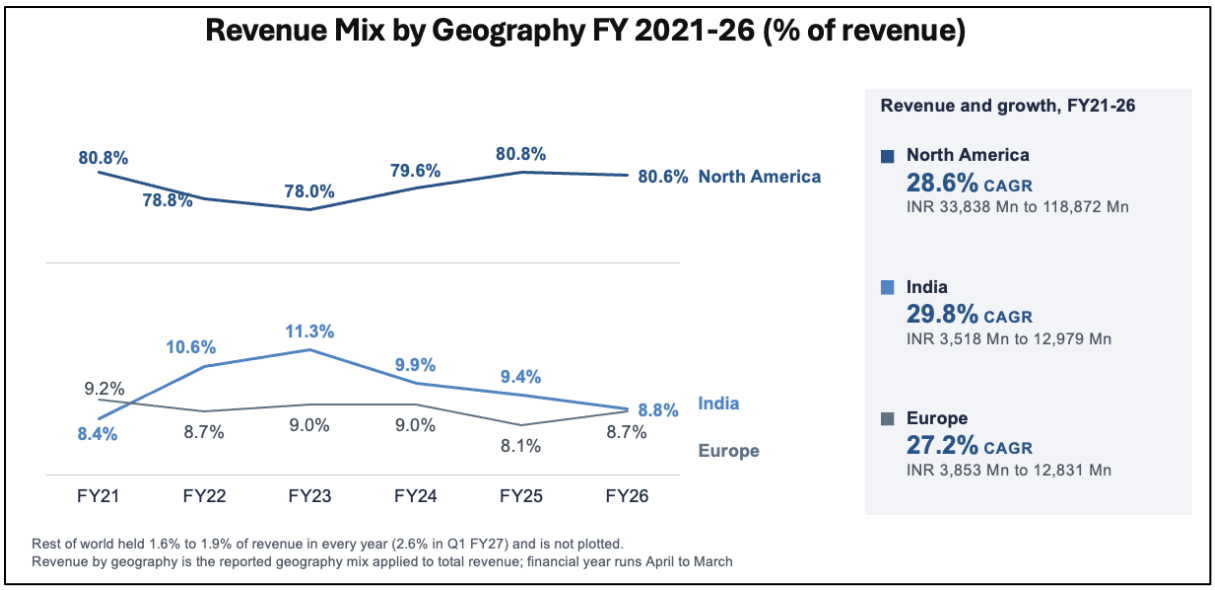


Fig 21: Revenue - Geography mix (FY21-26)
Source: Company reported financials

Service offerings and capability coverage

Persistent's portfolio combines Digital Engineering depth with broad enterprise transformation capabilities, anchored by Product and Platform Engineering and extended across data, cloud, CX, automation, cybersecurity and enterprise enablement.

Persistent's AI strategy is structured around Re(AI)magining Enterprise Transformation, with the 3C framework comprising Core for the secure AI foundation, Context for grounded enterprise data and knowledge, and Coordination for governed execution across people, agents and systems. The framework supports Engineering Hyper-Productivity, Business Hyper-Productivity and Enterprise Data Readiness across technology and business workflows. It underpins Persistent's focus on embedding AI-driven solutions across platforms, helping enterprises replace outdated, costly technology systems with modern platforms designed to set them apart from competitors.

Persistent's AI proposition is anchored by three proprietary platforms. GenAI Hub supports governed AI applications and multi-agent workflows, SASVA enables AI-led software engineering across the delivery lifecycle and iAURA supports data management across quality, migration, analytics and DataOps, complemented by assets such as DocIntel, ProcessIntel, Agent Recon, Threat KG, Smart UI and Reg(AI)ntel. Its AI strategy focuses on helping enterprises deploy and operationalize AI responsibly, at scale and with measurable business impact. Persistent's service portfolio spans Product and Platform Engineering, Data and Analytics, Cloud-enabled Enterprise Modernization, CX and Design-led Transformation, Agentic Business Automation, Enterprise IT Security and Enterprise Enablement. By combining these disciplines under one roof, Persistent is positioned to reduce the coordination overhead and knowledge loss that can arise when enterprises engage multiple specialist vendors, and to deliver end-to-end solutions that are architected holistically from inception.

This foundation is extended through verticalized solutions, with BFSI covering Retail and Corporate Banking, Payments, FinTech and Financial Software and Named Solutions, HLS spanning Healthcare Provider Solutions, Health Technology, Life Sciences and Clinical and Imaging Solutions, and Software, Hi-Tech and Emerging Industries, covering Product and Platform Engineering, Product Modernization and Sustenance, and Global Technology Centers. Together, these capabilities support Persistent's integrated proposition across engineering, modernization and enterprise AI.

Peer Positioning

Zinnov has identified a relevant peer set within the digital engineering and IT services ecosystem for like-for-like comparison. The peer set comprises listed players operating across the technology services landscape, spanning both IT services and product and platform engineering, which mirrors the two demand pools Persistent serves.

The selected peers, HCLTech, Wipro, Mphasis, L&T Technology Services and Coforge, have been shortlisted based on similarity in service scope, client segments, vertical concentration and delivery model, including global delivery

capabilities and offshore-leveraged engagements with enterprise and product customers. All five are publicly listed, so every financial and operating metric used in the benchmarking is traceable to filed statements and investor disclosures.

HCLTech

HCLTech is a global technology services company headquartered in Noida, India with 227,181 employees globally as of FY26. Incorporated in 1991, it has built a broad portfolio spanning IT services, engineering and business operations. Revenue increased from ₹1,014,560 Mn in FY23 to ₹1,301,440 Mn in FY26, representing a CAGR of 8.7%, with revenue growing 11.2% YoY in FY26.

Its service portfolio includes application and data services, digital and product engineering, cloud, cybersecurity and digital workplace services, supported by business process operations and supply chain management along with proprietary AI and generative AI platforms such as AI Force and AI Foundry. This breadth enables HCLTech to serve clients across multiple areas and industry verticals.

Financial Services is the largest vertical at 21.5% of revenue, followed by manufacturing, while Life Sciences & Healthcare and Technology & Services contribute 14.4% and 14.3% in FY26, respectively. The relatively diversified industry mix limits dependence on any single vertical. Geographically, North America contributes ~56% of revenue and Europe 28%, with the balance generated across other markets.

HCLTech has used inorganic expansion selectively to strengthen capabilities in priority areas. Since 2021, the company has completed seven acquisitions, including Starschema in data engineering, Confinale in banking and wealth management consulting and ASAP Group in automotive engineering. More recent acquisitions of Zeenea and Jaspersoft expanded its data, analytics and software capabilities through data governance, embedded reporting and business intelligence.

Overall, the company combines a diversified service and vertical portfolio, steady revenue growth and selective capability-led acquisitions, with recent investments strengthening its position across data, analytics and software.

Wipro

Wipro is a consulting-led technology transformation partner headquartered in Bengaluru, India with 242,156 employees globally as of FY26. Incorporated in 1945, it works with enterprises on large-scale digital and business transformation. Revenue increased from ₹890,916 Mn in FY25 to ₹928,093 Mn in FY26, representing growth of 4.2% YoY.

Its service portfolio includes consulting, technology services, engineering and business process services, with Capco serving financial services clients and platforms such as Wipro Intelligence and WINGS supporting AI-led delivery. The consulting-led model enables Wipro to engage clients from advisory through to build and run.
Banking, Financial Services and Insurance is the largest vertical in FY26 with 34% of revenue, followed by Consumer, while Health contributes 14.5%. Beyond BFSI, the industry mix is evenly spread. Geographically, North America contributes ~62% of revenue and Europe 27%, with the balance generated across Asia Pacific, the Middle East and Africa.

Wipro has used acquisitions selectively to strengthen capabilities in priority areas. Since 2021, the company has made multiple acquisitions, including Capco in financial services, Edgile in cybersecurity and Rizing in SAP consulting. More recent acquisitions include Harman DTS in 2025 and Mindsprint in 2026. Harman DTS added digital engineering and connected-product expertise and now sits within Wipro Engineering, while Mindsprint added food and agri-business technology, supported by an eight-year partnership with Olam.

Overall, Wipro combines a consulting-led portfolio and a diversified vertical mix, with recent acquisitions strengthening its position in engineering and industry-specific technology.

Mphasis

Mphasis is a technology services provider headquartered in Bengaluru, India with 23,462 employees as of FY26. Incorporated in 1992, it positions itself as an AI-led, platform-driven partner, with a delivery model built around its Tria platform. Its revenue increased from ₹137,985 Mn in FY23 to ₹158,796 Mn in FY26, representing a CAGR of 4.8%, with revenue growing 11.6% YoY in FY26.

Its service offerings include application services and modernization, next-generation data and cognitive services, enterprise automation, product engineering and experience design, supported by cloud and cybersecurity capabilities. This focus on applying technology to specific client problems, rather than offering a broad menu of services, shapes how Mphasis engages enterprise clients.

Banking and Financial Services is the largest vertical in FY26 at 52% of revenue, and with Insurance at 15%, BFSI accounts for roughly two-thirds of the business. The concentration in financial services makes Mphasis more cyclical to banking spend than its peers. Geographically, North America contributes 84% of revenue and Europe 9%, with the balance generated across other markets.

Mphasis has expanded via small, targeted steps to add capabilities rather than scale. Since 2021, the company has completed multiple acquisitions, including Blink UX in experience design, and Silverline in Salesforce consulting. More recent acquisitions of Mrald in 2026, and TAP in 2026 deepened its digital footprint in the insurance intermediary sector, with TAP adding a decisioning intelligence platform for enterprise clients.

Overall, Mphasis combines deep services expertise with a concentrated North American footprint and a platform-led approach.

L&T Technology Services

L&T Technology Services is an engineering and R&D services company headquartered in Vadodara, India with 23,830 employees as of FY26. Incorporated in 2012, it supports product development and plant operations for industrial and technology clients. Revenue increased from ₹80,136 Mn in FY23 to ₹109,959 Mn in FY26, representing a CAGR of ~11.1%, with revenue growing 3.1% YoY in FY26.

Its service offerings include digital engineering and consulting, product engineering, manufacturing engineering and plant engineering, supported by capabilities in embedded systems, VLSI, testing and validation, AI and cybersecurity. This engineering-first positioning places L&T Technology Services closer to client R&D and operations budgets than to traditional IT services spending.
Sustainability is the largest segment in FY26 at ~35% of revenue, followed by Tech, which covers consumer electronics, MedTech and hyperscaler clients, contributes 33.3% of revenue. The split limits dependence on any single segment, though exposure to automotive and industrial cycles remains. Geographically, North America contributes ~60% of revenue and Europe ~19%.

L&T Technology Services has used acquisitions sparingly to add capabilities in priority areas. Since 2021, the company has completed two acquisitions: L&T's Smart World and Communication business and Intelliswift in 2024. Intelliswift, acquired for USD 110 Mn, strengthened LTTS's software product engineering capability and its relationships with hyperscalers and US technology clients.
Overall, the company combines an engineering-led portfolio, a balanced segment mix, with recent portfolio moves shifting its mix towards software and technology clients.

Coforge

Coforge is a vertical-led digital engineering company headquartered in Noida, India with 35,777 employees as of FY26. Incorporated in 1992, it has built a focused presence in financial services, travel and insurance, supported by platform-led delivery. Revenue increased from ₹80,146 Mn in FY23 to ₹164,027 Mn in FY26, representing a CAGR of ~27.0%, with revenue growing 36.1% YoY in FY26.

Its service offerings include engineering, data and integration, cloud and infrastructure management, intelligent automation and business process management, supported by platforms such as Quasar, Data Cosmos and BlueSwan. Data and integration contributes 21.5% of FY26 revenue and cloud and infrastructure management 18.4%, with intelligent automation and business process management at 8.2% and 7.9% respectively.

In FY26, Banking, Financial Services and Insurance was the largest vertical at 41.5% of revenue, followed by Travel, Transportation and Hospitality at 23.0%. Geographically, North America contributes ~57% of revenue and EMEA ~29%, with the balance generated across other markets.

Coforge has used acquisitions steadily to add vertical and technology depth. Since 2021, the company has completed seven acquisitions, including a controlling stake in SLK Global (BFSI and business process services), Cigniti

(quality engineering) and Xceltrait (ServiceNow). In 2025, Rythmos added data capabilities in the airline industry, while TMLabs strengthened ServiceNow capabilities in Australia. Further, the acquisition of Encora in 2026 strengthened its AI-led product engineering, cloud and data capabilities and added a scaled nearshore engineering base in Latin America.

Overall, Coforge's portfolio spans vertically focused offerings and engineering services supported by acquisitions including SLK Global, Cigniti Technologies and Encora.

Financial Benchmarking

Revenue Growth

Persistent has been among the fastest-growing companies in the selected peer set, with revenue increasing from ₹41,879 Mn in FY21 to ₹147,484 Mn in FY26 at a 28.6% CAGR, one of the best growth rates in the industry. Persistent's growth was 17.1 percentage points above the peer median CAGR of 11.5%, and it recorded the highest growth in the peer set in both its weakest and strongest years, with year-on-year growth ranging from 17.6% in FY24 to 46.2% in FY23. Growth has also been accompanied by improving productivity, with revenue per employee increasing from ₹3.0 Mn to ₹5.3 Mn over FY21–FY26.

Revenue (₹ Mn)	FY21	FY22	FY23	FY24	FY25	FY26	5-yr CAGR	Revenue growth range, FY22–FY26	Revenue growth range, FY22–FY26
								Strongest Year	Weakest Year
Persistent Systems	**41,879**	**57,107**	**83,506**	**98,216**	**119,387**	**147,484**	**28.6%**	**46.2% (FY23)**	**17.6% (FY24)**
HCLTech	753,790	856,510	1,014,560	1,099,130	1,170,550	1,301,440	11.5%	18.5% (FY23)	6.5% (FY25)
Wipro	622,425	795,289	909,348	897,943	890,916	928,093	8.3%	27.8% (FY22)	(1.3%) (FY24)
Mphasis	97,223	119,614	137,985	132,785	142,300	158,796	10.3%	23.0% (FY22)	(3.8%) (FY24)
LTTS	54,497	65,697	80,136	96,473	106,701	109,959	15.1%	22.0% (FY23)	3.1% (FY26)
Coforge	46,628	64,320	80,146	91,790	120,507	164,027	28.6%	37.9% (FY22)	14.5% (FY24)

Notes:

1. *Revenue figures are presented in INR million (₹ Mn).*
2. *All revenue figures are taken from disclosed financials in the respective company annual reports.*
3. *HCLTech revenue, reported in INR crore, has been converted to INR million (1 crore = 10 million) for consistency across peers*
4. *All the companies follow an April–March fiscal year.*

EBITDA Performance

Persistent has scaled EBITDA from ₹6,830 Mn in FY21 to ₹27,064 Mn in FY26, while improving EBITDA margin from 16.3% to 18.4%. Operating productivity has also strengthened, with EBITDA per employee nearly doubling from ₹0.50 Mn to ₹0.98 Mn over FY21–FY26.

Company	Metric	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**EBITDA (₹ Mn)**	**6,830**	**9,582**	**15,191**	**16,757**	**20,582**	**27,064**
	EBITDA margin (%)	**16.3%**	**16.8%**	**18.2%**	**17.1%**	**17.2%**	**18.4%**
HCLTech	EBITDA (₹ Mn)	200,570	205,300	226,280	242,000	255,040	267,520
	EBITDA margin (%)	26.6%	24.0%	22.3%	22.0%	21.8%	20.6%
Wipro	EBITDA (₹ Mn)	150,709	171,197	173,008	170,170	180,850	180,358
	EBITDA margin (%)	24.2%	21.5%	19.0%	18.9%	20.3%%	19.4%
Mphasis	EBITDA (₹ Mn)	18,028	21,176	24,339	24,218	26,469	29,833
	EBITDA margin (%)	18.5%	17.7%	17.6%	18.2%	18.6%	18.8%
LTTS	EBITDA (₹ Mn)	10,074	14,149	17,107	19,190	18,925	19,350
	EBITDA margin (%)	18.5%	21.5%	21.3%	19.9%	17.7%	17.6%
Coforge	EBITDA (₹ Mn)	8,391	12,056	13,250	16,185	21,713	30,464
	EBITDA margin (%)	18.0%	18.7%	18.3%	17.6%	18.0%	18.6%

Notes:

1. *All figures are presented in INR million (₹ Mn).*
2. *HCLTech: EBITDA is calculated by adding depreciation and amortization to reported EBIT.*
3. *Mphasis: EBITDA is calculated by adding depreciation and amortization to reported EBIT; EBITDA margin is derived as EBITDA divided by revenue.*
4. *Wipro: EBITDA derived by adding depreciation and amortization to reported EBIT; EBITDA margin calculated as derived EBITDA divided by revenue.*
5. *Persistent: EBITDA calculated as EBIT (excluding other income) plus depreciation and amortization, based on reported financials. FY24 and FY26 include one-time expenses (FY26: additional employee benefits expense from the new labour codes in India); no adjustments have been made.*
6. *"–" indicates data not disclosed or unavailable.*

EBIT Margin

Persistent's EBIT increased from ₹5,075 Mn in FY21 to ₹23,035 Mn in FY26, with an increase of 31.5% YoY over FY25, while EBIT margin expanded by 4 percentage points from ~12% to ~16%, indicating that Persistent has sustained strong growth while also improving operating profitability.

Company	Metric	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**EBIT (₹ Mn)**	**5,075**	**7,922**	**12,472**	**13,663**	**17,513**	**23,035**
	EBIT margin (%)	**12.1%**	**13.9%**	**14.9%**	**13.9%**	**14.7%**	**15.6%**
HCLTech	EBIT (₹ Mn)	154,370	162,040	184,830	200,270	214,200	223,970
	EBIT margin (%)	20.5%	18.9%	18.2%	18.2%	18.3%	17.2%
Wipro	EBIT (₹ Mn)	123,053	140,286	139,606	136,099	151,271	151,251
	EBIT margin (%)	19.8%	17.6%	15.4%	15.2%	17.0%	16.3%
Mphasis	EBIT (₹ Mn)	15,611	18,269	21,087	20,114	21,706	24,281
	EBIT margin (%)	16.1%	15.3%	15.3%	15.1%	15.3%	15.3%
LTTS	EBIT (₹ Mn)	7,891	12,005	14,792	16,474	15,872	15,898
	EBIT margin (%)	14.5%	18.3%	18.5%	17.1%	14.9%	14.5%
Coforge	EBIT (₹ Mn)	5,779	9,151	11,468	11,615	12,942	23,645
	EBIT margin (%)	12.4%	14.2%	14.3%	12.7%	10.7%	14.4%

Notes:
1. *All figures are presented in INR million (₹ Mn).*
2. *"–" indicates data not disclosed or unavailable.*
3. *Figures are based on company-reported operating margins for the respective fiscal years.*
4. *Coforge: FY2025 EBIT margin reflects the restated figure disclosed in the FY2026 Annual Report.*
5. *Coforge: EBIT margins for FY2021 and FY2024 were calculated as EBIT divided by revenue, as these percentages were not directly reported by the company.*
6. *Persistent: FY24 EBIT includes one-time expenses.*

Net Profitability

Persistent's PAT increased from ₹4,507 Mn in FY21 to ₹18,651 Mn in FY26, with an increase of 33.2% YoY over FY25, while PAT margin improved from ~11% to ~13%. This 2 percentage-point improvement compares with a 1 percentage-point decline in the median peer margin over the same period, indicating stronger improvement in bottom-line profitability alongside growth. Persistent is the only Indian IT services company among the selected listed Indian IT services peers, to have achieved a combination of sustained revenue growth and margin expansion since FY24.

Company	Metric	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**PAT (₹ Mn)**	**4,507**	**6,904**	**9,211**	**10,935**	**14,002**	**18,651**
	PAT margin (%)	**10.8%**	**12.1%**	**11.0%**	**11.1%**	**11.7%**	**12.7%**
HCLTech	PAT (₹ Mn)	111,450	134,990	148,510	157,020	173,900	166,420
	PAT margin (%)	14.8%	15.7%	14.6%	14.3%	14.9%	12.8%
Wipro	PAT (₹ Mn)	107,946	122,191	113,500	110,452	131,354	131,974
	PAT margin (%)	17.3%	15.4%	12.5%	12.3%	14.7%	14.2%
Mphasis	PAT (₹ Mn)	12,168	14,309	16,379	15,548	17,021	18,626
	PAT margin (%)	12.5%	12.0%	11.9%	11.7%	12.0%	11.7%
LTTS	PAT (₹ Mn)	6,633	9,570	11,698	13,037	12,667	12,818
	PAT margin (%)	12.2%	14.6%	14.6%	13.5%	11.9%	11.7%
Coforge	PAT (₹ Mn)	4,556	6,617	6,938	8,080	9,635	15,557
	PAT margin (%)	9.8%	10.3%	8.7%	8.8%	8.0%	9.5%

Notes:
1. *All figures are presented in INR million (₹ Mn) for consistent comparison across peers.*

2. *Figures originally reported in INR crore have been converted to INR million (1 crore = 10 million) to ensure consistency across peers.*
3. *Figures are based on company-reported consolidated financials for the respective fiscal years.*
4. *"–" indicates data not disclosed or unavailable.*

Core Verticals' Growth

Persistent has strengthened its position across its key industry verticals, with BFSI revenue growing at a 31.6% CAGR over FY21–FY26 versus underlying segment growth of 6.6%, and Healthcare & Life Sciences growing at 36.1% over FY21–FY26 versus approximately 10% for the segment. This has increased the contribution of BFSI and Healthcare & Life Sciences while reducing Persistent's historical dependence on Hi-Tech, indicating broad-based growth across its core verticals.

Company	Vertical Mix	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**BFSI**	**30.8%**	**31.6%**	**32.9%**	**31.9%**	**31.6%**	**34.5%**
	Healthcare & Life Sciences	**19.3%**	**20.8%**	**19.7%**	**21.3%**	**27.3%**	**25.6%**
	Hi-Tech	**49.9%**	**47.6%**	**47.4%**	**46.8%**	**41.2%**	**39.9%**
	Others	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**
HCLTech	BFSI	21.0%	20.9%	20.7%	22.1%	20.1%	21.5%
	Healthcare & Life Sciences	16.2%	16.4%	16.9%	16.9%	15.9%	14.4%
	Hi-Tech	14.8%	15.2%	14.9%	12.9%	14.6%	14.3%
	Others	48.0%	47.5%	47.5%	48.1%	49.4%	49.8%
Wipro	BFSI	-	34.9%	35.0%	33.4%	34.3%	34.1%
	Healthcare & Life Sciences	–	11.7%	11.7%	13.2%	14.1%	14.5%
	Hi-Tech	–	11.4%	11.3%	–	–	–
	Others	–	42.0%	42.0%	53.4%	51.6%	51.4%
Coforge	BFSI	49.0%	54.0%	54.0%	53.6%	47.9%	41.5%
	Healthcare & Life Sciences	-	-	-	-	-	-
	Hi-Tech	-	-	-	-	-	-
	Others	51.0%	46.0%	46.0%	46.4%	52.1%	58.5%
Mphasis	BFSI	62.0%	63.0%	63.0%	58.0%	60.0%	67.0%
	Healthcare & Life Sciences	-	-	-	-	-	-
	Hi-Tech	-	-	-	-	-	-
	Others	38.0%	37.0%	37.0%	42.0%	40.0%	33.0%
LTTS	BFSI	-	-	-	-	-	-
	Healthcare & Life Sciences	12.8%	11.8%	10.0%	9.8%	-	-
	Hi-Tech	-	-	-	-	37.0%	33.3%
	Others	87.2%	88.2%	90.0%	90.2%	63.0%	66.7%

Notes:

1. *Figures are based on company-reported consolidated financials for the respective fiscal years.*
2. *"–" indicates data not disclosed or unavailable.*
3. *Industry segments reported by the companies are grouped into common verticals for consistent peer comparison.*
4. *Hi-Tech reflects standalone Technology/Hi-Tech segment disclosures. For peers where Hi-Tech is reported only within a combined segment, values are not shown.*
5. *Persistent: reflects the company-reported Software, Hi-Tech & Emerging Industries segment.*
6. *HCLTech: BFSI vertical refers to Financial Services, Hi-Tech refers to Technology & Services.*
7. *Coforge & Mphasis: BFSI includes Banking and Financial Services (BFS) and Insurance.*
8. *Wipro: Hi-Tech vertical refers to revenue from the Technology Sector.*
9. *LTTS (FY2021–FY2024): Medical Devices is mapped to Healthcare & Life Sciences; all other segments, including combined Telecom & Hi-Tech, are classified under Others.*
10. *LTTS (FY2025–FY2026): Mobility and Sustainability are mapped to Others; Tech is classified as Hi-Tech.*

Geographic Mix

Persistent has a strong presence in North America, which contributed 81% of FY26 revenue compared with a peer average of ~64%. This gives Persistent greater exposure to the largest enterprise technology services market. Europe contributes 9% of revenue, leaving significant headroom to deepen its presence in a large and growing enterprise technology market while maintaining its strong North American base.

Company	Geographical Mix	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**North America**	**80.8%**	**78.8%**	**78.0%**	**79.6%**	**80.8%**	**80.6%**
	Europe (incl. UK)	**9.2%**	**8.7%**	**9.0%**	**9.0%**	**8.1%**	**8.7%**

Company	Geographical Mix	FY21	FY22	FY23	FY24	FY25	FY26
	India	**8.4%**	**10.6%**	**11.3%**	**9.9%**	**9.4%**	**8.8%**
	Rest of World	**1.6%**	**1.9%**	**1.7%**	**1.5%**	**1.7%**	**1.9%**
HCLTech	North America	58.8%	57.1%	57.0%	57.7%	58.1%	55.5%
	Europe (incl. UK)	27.0%	26.3%	26.5%	26.6%	26.7%	28.1%
	India	3.7%	4.1%	3.9%	3.5%	3.1%	3.0%
	Rest of World	10.5%	12.4%	12.6%	12.2%	12.1%	13.4%
Wipro	North America	-	58.5%	59.7%	60.1%	62.3%	62.4%
	Europe (incl. UK)	-	29.9%	28.5%	28.4%	27.1%	26.5%
	India	-	-	-	-	-	-
	Rest of World	-	11.6%	11.8%	11.5%	10.6%	11.1%
Coforge	North America	48.0%	51.8%	49.9%	48.3%	54.8%	56.9%
	Europe (incl. UK)	37.0%	35.4%	38.9%	39.4%	33.6%	28.9%
	India	-	4.4%	3.9%	5.4%	4.4%	-
	Rest of World	–	8.5%	7.3%	6.9%	7.1%	–
Mphasis	North America	77.0%	79.0%	82.0%	80.0%	81.0%	84.0%
	Europe (incl. UK)	12.0%	12.0%	10.0%	11.0%	10.0%	9.0%
	India	5.0%	5.0%	5.0%	6.0%	6.0%	5.0%
	Rest of World	6.0%	4.0%	3.0%	3.0%	3.0%	2.0%
LTTS	North America	61.0%	62.5%	56.5%	55.0%	52.2%	59.7%
	Europe (incl. UK)	16.2%	16.5%	14.8%	15.9%	17.7%	18.6%
	India	13.4%	13.6%	21.6%	21.9%	22.9%	13.9%
	Rest of World	9.4%	7.4%	7.1%	7.2%	7.2%	7.8%

Notes:

1. *Figures are based on company-reported consolidated financials for the respective fiscal years.*
2. *"–" indicates data not disclosed or unavailable.*
3. *Mphasis: Americas revenue is considered as North America, while EMEA revenue is considered as Europe for peer comparison.*
4. *Wipro: America- 1 (USA and Latin America) and America- 2 (USA and Canada) revenues are combined and considered as North America for peer comparison.*

Attrition

Persistent's LTM attrition declined from 20% in FY23 to 12% in FY24 and has since held at 12–13%. Persistent has maintained low and stable attrition rates of ~13% over the last two years, and among peers, it recorded one of the lowest attrition rates in FY2026.

Attrition – LTM (%)	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	11.7%	26.6%	19.8%	11.5%	12.9%	13.0%
HCLTech	9.9%	21.9%	19.5%	12.4%	13.0%	12.5%
Wipro	17.6%	23.3%	19.4%	14.2%	15.0%	13.8%
Mphasis	–	–	–	–	–	–
LTTS	12.2%	20.4%	22.2%	14.8%	14.3%	14.7%
Coforge	–	17.7%	14.1%	11.5%	10.9%	10.8%

Notes:

1. *Figures are based on company-reported consolidated financials for the respective fiscal years.*
2. *"–" indicates data not disclosed or unavailable.*

Working Capital Efficiency

Persistent's DSO improved from 68 days in FY23 to 53 days in FY26, placing it 11.5 days below the peer median of 64.5 days. This indicates faster collections, giving it the strongest receivables position among peers.

Days Sales Outstanding (DSO) – Days	FY21	FY22	FY23	FY24	FY25	FY26
Persistent Systems	**55**	**59**	**68**	**63**	**58**	**53**
HCLTech	62	61	66	61	59	61
Wipro	-	-	-	-	-	-

Days Sales Outstanding (DSO) – Days	FY21	FY22	FY23	FY24	FY25	FY26
Mphasis	-	-	-	-	-	-
LTTS	75	87	75	100	88	68
Coforge	70	63	61	56	60	69

Notes:

1. *Figures are based on company-reported consolidated financials for the respective fiscal years.*
2. *"–" indicates data not disclosed or unavailable.*
3. *Billed DSO has been considered for all companies to ensure consistency in peer benchmarking.*
4. *LTTS: Billed DSO has been calculated as Combined DSO - Unbilled DSO.*
5. *LTTS: Q4 billed DSO has been considered as the final value for each respective fiscal year.*

QoQ Revenue Growth

Persistent has consistently outpaced the listed Indian IT universe on revenue growth across both recent and extended periods. Persistent's relative outperformance is demonstrated by Q1 FY27 quarter-over-quarter growth of 3.76% compared to 0.52% for the listed Indian IT universe, reflecting quarter-over-quarter outperformance of 3.24 percentage points, showcasing that it has grown faster than 12 of the 13 listed companies in the Indian IT universe in Q1FY27 across large and mid-cap companies. Persistent has delivered industry-leading growth consistently over an extended period, with the company recording an 8Q CQGR of 4.09% and 16Q CQGR of 4.0%, compared with 0.75% and 0.79%, respectively, for peers, indicating sustained growth ahead of the listed Indian IT universe.

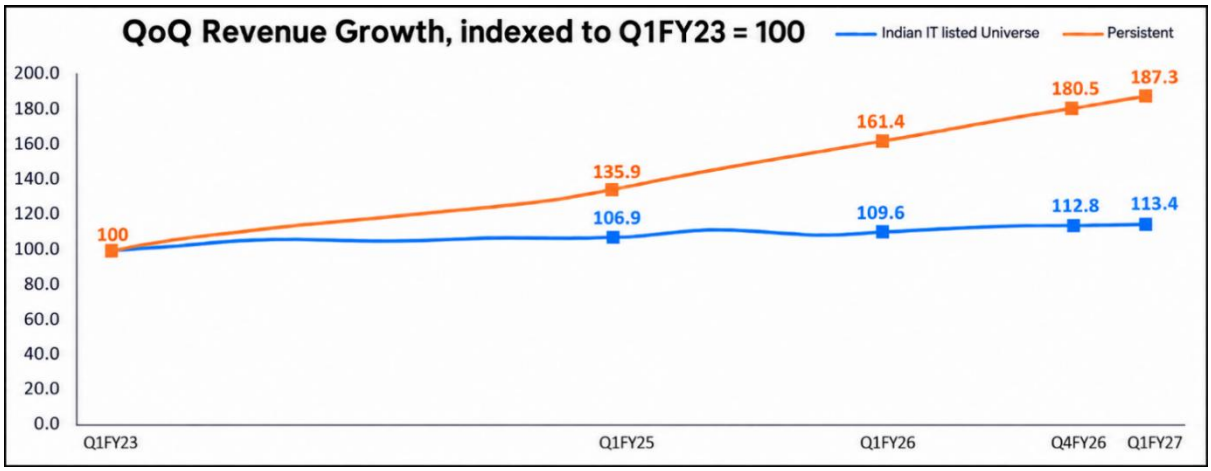


Fig 22: QoQ Revenue Growth
Source: Company financials

Notes:

1. *QoQ, YoY, 8Q CQGR and 16Q CQGR growth is calculated based on reported USD revenue.*
2. *Financial data is sourced from the respective companies' investor reports.*
3. *Both are indexed to 100 as of Q1FY23 to show relative revenue performance; absolute revenue levels comparison is not shown.*
4. *Indian IT listed Universe represents the selected peer group, comprising of Tata Consultancy Services, Infosys, HCLTech, Wipro, Tech Mahindra, LTIMindtree, Mphasis, L&T Technology Services, Coforge, Zensar, Birlasoft, KPIT and Mastek.*
5. *Indian IT listed Universe growth is calculated based on the aggregate reported USD revenue of the firms in the group.*
6. *Indexed Revenue figures for all companies are in USD million.*

Growth vs. Profitability (EBIT)

On an EBIT basis, peer margins sit within a band of ~14–17% in FY26, with a peer median of 15.3%, again making growth the key differentiator. Persistent delivered an EBIT margin of 15.6% in FY26, above the peer median, alongside revenue growth of 23.5% YoY over FY25, more than twice the peer median of 11.2%. Persistent is the only company in the set above the peer median on both revenue growth and EBIT margin, positioning it among the few peers pairing strong growth with sustained profitability.

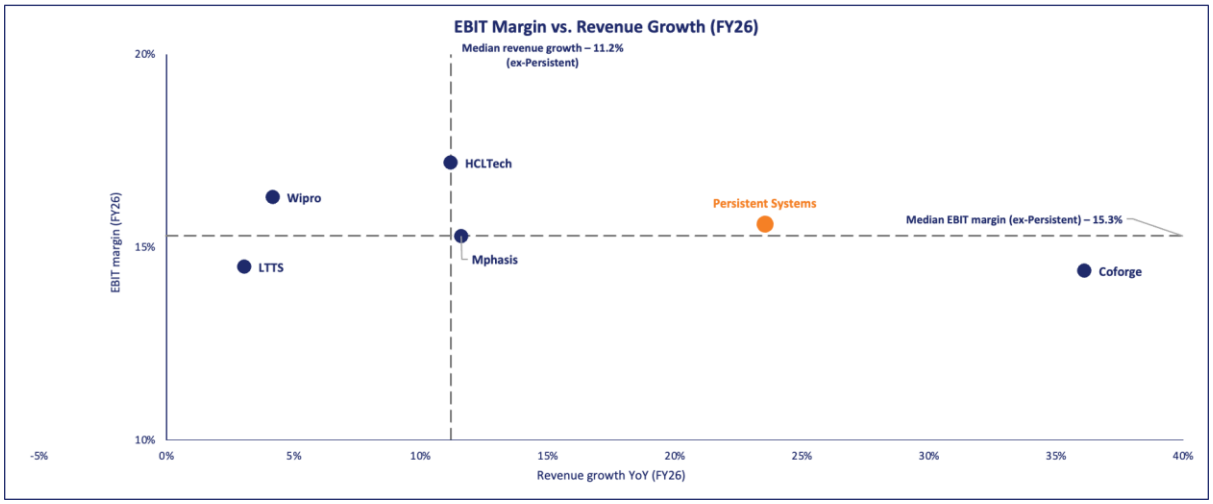


Fig 23: Revenue growth v/s EBIT Margin - Benchmarking with Peers (FY26)
Source: Company financials.

c. M&A Activity

M&A activity in the IT services and digital engineering market has moderated from its pandemic-era peak. Deal volumes reached a peak of 1,924 transactions in CY2021, as the Covid-driven push to accelerate digital programs prompted buyers to acquire capabilities and scale. Activity held broadly steady in CY2022 at 1,886 deals (~2% lower), although economic uncertainty and rising interest rates began to slow buyer appetite. Volumes fell by ~20% in CY2023 to 1,503 deals, as inflation and market pressure tightened financing conditions and weighed on valuations. The pace of decline eased to ~8% in CY2024 (1,388 deals), with more stable markets and capability-led transactions supporting a gradual stabilization. In CY2025, volumes declined a further ~22% to 1,080 deals; however, buyers increasingly concentrated capital in fewer, larger transactions, with Capgemini's USD 3.3 Bn acquisition of WNS and Wipro's expansion into digital engineering through its acquisition of Harman's digital transformation business among the notable deals of the year.

Overall, CY2025 deal volumes were ~44% below the CY2021 peak, reflecting a shift from volume-led consolidation toward selective, strategic acquisitions aimed at specialized capabilities, market access, and scale. The outlook for CY2026 is more constructive, with several marquee transactions already announced, including Persistent's acquisition of Nagarro and Everforth's USD 290 Mn acquisition of Quinnox, a digital engineering platform with offshore delivery capabilities.

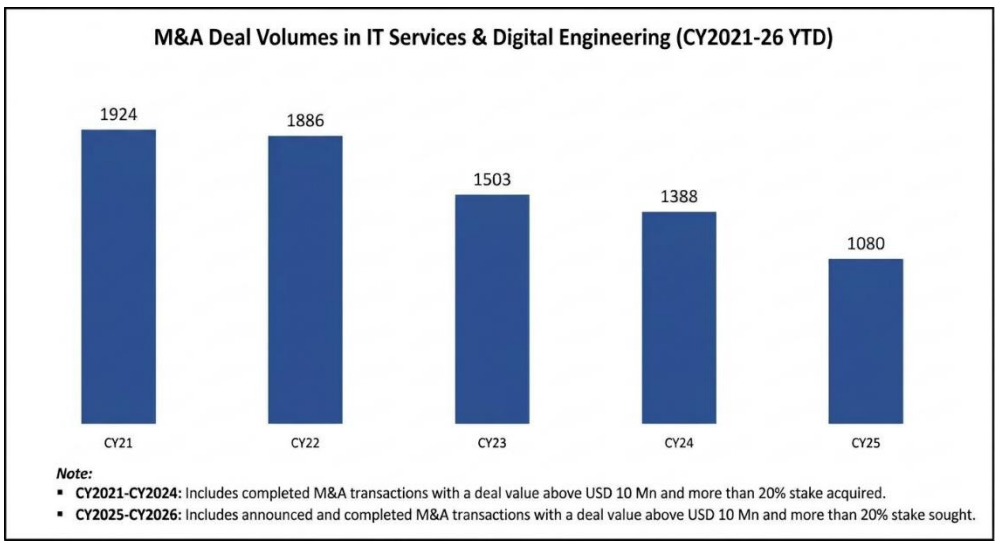


Fig 24: M&A Deal Volumes in IT Services & Digital Engineering (CY2021-25)
Source: Zinnov analysis and research

Beneath the decline in headline volumes, acquirers are using M&A for a wider range of reasons, including to add AI, data, cloud and engineering capabilities and to position themselves for large AI-led transformation mandates.

Larger providers are pursuing scale to build end-to-end, AI-first offerings, while smaller tuck-in deals add specialized talent and IP in areas such as applied AI, data engineering and industrial digitalization. Deals are also deepening domain expertise in verticals such as banking, insurance and telecommunications, alongside a push for presence in priority client markets across Europe and the US, often combined with nearshore delivery. Corporate carve-outs are also emerging as a source of assets, typically paired with long-term strategic partnerships with the divesting parent. Deal sizes range from sub-USD 100 Mn tuck-ins to multi-billion-dollar platform deals, reflecting capital concentrating in fewer, larger transactions. The marquee transactions across these themes are outlined below:

Scale consolidation

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
Capgemini	WNS	USD 3.3 Bn	Jul 07, 2025	India	Capgemini's acquisition of WNS for USD 3.3 Bn pairs Capgemini's AI, cloud, and data capabilities with WNS's domain-led business process expertise, and significantly scales its business services offering as clients shift from traditional outsourcing to AI-led operations
ITC Infotech	Happiest Minds Technologies	₹1,330 Cr (22.1% stake)	Aug 31, 2026	India	ITC Infotech is acquiring Happiest Minds to create a scaled, AI-first global technology services enterprise. The deal unites Happiest Minds' strengths in AI, digital engineering, cloud, data, and cybersecurity with ITC Infotech's depth in enterprise transformation, SAP, PLM, and Industry 4.0
Coforge	Encora	USD 2.35 Bn (EV)	Dec 26, 2025	United States	Coforge has acquired Encora for an enterprise value of USD 2.35 Bn. The deal strengthens Coforge's AI-led product engineering, cloud, and data capabilities, adding a scaled nearshore delivery base in Latin America to serve US clients.

Capability and IP

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
Accenture	Faculty	Undisclosed	Jan 06, 2026	United Kingdom	To scale its applied AI capabilities, Accenture has acquired Faculty, a UK-based AI-native services and products firm, adding 400+ data scientists and AI engineers, Faculty's Frontier decision intelligence platform, with Faculty's CEO Marc Warner becoming Accenture's CTO
Capgemini	Piterion	Undisclosed	Mar 09, 2026	Germany	Capgemini has agreed to acquire Piterion, a Stuttgart-based product lifecycle management (PLM) and manufacturing operations management (MOM) specialist, to strengthen its industrial digitalization capabilities and global PLM practice
C5i	Datavid	USD 45–50 Mn	Mar 19, 2026	United Kingdom	C5i has acquired Datavid, a London-based data and AI firm specializing in graph data engineering, to strengthen its ability to deploy enterprise-grade generative and agentic AI solutions. This complements C5i's commercial life

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
					sciences strength with Datavid's clinical and R&D expertise, and expands its European footprint

Vertical depth

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
Accenture	Cabel Industry	Undisclosed	Dec 24, 2025	Italy	Accenture has agreed to acquire Cabel Industry, an Italian provider of core banking and IT managed services to mid-size financial institutions, to strengthen its core banking proposition as Italian banks modernize for scale and productivity
Virtusa	Sincera Technologies	Undisclosed	Jul 22, 2025	United States	Virtusa has acquired Sincera Technologies, a US-based software development and digital transformation firm with deep telecommunications expertise, to strengthen its position in the communications sector
Infosys	Stratus Technology Services	Up to USD 95 Mn	Mar 25, 2026	United States	Infosys has acquired Stratus, a US-based Guidewire partner for property and casualty (P&C) insurers, for up to USD 95 Mn, to accelerate AI-powered digital and data transformation for P&C clients.

Market expansion

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
CGI	Callibrity	Undisclosed	Sep 09, 2026	United States	CGI has acquired Callibrity to strengthen its presence in the Cincinnati market, adding a technology consulting firm with deep experience in financial services, insurance, and manufacturing.

Corporate carve-out

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
Infosys	Versent Group	~USD 153 Mn (75% stake)	Aug 13, 2025	Australia	Infosys has agreed to acquire a 75% stake in Versent Group for ~USD 153 Mn, from Telstra, to accelerate AI-enabled cloud and digital transformation for Australian enterprises and public sector organizations
Tata Consultancy Services	MHP	USD 373 Mn (EV)	Aug 24, 2026	Germany	TCS has agreed to acquire MHP, Porsche's automotive consulting subsidiary, for an enterprise value of USD 373 Mn, as part of a broader five-year strategic partnership to industrialize AI across Porsche's mobility value chain.
UST	Italdesign	Undisclosed	Dec 10, 2025	Italy	UST has acquired a majority stake in Italdesign from the Audi Group,

Acquirer	Target	Deal Value	Announced Date	Target HQ	Reason for acquisition
					combining the firm's vehicle design, engineering, and prototyping heritage with UST's capabilities in AI, digital engineering, and software-defined vehicles

Fig 25 (a-e): Marquee M&A Deals in IT Services & Digital Engineering (CY2025-26)
Source: Zinnov analysis and research

d. Threats and Challenges

The Digital Engineering and IT Services industry operates in a changing environment shaped by macroeconomic cycles, rapid advances in AI, evolving enterprise sourcing models and increasing regulation around data and technology. These shifts require service providers to continuously adapt their engagement models and capabilities to meet changing enterprise requirements. Some of the key threats and challenges that influence the industry are outlined below:

Macroeconomic & Geopolitical Volatility: Enterprise technology budgets in North America and Europe remain sensitive to economic uncertainty, interest-rate cycles, trade policy and geopolitical tensions, which can delay discretionary programs, extend decision cycles and increase focus on cost optimization. Persistent's focus on Digital Engineering, and product development provides greater resilience, as product engineering spend is typically less discretionary than project-based IT spend. Maintaining a diversified industry presence can further reduce exposure to demand cycles.

Expansion of Global Capability Centres: Enterprises are expanding in-house technology and engineering capacity through Global Capability Centres (GCCs) to gain greater control over IP and improve cost competitiveness, potentially shifting work away from third-party providers. According to a 2026 GoI study, the number of GCCs increased from 1,700+ in CY2024 to 2,100+ in CY2026, highlighting the continued expansion of in-house delivery capacity. Persistent's GCC offering covers setup, scaling and transformation of GCCs, including greenfield setup, build-operate-transfer models and expansion of existing centres into areas such as data, cloud, product engineering and automation. Building longer-term partnerships with GCCs for specialized engineering and transformation work can help retain participation in technology spend as delivery moves in-house.

Talent Availability & Skill Transformation: Demand for AI/ML, data, cloud and domain-specific engineering talent continues to outpace supply, while rapid technology change is increasing the need for continuous workforce reskilling. A 2026 UK Government study found that 57% of organizations are facing technical skills gaps, with 28% reporting that these gaps were already affecting their ability to achieve business goals. As enterprises accelerate AI adoption, providers that invest in building an AI-fluent workforce are better positioned to deliver these capabilities at scale. Persistent has invested in workforce upskilling, reaching 26,500+ partner certifications and 10,700+ AI/ML/GenAI external certifications as on 30th September, 2026, supported by Persistent University and its AI Academy.

Data Security, Privacy & AI Governance: Service providers handle sensitive client data, source code and intellectual property across distributed environments, increasing exposure to cybersecurity, privacy and AI-governance risks. The 2025 ENISA Threat Landscape reports that digital infrastructure and services accounted for 13.7% of EU cybercrime incidents and 28.2% of data-breach claims, highlighting the sector's exposure to cyber threats. Persistent maintains ISO 27001, SOC 2 Type 2, ISO 27701 and ISO 42001 certifications, supported by 24/7 security monitoring and Zero Trust controls. Continued investment in cyber resilience, data governance and AI governance will be important as cyber threats and regulatory requirements evolve.

Restrictive Immigration & Trade Policies: Changes in immigration and work-visa policies can increase onsite delivery costs and limit workforce flexibility. According to the White House, following the 2025 H-1B policy change, registrations by the largest IT staffing and outsourcing firm fell 92%. However, Persistent already operates across the U.S., Canada, Mexico and Costa Rica, supported by delivery in India and a presence across Europe, Asia and Africa, providing flexibility across onshore, nearshore and offshore locations. Overall, Persistent's revenue is diversified across three core industry verticals and multiple geographies, thus, reducing concentration risk and providing resilience through economic cycles.

Shift in Engagement Models: Rapid adoption of generative and agentic AI is improving productivity across software development, testing and IT operations, increasing pressure to reflect these gains in pricing and shift from effort-based to outcome-based and platform-led models. Persistent has invested in GenAI Hub, iAURA and SASVA and is increasing its focus on outcome-based engagement through its 3C framework. Increasing the share of outcome-based engagements can help reduce revenue pressure as AI lowers the effort required for delivery.

Despite these challenges, continued investment in AI-led transformation, legacy modernization and product engineering is supporting growth in the Digital Engineering and IT Services market. As enterprise technology requirements become more complex, organizations increasingly require partners with strong engineering capabilities, AI expertise, scalable global delivery and a record of reliable, predictable execution. This creates continued opportunities for specialized providers that can adapt their capabilities and delivery models to evolving enterprise needs.

SUMMARY OF BUSINESS

Unless otherwise stated or the content otherwise requires, references in this section to "our Company" or "the Company" are to Persistent Systems Limited on a standalone basis, while references to "we", "us", or "our" (including in the context of any financial or operational information) are to Persistent Systems Limited on a consolidated basis. Also, see "Definitions and Abbreviations" on page 26 for certain terms used in this section.

We have made a voluntary public takeover offer to acquire 100% of the outstanding shares of Nagarro SE, a Germany-headquartered digital engineering and technology services company listed on the Frankfurt Stock Exchange (ISIN: DE000A3H2200), at an offer price of EUR 81.00 per share, representing an enterprise value of approximately EUR 1.27 billion. The minimum acceptance threshold for the offer was met during the initial acceptance period, which ended on September 17, 2026. Following the end of the additional acceptance period on October 6, 2026, approximately 94.04% of Nagarro's outstanding shares (excluding treasury shares) had been tendered into the offer or otherwise secured by us, including the Nagarro Shares to be acquired under the Lantano SPA. Completion of the Nagarro Acquisition remains subject to receipt of the remaining regulatory approvals. Throughout this Placement Document, references to the "Nagarro Acquisition" or the "Proposed Acquisition" are to this voluntary public takeover offer and the transactions contemplated thereby, unless the context requires otherwise. Certain risks associated with the Nagarro Acquisition are described in the section "Risk Factors — Additional Risks Relating to the Acquisition of Nagarro and Nagarro's Business" on page 68.

Unless otherwise stated or the context requires otherwise, references to a "Fiscal" in this section are to the twelve-month period ended March 31 of the relevant year, and references to "CY" are to calendar year, being the twelve-month period ended December 31 of the relevant year. For example, "Fiscal 2026" refers to the twelve-month period ended March 31, 2026. References to a quarter followed by a fiscal year or calendar year designation refer to the relevant three-month period of that fiscal year. For example, "Q1 Fiscal 2027" and "Q2 Fiscal 2027" refer to the three-month periods ended June 30, 2026 and September 30, 2026, respectively, and references to "Q1 CY2027" are to the three-month period ended March 31, 2027.

*The financial information of our Company used in this section is derived from the Audited Consolidated Financial Statements and the Audited Condensed Interim Financial Statements prepared in accordance with Indian Accounting Standards ("**Ind AS**"). The Company's financial year ends on March 31 of each year. For further information, see "Financial Information" on page 103. Financial information relating to Nagarro SE has been derived from the Nagarro Financial Statements prepared in accordance with the IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code]. Nagarro's financial year ends on December 31 of each year. For further information, see "Financial Information" on page 103.*

We have included various operational and financial performance indicators in this Placement Document that are not derived from our Audited Consolidated Financial Statements or Audited Condensed Interim Financial Statements and have not been subject to an examination, audit or review by our auditors or any other expert. The manner in which such operational and financial performance indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other companies in India and other jurisdictions. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and should consult their own advisors and evaluate such information in the context of our Audited Consolidated Financial Statements and Audited Condensed Interim Financial Statements and other information relating to our business and operations included in this Placement Document.

*Certain information in this Placement Document relating to the information technology services industry has been derived from a report commissioned by us and prepared by Zinnov Management Consulting Private Limited ("**Zinnov**"). Unless otherwise indicated, all references to the "Zinnov Report" in this section and elsewhere in this Placement Document are to such report. The Zinnov Report is not a recommendation to invest in, sell or hold any securities of our Company. Zinnov has not independently verified the data or information from third-party sources used in preparing the Zinnov Report and does not guarantee the accuracy, adequacy or completeness of the data. Investors should not place undue reliance on the Zinnov Report in making an investment decision relating to the Equity Shares. For further information on the risks associated with reliance on the Zinnov Report, please see "— We have commissioned an industry report from Zinnov that is based on estimates, assumptions and projections that may prove to be inaccurate" on page 65.*

The following information is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Placement Document, including the information contained in "Risk Factors", "Summary of Industry" and "Financial Information", on pages 36, 750 and 103 respectively.

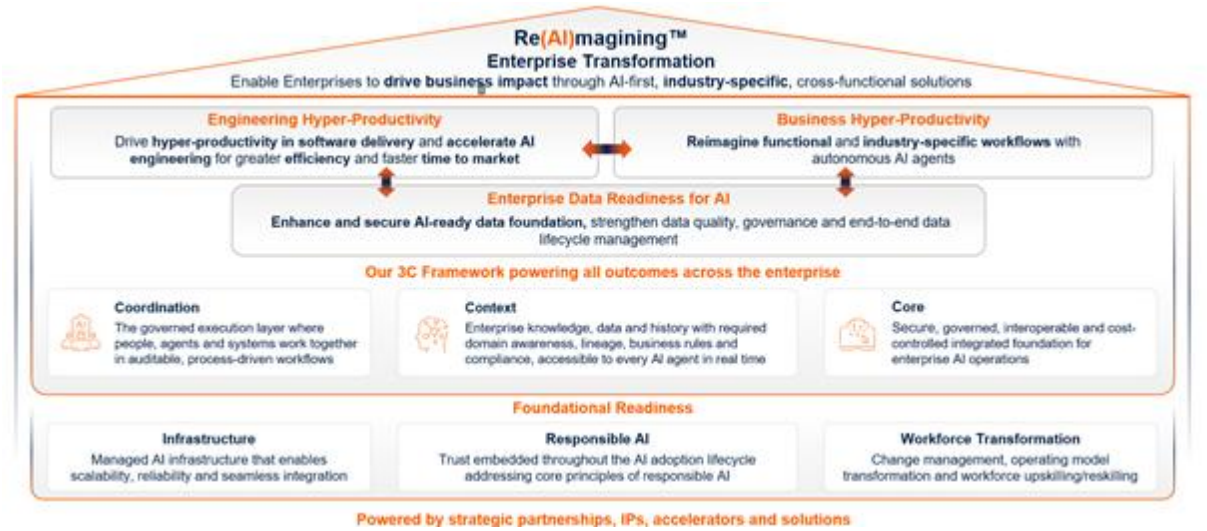
This section contains forward-looking statements, especially information with respect to our plans and strategies, and such statements involve risks, assumptions, estimates and uncertainties. You should read "Forward-looking Statements" on page 21 for a discussion of the risks and uncertainties related to those statements and "Risk Factors" on page 36 for a discussion of certain risks that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in, or implied by, these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Placement Document.

OVERVIEW

We are a global technology services company providing artificial intelligence ("**AI**")-led, platform-driven digital engineering and enterprise modernization services to enterprise customers. We deliver digital engineering services across our three core industry verticals: (i) Banking, Financial Services and Insurance ("**BFSI**"), (ii) Healthcare and Life Sciences ("**HLS**") and (iii) Software, Hi-Tech and Emerging Industries. Our digital offerings include product and platform engineering, data and artificial intelligence, cloud-enabled enterprise modernization, customer experience ("**CX**") and design-led transformation and agentic business automation. According to the Zinnov Report, we are the only listed Indian IT services company to have achieved 25 consecutive quarters of sequential revenue growth since Fiscal 2021, consistently delivering industry-leading growth.

According to the Zinnov Report, we focus on embedding AI-driven solutions across platforms, helping enterprises replace outdated, costly technology systems with modern platforms designed to set them apart from competitors. We help our clients modernize their core platforms to make the process more agile and efficient, to accelerate product launches, reduce cost and improve user experience.

Our "AI-first" approach is anchored in our proprietary 3C Framework: "Core" — a secure, governed, interoperable and cost-controlled foundation for enterprise AI operations; "Context" — enterprise knowledge, data, history, business rules and compliance accessible to every AI agent; and "Coordination" — a governed execution layer where people, agents and systems work together. The 3C Framework powers outcomes across our operational goals of Engineering Hyper-Productivity, Business Hyper-Productivity and Enterprise Data Readiness for AI. The 3C Framework is illustrated below.



Note:

(1) As of September 30, 2026.

With more than three decades of software and product engineering heritage, we operate at the intersection of AI, data and modernization, helping customers move from technology investments and AI experimentation to enterprise-wide deployment and measurable business outcomes. Our digital engineering services include inter alia CX and design-led transformation, product and platform engineering, data and artificial intelligence, cloud-enabled enterprise modernization, agentic business automation powered by AI, cloud and infrastructure services,

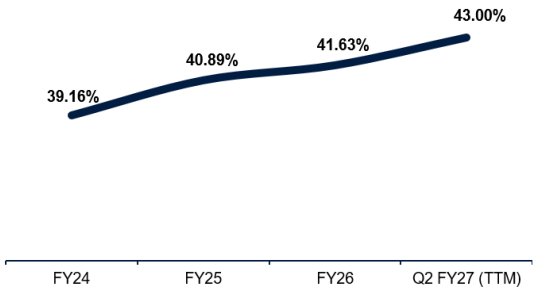
Enterprise IT Security, and Salesforce. We have developed proprietary AI platforms—SASVA™ for Engineering Hyper-Productivity, GenAI Hub for Business Hyper-Productivity, and iAURA for Enterprise Data Readiness—that together provide enterprises with a secure path to experiment with and scale AI adoption across their operations. We have also established GenAI Studios for innovation in India, the United States and the United Kingdom.

On June 26, 2026, our wholly owned German subsidiary Galaxy Germany Holding SE entered into a Business Combination Agreement with Nagarro to acquire 100% of the outstanding shares of Nagarro SE for EUR 81.00 per share in cash, implying an enterprise value of approximately EUR 1.27 billion. The Proposed Acquisition, which is expected to close by Q1 CY2027 subject to receipt of the remaining regulatory approvals (including merger-control and foreign direct investment clearances and the approval of the Reserve Bank of India under the Indian overseas investment framework) and other closing conditions, would add new capabilities that extend our technology portfolio across AI, digital, product design, ERP and CX, and add vertical scale to our established capabilities in BFSI, technology, media, and telecommunications ("TMT") and HLS. Nagarro is also expected to expand our reach across other verticals such as Industrials, Retail and Public Sector applications. The key objectives of the Proposed Acquisition are to expand our European revenue and nearshore delivery capability in Europe. For additional details, see the "*Proposed Acquisition of Nagarro SE*" section below on page 801.

Our Company was founded in 1990. During our inception phase (1990–2001), we focused on building database indexes and other foundational data structures. According to the Zinnov Report, we established ourselves as an early mover in outsourced product development between 2001 and 2008, carving out a differentiated position in the category and earning recognition for growth strategy leadership. According to the Zinnov Report, from 2008 to 2016, we expanded our offerings across the full product lifecycle, completed our initial public offering in 2010 and ventured into big data. Between 2016 and 2019, we established an early presence in digital transformation, expanded into the enterprise customer segment and developed domain-specific micro-vertical solutions with advanced analytics for individual industries. From 2019 to 2023, we implemented our Global Digital Engineering strategy and delivered industry-leading growth, according to the Zinnov Report. We have now pivoted to an AI-led, platform-driven services strategy, implementing our 3C Framework and pursuing new growth vectors at the intersection of industries, technologies and geographies, such as through the Nagarro Acquisition, with an enhanced focus on outcome-based models and on driving enterprise-wide transformation through AI and agentic AI solutions.

We maintain long-standing client relationships with a track record of scaling engagements over time. Our scalable "*Go-To-Market*" model focuses on deepening existing relationships and acquiring new clients in priority verticals, supported by strong execution systems and capability articulation. In Fiscal 2024, we had 17 clients that generated revenue of $10 million or more and two clients that generated revenue of $75 million or more. In Fiscal 2026, we had 29 clients that generated revenue of $10 million or more and four clients that generated revenue of $75 million or more, as well as 201 clients that generated revenue of $1 million or more. We generate the majority of our revenue from operations from North America, with the remainder split between India and the Rest of the World. In Fiscal 2026, revenue from operations from North America, India and the Rest of the World represented 80.64%, 8.76% and 10.60% of our revenue from operations, respectively. Our portfolio of marquee clients includes 18 of the Fortune 50, nine of the top 10 technology companies, six of the top 10 scientific instruments & medical devices ("**SIMD**") companies, seven of the top 10 U.S. banks, five of the top 10 Indian banks, five of the top 10 fintech companies, four of the top 10 pharmaceutical companies, three of the top 10 health providers and five of the top 10 clinical research organizations between Fiscal 2024 and Fiscal 2026, according to the Zinnov Report, based on the top listed companies in the relevant sector across our growth markets, measured by total assets for banks and by revenue for the latest reported financial year for all other sectors, and excluding our IT services peers from the technology company ranking.

Client Concentration Top 10 clients as % of total revenue



Client Count Engagement size

	FY24*	FY25	FY26	Q2 FY27 (TTM)
$75M+	2	4	4	4
$20M – $75M	8	6	8	9
$10M – $20M	7	11	17	21
$5M – $10M	23	34	33	26
$1M – $5M	140	136	139	158
Clients ($1M+)	180	191	201	218

Note: Q2 FY27 (TTM) Revenue/Count is for Trailing Twelve Months ending September 30, 2026

* Count of clients taken as per individual customer group for consistency

We operate an agile hybrid delivery model—combining onshore, nearshore and offshore capabilities—that pairs local expertise with global scale for cost-effective execution. Our delivery model is supported by approximately 86.79% effort mix based in India for Fiscal 2026. As of September 30, 2026, our presence spans 21 countries, with employees across four key regions: India, our primary delivery hub (25,452 employees); North America (3,477 employees); Europe (432 employees); and the Rest of the World (237 employees).

We are a promoter-led, professionally managed organization with an experienced leadership team. Dr. Anand Deshpande, our Founder, Chairman and Managing Director, is a pioneering technology entrepreneur and Fellow of INAE and INSA, recognized with the EY Entrepreneur of the Year award in the services category for 2023, the ACM Presidential Award – India 2024 and the CNBC-TV18 Lifetime Achievement Award at the 21st edition of the India Business Leader Awards. Sandeep Kalra, our Executive Director and CEO, brings 30+ years of experience in global technology services and has led our transformation and growth as a Company, and has been recognized in the 2026 Extel Asia Executive Team survey as rank one in Best CEO, for the Technology, IT Services, Software & AI industry (Asia excluding Mainland China), one of India's Best CEOs- 2025 by Fortune India and as the joint winner in the Tech Titan category in Business Times-PwC India's Best CEOs 2025 study. Vinit Teredesai, our Executive Director and CFO, has been recognized in the 2026 Extel Asia Executive Team survey as rank 2 in Best CFO, for the Technology, IT Services, Software & AI industry (Asia excluding Mainland China). Beyond leadership, we foster an innovation-first workplace culture that supports continuous learning and experimentation. We invest in workforce readiness through our AI-focused training and learning and development programs.

Our financial performance reflects sustained, profitable growth. Our revenue from operations was ₹147,484.49 million in Fiscal 2026, compared with ₹119,387.17 million in Fiscal 2025 and ₹98,215.87 million in Fiscal 2024, representing year-over-year growth of 23.53% and 21.56%, respectively. Our revenue from operations was ₹89,671.31 million in the six months ended September 30, 2026, representing growth of 29.69% period-over-period, compared with ₹69,143.07 million in the six months ended September 30, 2025. Our revenue from operations CAGR since our IPO to Fiscal 2026 was 22.14% (based on Fiscal 2010 revenue from operations of ₹6,011.56 million on an Indian GAAP basis), and our five-year CAGR from Fiscal 2021 to Fiscal 2026 was 28.63%. We are the only listed Indian IT services company to have achieved 25 consecutive quarters of sequential revenue growth since Fiscal 2021, according to the Zinnov Report. Our net profit for the year was ₹18,651.20 million in Fiscal 2026, compared with ₹14,001.61 million in Fiscal 2025 and ₹10,934.91 million in Fiscal 2024, representing year-over-year growth of 33.21% and 28.05%, respectively. Our net profit for the period was ₹8,345.57 million in the six months ended September 30, 2026, representing a decline of 6.90% period-over-period, compared with ₹8,964.06 million in the six months ended September 30, 2025. For Fiscal 2026 and the six months ended September 30, 2026, we had basic earnings per equity share of ₹119.74 and ₹53.29, respectively. Our Profit for the period/ year margin (%) was 11.13%, 11.73%, 12.65%, 12.96% and 9.31% in Fiscal 2024, 2025 and 2026 and the six months ended September 30, 2025 and September 30, 2026, respectively. Our EBIT (excluding other income) was ₹23,034.68 million in Fiscal 2026, compared with ₹17,512.83 million in Fiscal 2025 and ₹13,663.13 million in Fiscal 2024, representing year-over-year growth of 31.53% and 28.18%, respectively. Our EBIT (excluding other income) was ₹10,484.16 million in the six months ended September 30, 2026, representing a decline of 4.76% period-over-period, compared with ₹11,008.44 million in the six months ended September 30, 2025. Our EBIT (excluding other income) Margin (%) was 13.91%, 14.67%, 15.62%,

15.92% and 11.69% in Fiscal 2024, 2025 and 2026 and the six months ended September 30, 2025 and September 30, 2026, respectively. Our Fiscal 2026 EBIT (excluding other income) and Profit for the period/ year margin (%) reflect the one-time negative impact of additional employee benefits expense related to the impact of new statutory labour codes in India.

According to the Zinnov Report, we are the only Indian IT services company among the selected listed Indian IT services peers to have achieved this combination of sustained revenue growth and margin expansion since Fiscal 2024.

Nagarro Acquisition Overview

On June 26, 2026, Galaxy Germany Holding SE (the "**BidCo**"), our Company and Nagarro SE entered into a Business Combination Agreement, and the BidCo announced a voluntary public takeover offer to acquire all outstanding shares of Nagarro SE at EUR 81.00 per share in cash. The transaction has an enterprise value of approximately EUR 1.27 billion (representing 1.27x CY2025 EV/Revenue; 9.19x CY2025 EV/Adjusted EBITDA). The offer price represents a premium of approximately 140.07% to the undisturbed closing price of Nagarro's shares on June 25, 2026 and approximately 94.63% to Nagarro's three-month VWAP. Pursuant to a share purchase agreement with Lantano Beteiligungen GmbH signed on June 26, 2026, we agreed to acquire 2,734,665 Nagarro Shares, representing approximately 21.16% of the issued share capital of Nagarro. We have already met the offer threshold requiring acceptance of a majority of 50% plus one share of Nagarro's outstanding shares, with a final acceptance level of approximately 94.04% (excluding treasury shares). The combined entity is intended to create an AI-led engineering powerhouse with broader capabilities, geographic reach and vertical depth. The transaction is expected to close by Q1 CY2027, subject to receipt of remaining regulatory approvals. Both Nagarro Boards (Supervisory and Management) fully support the transaction; the Management Board has tendered its shares into the offer.

Nagarro Business Overview

According to the Zinnov Report, Nagarro is a global provider of digital engineering services, combining advanced technology with human expertise to create full-stack solutions across digital engineering, intelligent enterprise, and experience and design. As of December 31, 2025, Nagarro employs 18,003 professionals across 38 countries, with 13,145 in India, 1,100 in Germany, 831 in Romania, 558 in the United States, 502 in the Philippines and the remainder in the Rest of the World. Nagarro maintains a strong European presence across key markets and serves a portfolio of over 1,000 clients across 72 countries, with Europe and North America as its largest sales markets, according to the Zinnov Report. In CY2025, Nagarro had 20 clients generating more than EUR 10 million in annual revenue and 15 clients generating between EUR 5 million and EUR 10 million in annual revenue, with average relationship tenures of 13.2 years and 11.3 years, respectively.

The following table sets forth certain of Nagarro's key financial metrics for CY2025:

Metric	CY2025
Revenue	EUR 999.30 million (₹98,488.91 million)
YoY Growth (%)	2.81
YoY Growth (constant currency) (%)	6.1
Profit for the period	EUR 39.49 million (₹3,892.05 million)
Adjusted EBITDA (refer note 2 & 4 below)	EUR 138.20 million (₹13,620.70 million)
Adjusted EBITDA Margin (%) (refer note 3 & 4 below)	13.83

Notes:

(1) The above is converted from EUR to ₹ at a rate of 1 EUR to ₹98.5579 for the calendar year ended December 31, 2025.

(2) Nagarro calculates Adjusted EBITDA as profit for the period excluding income taxes, finance income, finance costs, Depreciation, amortization and impairment and further adjusted to exclude effects that it considers extraordinary, such as impairment of goodwill, profit from purchase price adjustments, badwill, foreign exchange effects on purchase price, sale of equity investments, share-based payment arrangement costs, transaction costs related to business combinations, retention bonus and non-capitalized earn-out expenses related to acquisitions, and expenses relating to the strategic review of Nagarro's listing and privatization choices and the subsequent exploration of the take-private option. Beginning in CY2025, Nagarro also excludes additional employee benefits expense related to the statutory impact of the new labour codes in India, and additional audit fees and independent investigation expenses following past external allegations.

(3) Adjusted EBITDA Margin (%) is calculated as the Adjusted EBITDA divided by Revenue, multiplied by 100.

(4) The reconciliation of Adjusted EBITDA and Adjusted EBITDA margin is shown in below table:

Reconciliation from Profit for the period/ year to Adjusted EBITDA for the calendar year ended	*December 31, 2025*	
	EUR million	*₹ million*
Profit for the period / year	*39.49*	*3,892.05*
Income taxes	*25.96*	*2,558.56*

Reconciliation from Profit for the period/ year to Adjusted EBITDA for the calendar year ended	*December 31, 2025*	
	EUR million	*₹ million*
Finance income	*(2.50)*	*(246.39)*
Finance costs	*20.06*	*1,977.07*
Depreciation, amortization and impairment	*35.69*	*3,517.53*
Profit from purchase price adjustments	*(1.07)*	*(105.46)*
Exchange (gain) / loss on purchase price components	*(0.02)*	*(1.97)*
Share based payment arrangements cost	*0.13*	*12.81*
Transaction costs related to business combinations	*0.85*	*83.77*
Retention bonus expense as part of share purchase agreement of the acquired entities	*2.67*	*263.15*
Non-capitalized earn-out expense relating to acquisitions	*1.29*	*127.14*
Independent investigation expenses following past external allegations	*1.99*	*196.13*
Expenses relating to strategic review of listing and privatization choices	*-*	*-*
Expenses relating to the exploration of the take-private option	*-*	*-*
Additional employee benefits expense related to statutory impact of new Labour Codes in India	*12.42*	*1,224.09*
Additional audit expenses	*1.25*	*123.20*
Adjusted EBITDA	***138.20***	***13,620.70***
Revenue	***999.30***	***98,488.91***
Adjusted EBITDA margin (%)	***13.83***	***13.83***

Notes:
(1) The above is converted from EUR to ₹ at a rate of 1 EUR to ₹98.5579 for the Calendar Year ended December 31, 2025.
(2) Adjusted EBITDA Margin (%) is calculated as the Adjusted EBITDA divided by Revenue, multiplied by 100.

The following table sets forth Nagarro's revenue by geography for the calendar years indicated:

Particulars	**For the calendar year ended**					
	December 31, 2025			**December 31, 2024**		
	EUR million	*₹ million*	*%*	*EUR million*	*₹ million*	*%*
North America	346.83	34,182.84	34.71	347.67	31,485.20	35.77
Central Europe	298.03	29,373.21	29.82	278.77	25,245.58	28.68
Rest of Europe	125.95	12,413.37	12.60	119.05	10,781.24	12.25
Rest of the World	228.48	22,518.51	22.86	226.50	20,511.98	23.30

Notes:
(1) North America comprises all the countries in the North America region. Nagarro has a legal presence in Canada, Mexico and the United States of America. Further, Nagarro generates revenue from Bahamas, Bermuda, Costa Rica, Dominican Republic, Guatemala, and Panama.
(2) Central Europe comprises Austria, Croatia, Czech Republic, Germany, Hungary, Poland, Romania, Serbia, Slovakia, Slovenia and Switzerland. Nagarro has a legal presence in Austria, Germany, Hungary, Poland, Romania and Switzerland. Further, Nagarro generates revenue from Czech Republic and Serbia.
(3) Rest of Europe comprises other European entities which are not part of Central Europe. Nagarro has a legal presence in Denmark, Finland, France, Ireland, Malta, Norway, Portugal, Spain, Sweden and the United Kingdom. Further, Nagarro generates revenue from Belgium, Iceland, Italy, Liechtenstein, Luxembourg, Netherlands, Sark and Ukraine.
(4) Rest of the World includes Australia, Bahrain, China, Colombia, Ecuador, Egypt, India, Japan, Kazakhstan, Kingdom of Saudi Arabia, Malaysia, Mauritius, Philippines, Singapore, South Africa, Sri Lanka, Taiwan, Thailand, Türkiye and United Arab Emirates where Nagarro has a legal presence. Further, Nagarro generates revenue from Algeria, Argentina, Azerbaijan, Botswana, Cambodia, Cyprus, Ghana, Hong Kong, Indonesia, Israel, Jordan, Kuwait, Myanmar, Nigeria, Peru, Qatar, South Korea, State of Palestine, United Republic of Tanzania and Vietnam.
(5) The above is converted from EUR to ₹ at a rate of 1 EUR to ₹98.5579 and ₹90.5606 for the calendar year ended December 31, 2025 and December 31, 2024, respectively.
(6) Percentages are calculated as revenue from respective customer geography divided by total revenue for the period.

Nagarro has deep domain expertise across industries such as automotive, manufacturing and industrial, consumer industries and CPG, financial services and insurance, and travel and logistics, supported by deep, long-term client relationships.

The following table sets forth Nagarro's revenue by industry for the calendar years indicated:

Particulars	For the calendar year ended					
	December 31, 2025			December 31, 2024		
	EUR million	*₹ million*	*%*	*EUR million*	*₹ million*	*%*
Automotive, Manufacturing and Industrial	248.65	24,506.42	24.88	219.79	19,904.31	22.61
Retail and CPG	135.14	13,319.11	13.52	132.42	11,992.03	13.62
Financial Services and Insurance	123.57	12,178.80	12.37	124.76	11,298.34	12.84
Public, Non-profit and Education	90.18	8,887.95	9.02	88.88	8,049.03	9.14
Travel and Logistics	92.43	9,109.71	9.25	85.53	7,745.65	8.80
Management Consulting and Business Information	75.90	7,480.54	7.60	60.51	5,479.82	6.23
Life Sciences and Healthcare	71.40	7,037.03	7.14	70.89	6,419.84	7.29
Energy, Utilities and Building Automation	66.49	6,553.11	6.65	73.54	6,659.83	7.57
Telecom, Media and Entertainment	44.68	4,403.57	4.47	54.18	4,906.57	5.57
Horizontal Tech	50.87	5,013.64	5.09	61.49	5,568.57	6.33

Note:

(1) The above is converted from EUR to ₹ at a rate of 1 EUR to ₹98.5579 and ₹90.5606 for the calendar year ended December 31, 2025 and December 31, 2024, respectively.

(2) Percentages are calculated as respective industry revenue divided by total revenue for the period.

Strategic Rationale for the Acquisition

The acquisition is underpinned by five strategic considerations.

- First, the transaction delivers a new dimension of scale, adding approximately EUR 1 billion in annual revenue, approximately 18,003 employees including 16,429 engineering professionals as of December 31, 2025, and delivery across 38 countries.

- Second, the acquisition expands our capabilities, as Nagarro's AI, digital, product design, ERP and CX capabilities extend our technology portfolio, broadening the group's offerings to accelerate client outcomes in AI-led transformation.

- Third, the transaction provides meaningful diversification through an expanded presence across Europe, the Middle East and Asia, creating a more balanced geographic footprint beyond our North America-led business.

- Fourth, according to the Zinnov Report, the acquisition adds broader vertical depth with added vertical scale in BFSI, TMT and HLS, plus new verticals such as Industrials, Retail and Public Sector, supported by marquee client relationships.

- Fifth, there is a strong cultural fit between two global organizations aligned around an entrepreneurial ethos, engineering-first culture and decades of trust with global clients.

Acquisition Financing

The Nagarro Acquisition is supported by a committed bridge financing facility of up to EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)) ("**Bridge Facility**") with Barclays Bank PLC, including its successors, transferees, novates and assigns and made available to our Subsidiary, Galaxy Germany Holding SE.

The Bridge Facility carries interest at EURIBOR plus a margin of 175 to 250 basis points, depending on leverage, with a step-up of up to 100 basis points over its 18-month term. The Bridge Facility is available to fund the settlement of the Takeover Offer, the Lantano SPA, the refinancing of Nagarro's existing debt (including an existing syndicated credit facility of EUR 350.00 million), if required, and related transaction costs and expenses pertaining to the Nagarro Acquisition, in accordance with its terms. However, we currently intend to fund a portion of the Nagarro Acquisition through the proceeds of this Issue, and any residual funding requirement is intended to be met through other debt financing. Accordingly, the Bridge Facility is intended to remain available as a source of financing, subject to its terms and conditions. The security package for the Bridge Facility includes a corporate guarantee of up to EUR 1.54 billion to be provided by our Company, as well as pledges over the 100% of the current shares of Galaxy Germany Holding SE, in each case in accordance with the applicable financing documents. Any security interest over future assets or receivables of our Company will be created only upon receipt of the RBI's prior written approval under OI Laws. In the event the Bridge Facility is utilised for the Nagarro Acquisition, the proceeds of the Issue will be used to repay a portion of the amounts drawn under the Bridge Facility.

Capital Structure Flexibility

On September 2, 2026, our Board approved shareholder proposals enabling long-term debt financing of up to USD 1.25 billion through external commercial borrowings, non-convertible debentures and other debt instruments, as well as potential equity or equity-linked fundraising of up to USD 450.00 million, including by qualified institutional placement, foreign currency convertible bonds, preferential issuance or other permitted instruments. The aggregate financing capacity is capped at USD 1.25 billion. We are undertaking the Issue pursuant to this approval.

OUR STRENGTHS

Comprehensive Portfolio of Solutions and Services Coupled with Domain Expertise

Our digital engineering services span: Product and platform engineering, data and artificial intelligence, cloud-enabled enterprise modernization, CX and design-led transformation and agentic business automation, which help our clients unlock growth, enable business agility, accelerate time to market, maximize value creation, and drive enterprise simplification. This breadth of capabilities enables us to address the full lifecycle of our clients' technology needs from strategy and design through engineering, deployment and ongoing optimization and digital transformation. According to the Zinnov Report, by combining these disciplines, we are positioned to reduce the coordination overhead and knowledge loss that can arise when enterprises engage multiple specialist vendors, and to deliver end-to-end solutions that are architected holistically from inception.

We achieved broad-based growth across all three operating segments in Fiscal 2026, demonstrating the durability and balance of our revenue mix and the depth of our industry-specific expertise in driving digital transformation for enterprises across sectors. According to the Zinnov Report, our revenue is diversified across these three core industry verticals and multiple geographies, reducing concentration risk and providing resilience through economic cycles. Our Software, Hi-Tech and Emerging Industries operating segment generated ₹58,829.85 million in revenue from operations in Fiscal 2026, reflecting the trust that leading technology companies place in our engineering capabilities. Our Banking, Financial Services and Insurance operating segment generated ₹50,932.99 million in revenue from operations in Fiscal 2026. Our Healthcare and Life Sciences operating segment generated ₹37,721.65 million in revenue from operations in Fiscal 2026.

The following table sets forth revenue from operations from each of our core industry verticals for the periods/ Fiscals indicated.

Operating segments	Six months ended September 30, 2026		Six months ended September 30, 2025		Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	₹ million	*%*	*₹ million*	*%*	*₹ million*	*%*	*₹ million*	*%*	*₹ million*	*%*
Software, Hi-Tech and Emerging Industries	37,434.76	41.75	27,931.81	40.40	58,829.85	39.89	49,126.04	41.15	45,949.97	46.78
Banking, Financial Services	30,345.63	33.84	23,757.04	34.36	50,932.99	34.53	37,709.68	31.59	31,385.58	31.96

Operating segments	Six months ended September 30, 2026		Six months ended September 30, 2025		Financial year ended March 31, 2026		Financial year ended March 31, 2025		Financial year ended March 31, 2024	
	₹ million	*%*	*₹ million*	*%*	*₹ million*	*%*	*₹ million*	*%*	*₹ million*	*%*
and Insurance										
Healthcare & Life Sciences	21,890.92	24.41	17,454.22	25.24	37,721.65	25.58	32,551.45	27.27	20,880.32	21.26

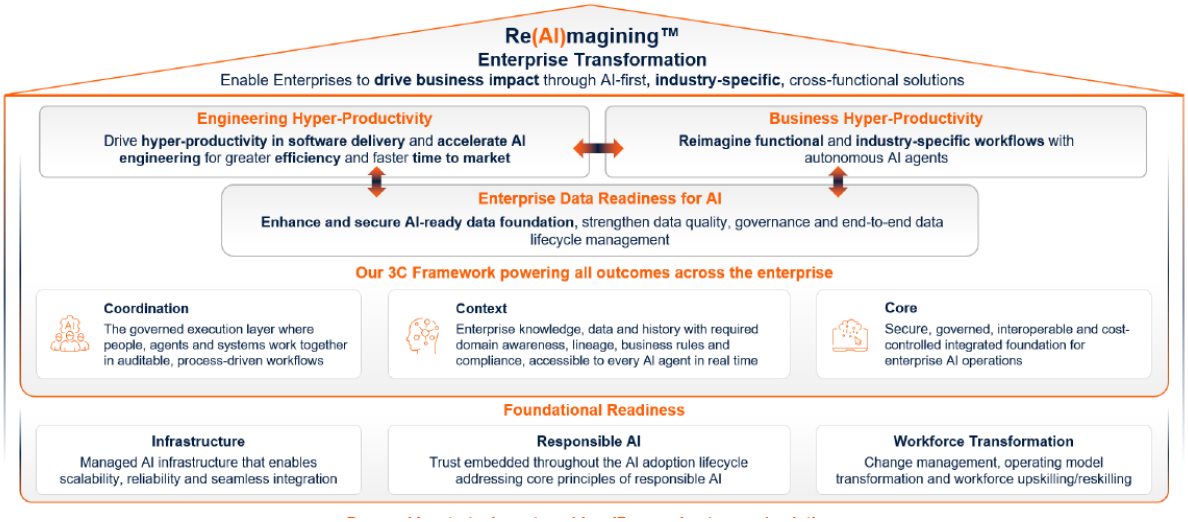
Note:

(1) Figures under "%" represent revenue from operations of the relevant vertical as a % to revenue from operations for the relevant period/ Fiscal.

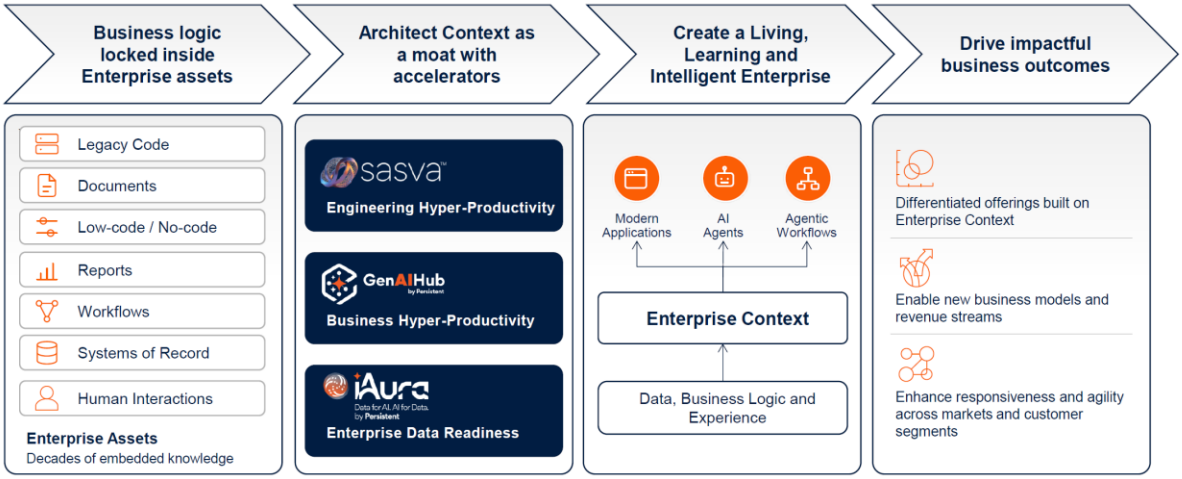
According to the Zinnov Report, our market positioning is reinforced by an extensive ecosystem of partnerships and co-innovation initiatives. We maintain strategic relationships with leading technology providers, including a global enterprise software and cloud provider for over 32 years, an enterprise technology and consulting provider for over 24 years and a leading CRM platform provider for over 20 years. These longstanding relationships strengthen our technical capabilities and market positioning by providing access to emerging technologies, joint go-to-market initiatives and integrated solutions that we can deploy at scale for our clients.

Differentiated AI-Led Digital Engineering Platform Driving Enterprise Transformation

According to the Zinnov Report, we have adopted an AI-led, platform-driven services strategy, focused on helping enterprises deploy and operationalize AI responsibly, at scale and with measurable business impact. We have developed our proprietary 3C Framework to turn AI investments into measurable returns for our clients. The first pillar, Core, establishes a secure, governed, interoperable and cost-controlled foundation for all AI capabilities. The second pillar, Context, makes enterprise knowledge, data, history, domain awareness, lineage, business rules and compliance requirements accessible to every AI agent. The third pillar, Coordination, provides a governed execution layer in which people, agents and systems work together through auditable, process-driven workflows. The following graphic illustrates our 3C Framework:



The 3C Framework powers three key operational goals that collectively deliver transformative value to our clients: Engineering Hyper-Productivity, Business Hyper-Productivity, and Enterprise Data Readiness for AI (which encompasses AI-first, industry-specific, cross-functional solutions). These outcome areas are supported by purpose-built platforms developed and refined through client engagements: SASVA™ for Engineering Hyper-Productivity, GenAI Hub and Agent Studio for Business Hyper-Productivity, and iAURA for Enterprise Data Readiness. Each platform accelerates time to value, reduces implementation risk and delivers measurable, repeatable outcomes across diverse enterprise environments. The following graphic illustrates our foundational readiness framework:



Our foundational readiness framework helps enterprises to be prepared to adopt and scale AI across the organization. We provide managed AI infrastructure that delivers the compute, storage and networking needed to run AI workloads at enterprise scale. We support workforce transformation through change management, operating model redesign, and upskilling and reskilling of existing employees. We build integrity into every stage of the AI lifecycle, so that governance, transparency and compliance are part of every solution we deliver from the start rather than added at deployment.

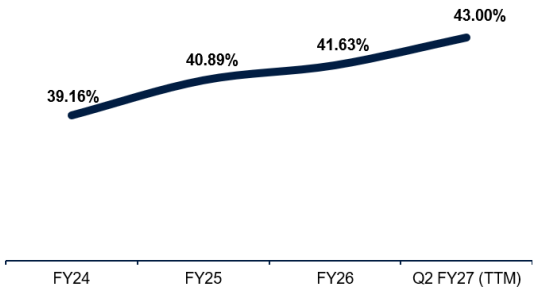
We typically deploy AI capabilities internally before scaling them to clients, which allows us to validate effectiveness, identify implementation challenges and refine our platforms in a live production environment.

Diversified, Long-Standing Relationships with Clients Support Durable Growth

According to the Zinnov Report, we maintain a high-quality client base of significant scale and serve as a preferred product development partner to several leading U.S. technology companies. Our portfolio of marquee clients includes 18 of the Fortune 50, nine of the top 10 technology companies, six of the top 10 SIMD companies, seven of the top 10 U.S. banks, five of the top 10 Indian banks, five of the top 10 fintech companies, four of the top 10 pharmaceutical companies, three of the top 10 health providers and five of the top 10 clinical research organizations between Fiscal 2024 and Fiscal 2026, according to the Zinnov Report, based on the top listed companies in the relevant sector across our growth markets, measured by total assets for banks and by revenue for the latest reported financial year for all other sectors, and excluding our IT services peers from the technology company ranking.

We continue to deepen our strategic client relationships, as reflected in our increasing count of clients. In Fiscal 2024, we had 17 clients that generated revenue of $10 million or more and two clients that generated revenue of $75 million or more. In Fiscal 2026, we had 29 clients that generated revenue of $10 million or more and four clients that generated revenue of $75 million or more, as well as 201 clients that generated revenue of $1 million or more. Our client count growth trajectory has been consistent, increasing from 180 in Fiscal 2024 to 191 in Fiscal 2025, and 201 in Fiscal 2026. Our top 10 client concentration stood at 41.63% in Fiscal 2026, compared with 40.89% in Fiscal 2025 and 39.16% in Fiscal 2024, reflecting the deepening of our strategic relationships while maintaining healthy diversification across the broader client base.

Client Concentration Top 10 clients as % of total revenue



Client Count Engagement size

	FY24*	FY25	FY26	Q2 FY27 (TTM)
$75M+	2	4	4	4
$20M – $75M	8	6	8	9
$10M – $20M	7	11	17	21
$5M – $10M	23	34	33	26
$1M – $5M	140	136	139	158
Clients ($1M+)	180	191	201	218

Note: Q2 FY27 (TTM) Revenue/Count is for Trailing Twelve Months ending September 30, 2026

* Count of clients taken as per individual customer group for consistency

We *Define* our growth ambition and playbook by industry vertical and service line; *Measure* performance and allocate capital with discipline and governance; and *Elev(AI)te* our talent, capabilities and ecosystem through leadership development, targeted learning, selective acquisitions and new growth channels—including private equity sponsors and sourcing advisors.

This framework is supported by Huddle, our proprietary system for continuous measurement and improvement of revenue, bookings and profitability. Our capability articulation approach enables scalable growth across customers, partners, analysts, sourcing advisors and investors.

We have pursued capability-led tuck-in acquisitions that expand our client offerings and further enhance diversification across capabilities, geographies and verticals.

We have cultivated long-standing partnerships with leading software providers, including relationships spanning over 20 years. These long-standing partnerships with leading software providers support recurring, high-value engagements and deep product-level expertise, according to the Zinnov Report.

Agile, Multi-Shore Delivery Model Combining Local Expertise with Global Scale

We operate an agile delivery model that is flexible and cost-effective, combining onshore, nearshore and offshore capabilities to serve clients across geographies and time zones. This multi-shore approach enables us to calibrate the optimal mix of proximity, cost efficiency and specialized expertise for each engagement, ensuring that our clients receive the right talent in the right location at the right cost.

Our employee base has grown to 29,598 employees as of September 30, 2026. This sustained growth reflects our ability to attract engineering talent, invest in workforce development and expand our delivery capacity in line with client demand and market opportunity.

Our global scale is reflected in an employee base spread across 21 countries, with strong onshore and offshore capabilities supported by approximately 85.99% effort mix based in India as of September 30, 2026. As of September 30, 2026, our India delivery hub employs 25,452 professionals supporting multi-shore delivery and broad time-zone coverage, providing the depth of engineering talent required to execute large-scale, complex programs. We also maintain 237 employees across the Rest of the World, with delivery centers strategically located to serve all major time zones and ensure seamless, follow-the-sun program execution.

As of September 30, 2026, in North America, we employ 3,477 professionals with direct proximity to our clients and strong regional responsiveness to their evolving needs. In Europe, we have 432 employees with local expertise across key markets. Our onshore and nearshore teams support proximity, responsiveness and geography-specific delivery needs, enabling us to maintain close collaboration with client stakeholders while meeting regulatory and data-residency requirements where applicable.

Our ability to attract, train and retain engineering talent is critical to sustaining long-term growth and delivering consistently high-quality outcomes for our clients. We received a four star rating in the Consulting & IT Services

sub industry in America's Greatest Workplaces in Tech 2025 by Newsweek and Plant-A Insights Group, a recognition that underscores our commitment to creating an environment where talented professionals choose to build their careers.

Through our AI-focused training programs and sustained investments in AI, cloud and digital engineering training, we have developed a scalable engineering talent platform that continuously upskills our workforce in line with the evolving technology landscape. According to the Zinnov Report, our advantage in the AI era lies in combining engineering expertise, business understanding, judgment and continuous learning. We have expanded AI learning across every role and career stage through organization-wide programs, ensuring that our entire workforce is equipped to deliver AI-led solutions and that the skills of our teams remain aligned with the capabilities our clients demand.

Promoter-Led Professional Management Driving Growth, and an Innovation-First Workplace Culture

We are a promoter-led company with professional management. The experience and long tenure of our senior management team provide stability and institutional knowledge essential to executing our long-term strategy. Our Key Managerial Personnel include Dr. Anand Deshpande, our Chairman and Managing Director, who brings over 36 years of experience, is a Fellow of the Indian National Academy of Engineering and the Indian National Science Academy and was named EY Entrepreneur of the Year in the services category for 2023 and received the ACM Presidential Award – India 2024. Sandeep Kalra, our Executive Director and Chief Executive Officer, brings over 30 years of experience. During his tenure, our revenue from operations has increased from ₹35,658.08 million in Fiscal 2020 to ₹147,484.49 million in Fiscal 2026 and was recognized in the 2026 Extel Asia Executive Team survey as rank one in Best CEO, for the Technology, IT Services, Software & AI industry (Asia excluding Mainland China). Vinit Teredesai, our Executive Director and Chief Financial Officer, was recognized in the 2026 Extel Asia Executive Team survey as rank 2 in Best CFO, for the Technology, IT Services, Software & AI industry (Asia excluding Mainland China).

We take a Customer Zero approach to innovation, which ensures that every platform and capability we bring to market has been validated in our own operations before being offered to clients. This culture of continuous invention and self-application creates a virtuous cycle in which internal learnings accelerate external solution quality and speed to value.

Track Record of Consistent Industry-Leading and Profitable, Capital Efficient Growth

According to the Zinnov Report, we have delivered industry-leading growth consistently over an extended period. Our revenue from operations scaled from ₹6,011.56 million at the time of our IPO in Fiscal 2010 (on an Indian GAAP basis) to ₹147,484.49 million in Fiscal 2026. Our revenue from operations CAGR from our IPO to Fiscal 2026 was 22.14% (based on Fiscal 2010 revenue from operations on an Indian GAAP basis), and our five-year CAGR from Fiscal 2021 to Fiscal 2026 was 28.63%. We are the only listed Indian IT services company to have achieved 25 consecutive quarters of sequential revenue growth since Fiscal 2021, according to the Zinnov Report. Our relative outperformance is demonstrated by Q1 Fiscal 2027 quarter-over-quarter growth of 3.76% compared to 0.52% for Indian IT peers, reflecting quarter-over-quarter outperformance of 3.24 percentage points, according to the Zinnov Report, showcasing that it has grown faster than 12 of the 13 listed companies in the Indian IT universe in Q1FY27 across large and mid-cap companies.

As we have grown, we have improved our profitability through disciplined execution and increasing operating leverage in the business. Our net profit for the period/ year was ₹10,934.91 million, ₹14,001.61 million, ₹18,651.20 million, ₹8,964.06 million and ₹8,345.57 million, and our Profit for the period/ year margin (%) was 11.13%, 11.73%, 12.65%, 12.96% and 9.31%, in Fiscal 2024, 2025 and 2026 and the six months ended September 30, 2025 and September 30, 2026, respectively. Our EBIT (excluding other income) was ₹13,663.13 million, ₹17,512.83 million, ₹23,034.68 million, ₹11,008.44 million and ₹10,484.16 million, and our EBIT (excluding other income) Margin (%) was 13.91%, 14.67%, 15.62%, 15.92% and 11.69%, in Fiscal 2024, 2025 and 2026 and the six months ended September 30, 2025 and September 30, 2026, respectively. Our Fiscal 2026 EBIT (excluding other income) and Profit for the period/ year margin (%) reflect the one-time negative impact of additional employee benefits expense related to the impact of new statutory labour codes in India.

OUR STRATEGIES

Further Strengthen Our Digital Engineering Capabilities

Digital engineering is the foundation of our business, and we intend to keep strengthening our product and platform engineering capabilities to help clients build, modernize and scale software-led businesses. We plan to deepen our capabilities across the full product and platform lifecycle, including product strategy, experience design, development, quality engineering, and ongoing platform support and evolution. This will help us remain a long-term engineering partner to software and technology companies and to enterprises that increasingly run their businesses on digital products and platforms.

We intend to continue investing in reusable platforms, accelerators, reference architectures and engineering frameworks across cloud-native development, data platforms, digital experience, and embedded and connected systems. These assets help us deliver solutions faster and more consistently, lower delivery risk and improve time-to-market for our clients. They also support outcome-based and platform-led commercial models that create non-linear revenue opportunities.

We plan to expand our platform modernization capabilities so clients can re-architect legacy applications into modular, API-driven and cloud-native platforms. We intend to strengthen our engineering talent base through specialized skilling in emerging technologies, full-stack and platform engineering, and domain-specific engineering practices, supported by engineering excellence programs and Centers of Excellence. We also plan to co-engineer solutions with hyperscalers, product companies and technology partners, which will give us early access to new technologies and broaden our reach across priority verticals.

Advance AI-First Enterprise Transformation Across Verticals

We intend to scale our AI offerings and advance the 3C Framework as the foundation of our AI execution strategy, expanding outcomes across Engineering Hyper-Productivity, Business Hyper-Productivity and Enterprise Data Readiness for AI. Our Customer Zero approach validates capabilities internally before deploying them at scale for clients, ensuring that our solutions are proven, reliable and enterprise ready.

We plan to use our proprietary AI platforms to create repeatable, IP-led solutions across industries. These platforms serve as the engines for scalable, repeatable delivery across our client base. We intend to continue extracting embedded business logic from enterprise assets to build unified Enterprise Context, enabling differentiated offerings that support new business models and revenue streams. Our IP-led approach supports non-linear, platform-led revenue models, and we intend to continue investing in product engineering, data modernization and cloud transformation to strengthen our portfolio of accelerators, frameworks and AI-related innovation assets.

We intend to deepen strategic partnerships with hyperscalers and enterprise software leaders to accelerate innovation, co-sell opportunities and go-to-market reach. By expanding ecosystem partnerships and co-innovation, we aim to pursue strategic alliances that amplify our capabilities and extend our market access, combining proprietary platforms, strategic partners and talent investments.

Expand Share of Wallet in Existing Clients and Acquire New Clients

We intend to scale our larger strategic relationships, including those generating $5 million or more in annual revenue, by winning mega-deal opportunities with such clients, and through cross-selling adjacent capabilities, AI-led services and multi-year strategic engagements. We see significant opportunities to deepen existing client relationships by extending our reach across CX and Design-Led Transformation, Product and Platform Engineering, Data and Artificial Intelligence, Cloud-enabled Enterprise Modernization, and Agentic Business Automation Powered by AI. Multi-year strategic engagements increase revenue visibility and client stickiness while positioning us as an indispensable partner for enterprise-wide transformation.

We intend to acquire new clients in priority verticals by leveraging differentiated domain-led offerings. Our scalable GTM model, supported by capability articulation and measurement systems, enables efficient new client acquisition alongside continued deepening of existing relationships.

Geographic Expansion Across Client Base and Delivery Locations

We intend to deepen strategic alliances to co-create enterprise-grade, industry-specific solutions. By leveraging our partner ecosystem, we aim to develop solutions tailored to local market requirements and collaborate with global technology companies to address the specific needs of clients across diverse geographies.

We plan to prioritize high-growth geographies with accelerating demand for AI, including Europe, which according to the Zinnov Report, presents significant growth opportunities for digital engineering and AI services. Our strategy is to create a more balanced geographic footprint beyond our North America-led business. According to the Zinnov Report, Europe represents a substantial growth opportunity, and the Nagarro Acquisition would provide a significantly enhanced foothold in that market. If completed, the Nagarro Acquisition would increase our revenue from Europe and add to our network of delivery teams, with expanded teams across Germany, Romania, Portugal, Hungary and Poland.

We intend to develop localized offerings by combining geography-specific domain expertise with our global delivery scale. Our localization approaches address regulatory, language and domain requirements specific to each geography, enabling us to serve clients effectively across a broader range of markets while maintaining the cost efficiency and quality standards of our global delivery model.

Focus on Nagarro Integration and Selectively Pursue Tuck-In M&A

Following completion of the Nagarro Acquisition, our near-term priority is the successful integration of Nagarro rather than further scaled acquisitions. During the integration period, we would expect to consider only selective tuck-in acquisitions, including where required as part of vendor consolidation for our clients.

The Nagarro Acquisition is expected to augment our capabilities and delivery footprint, leveraging Nagarro's AI, digital, product design, ERP and customer experience capabilities to extend our technology portfolio, add meaningful engineering scale and complementary talent, and build a combined AI-led engineering powerhouse with differentiated capabilities across cloud, data and security. Any tuck-in acquisitions we may consider would be assessed against the same criteria and on a selective basis, having regard to our integration priorities.

We intend to enhance nearshore delivery capacity in strategic geographies, principally through the delivery footprint the Nagarro Acquisition would add, enabling us to better serve clients who require proximity-based delivery models while maintaining cost efficiency and access to specialized talent pools.

We intend to derive synergies from the Nagarro Acquisition, which is aligned with our strategic priorities. Our integration plan focuses on ensuring smooth execution, maximizing the benefits of the combination, cross-selling products and services across geographies, delivering better client service through strengthened nearshore delivery, and leveraging the capabilities of both entities to drive accelerated growth and enhanced value creation for our stakeholders.

ORGANIZATIONAL STRUCTURE

Corporate History

Our Company was incorporated as "Persistent Systems Private Limited", a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 30, 1990, issued by the RoC. Subsequently, pursuant to a resolution passed at the extraordinary general meeting of our Shareholders held on September 17, 2007, our Company was converted from a private limited company into a public limited company and the name was changed to "Persistent Systems Limited", and consequent to such conversion, a fresh certificate of incorporation dated September 28, 2007, was issued by the RoC.

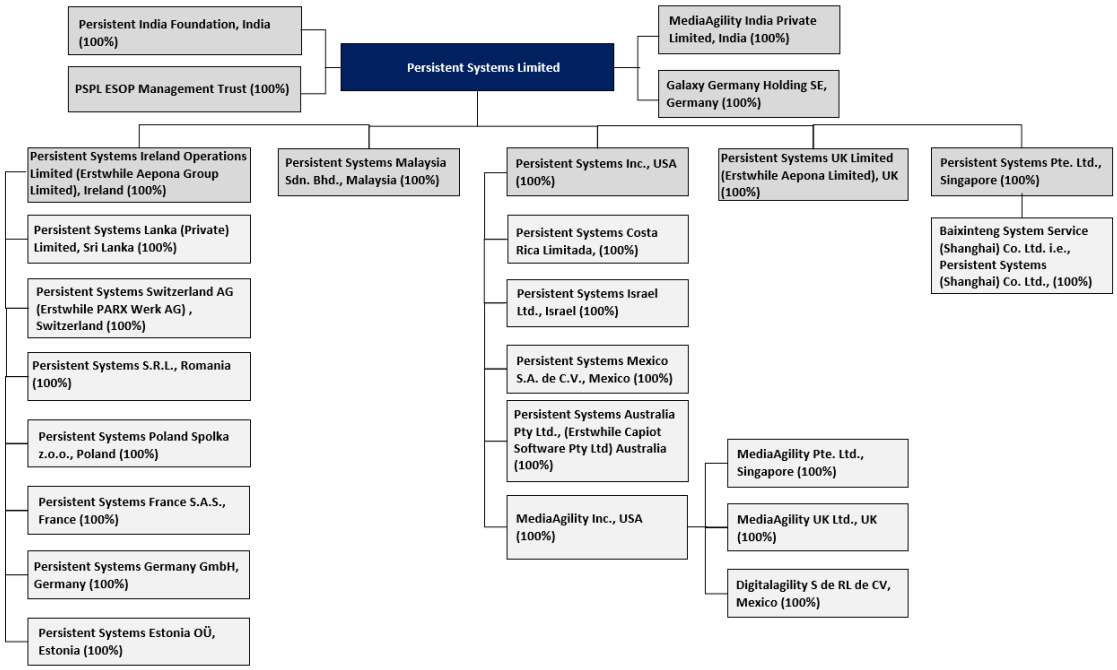
Our Registered and Corporate Office is situated at Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India.

The CIN of our Company is L72300PN1990PLC056696.

Our Equity Shares are listed on BSE and NSE since April 6, 2010.

Organizational Structure

The organisational structure of our Company as on the date of this Placement Document is as follows:



As on the date of this Placement Document, our Company has the following Subsidiaries:

S. No.	Name	Registered address
1.	Persistent Systems Inc.	1731 Technology Drive, Suite 700, San Jose, CA 95110, USA
2.	Persistent Systems UK Limited (Erstwhile Aepona Limited)	Forsyth House, Cromac Square, Belfast, Northern Ireland, BT2 8LA, United Kingdom
3.	Persistent Systems Australia Pty Ltd. (Erstwhile Capiot Software Pty Ltd)	Level 20 & 21, 201 Sussex street, NSW, 2000 Australia
4.	Persistent Systems Mexico, S.A. de C.V.	Lopez Mateos Sur 1450, Piso 2 - Plaza LasVillas Tlajomulco, Jalisco, 45640, Mexico
5.	Persistent Systems France SAS	31-35, rue de la Fédération - 75015 Paris, France
6.	Persistent Systems Switzerland AG (Erstwhile PARX Werk AG)	Bahnhofplatz 1, CH-8001 Zurich, Switzerland
7.	Persistent Systems Malaysia Sdn. Bhd.	Level 15-2 Bangunan Faber Imperial Court Jalan Sultan Ismail 50250, Kuala Lumpur, Wilayah Persekutuan, Malaysia

S. No.	Name	Registered address
8.	Persistent Systems Poland Spolka z.o.o	Warsaw, ul. Towarowa 28, 00-839 Warsaw, Poland
9.	Persistent Systems Germany GmbH	Lyoner Straße 14 60528 Frankfurt am Main, Germany
10.	Galaxy Germany Holding SE	Christoph-Rapparini-Bogen 25, 80639, Munchen, Germany
11.	Persistent Systems Costa Rica Limitada	Sigma Business Center, Republic Tower A, second Floor, San Pedro Montes de Oca 11501, Costa Rica
12.	MediaAgility India Private Limited	Bhageerath 402 Senapati Bapat Road, Pune – 411016, Maharashtra, India
13.	Persistent Systems S.R.L. (Romania)	Bucharest Sector 2, Strada C. A. Rosetti, Nr. 17, Biroul O09, ResCo-Work 10, Sectorul 2, Bucuresti 020011, Romania
14.	Persistent Systems Ireland Operations Limited (Erstwhile Aepona Group Limited)	1st Floor, Scotch House, 6/7 Burgh Quay, Dublin 2, D02 VK44
15.	Persistent Systems Lanka (Private) Limited	Co-Spaces, 3rd floor, No-6 – 1/1, Joseph Lane, Colombo – 4, Sri Lanka
16.	Persistent Systems Pte. Ltd.	7 Temasek Boulevard #37-01A Suntec Tower One 038987, Singapore
17.	MediaAgility Inc.	1731 Technology Dr, Suite 700 San Jose, CA 95110
18.	MediaAgility Pte. Ltd.	20 Peck Seah Street, #05-00, Singapore 079312
19.	MediaAgility UK Ltd.	3 More London Riverside, London SE1 2RE, United Kingdom
20.	Digitalagility S. DE R.L. de C.V.	Av. Lopez Mateos Sur 1450 Piso 2, Colonia Las Villas Tlajomulco de Zuñiga 45643, Jalisco, Mexico
21.	Persistent Systems Israel Ltd.	144A Menachem Begin Road, Tel Aviv, Israel 6492124
22.	Persistent Systems Estonia OÜ	Narva rd 13-233, 10151 Tallinn, Estonia
23.	Persistent India Foundation	Bhageerath, Vetal Chowk, 402E, Senapati Bapat Road, Gokhalenagar, Pune - 411016, Haveli, Maharashtra, India
24.	PSPL ESOP Management Trust	Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India
25.	Persistent Systems (Shanghai) Co., Limited (*also known as Baixinteng System Service (Shanghai) Co., Limited*)	Regus, Raffles City, 268 Xizang Zhong Road, People's Square Commercial Zone, Huang Pu Qu, 200001, China

Holding company

As on the date of this Placement Document, our Company does not have any holding company.

Joint venture

As on the date of this Placement Document, our Company does not have any joint venture.

Associates

As on the date of this Placement Document, our Company does not have any associate.

PROPOSED ACQUISITION OF NAGARRO SE

On June 26, 2026, our Company, through its wholly owned German subsidiary Galaxy Germany Holding SE (the "**BidCo**"), announced a voluntary public takeover offer (the "**Takeover Offer**") for all outstanding no-par value registered shares (the "**Nagarro Shares**") of Nagarro SE ("**Nagarro**"), a European stock corporation (Societas Europaea) established under the laws of Germany with its corporate seat in Munich, Germany, and listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange, against payment of a consideration in cash of EUR 81.00 per share (the "**Offer Price**") ("**Proposed Transaction**"). The Takeover Offer was made under the laws and regulations of Germany, in particular in accordance with the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz – "**WpÜG**"), as well as certain provisions of the securities laws of the United States of America applicable to cross-border tender offers. The Takeover Offer was made to all shareholders of Nagarro, and the Nagarro Shares tendered into it were tendered by Nagarro's public shareholders, including Manas Human and All Nag Beteiligungs-GmbH & Co. KG, who, pursuant to an irrevocable undertaking dated July 14, 2026, irrevocably undertook to tender 745,986 Nagarro Shares (representing 5.77% of the issued share capital of Nagarro). Following the expiry of the acceptance period and the additional acceptance period, the Takeover Offer was accepted for 8,903,259 Nagarro Shares, representing 71.94% of the issued share capital of Nagarro. In addition, on June 26, 2026, the BidCo and our Company entered into a share purchase agreement (the "**Lantano SPA**") with Lantano Beteiligungen GmbH ("**Lantano**"), a German limited liability company for the acquisition of 2,734,665 Nagarro Shares, representing 21.16% of the issued share capital of Nagarro, at a purchase price per Nagarro Share equal to the Offer Price. These comprise the 2,584,665 Nagarro Shares that Lantano initially agreed to sell, plus 150,000 Nagarro Shares, which the BidCo will acquire under the Lantano SPA. Prior to the Takeover Offer, the BidCo entered into customary non-tender agreements with (i) Nagarro dated July 9, 2026 regarding 500,000 treasury shares; and (ii) Lantano, dated July 24, 2026, regarding the 2,584,665 Nagarro Shares initially agreed to be sold under the Lantano SPA . For further details, see "– *Voluntary public Takeover Offer*" below. The Takeover Offer and the acquisition of Nagarro Shares in connection with the Lantano SPA are together referred to as the **Proposed Acquisition**".

Recent Developments – Acquisition of Nagarro

1. Lantano share purchase agreement

On June 26, 2026, the BidCo entered into the Lantano SPA for the acquisition of 2,734,665 Nagarro Shares (comprising the original 2,584,665 sale shares plus 150,000 additional shares), representing 22.10% of the issued share capital of Nagarro (excluding treasury shares), at a purchase price equal to the Offer Price of EUR 81.00 per Nagarro Share. Lantano is deemed to be acting jointly with the BidCo pursuant to section 2 para. 5 of the WpÜG.

2. Voluntary public Takeover Offer

Bafin permitted publication of the offer document on August 6, 2026 (the "**Offer Document**"). The Offer Document was published on August 6, 2026, and is available at www.galaxy-offer.com. The acceptance period ran from August 6, 2026 until September 17, 2026, 24:00 hrs (Frankfurt am Main local time) (the "**Acceptance Period**") and the statutorily required additional acceptance period commenced after the publication of the results of the Takeover Offer on September 23, 2026, and ended on October 6, 2026, 24:00 hrs (Frankfurt am Main local time) (the "**Additional Acceptance Period**"). During the Acceptance Period and the Additional Acceptance Period, a combined 8,903,259 Nagarro Shares, representing 71.94% of Nagarro's share capital (excluding treasury shares), were tendered. Including the 2,734,665 Nagarro Shares under the Lantano SPA, the total acceptance rate after expiry of the Additional Acceptance Period amounts to 11,637,924 Nagarro Shares, representing 90.06% of the issued share capital of Nagarro (or 94.04% of Nagarro's share capital excluding treasury shares).

3. Business combination agreement

On June 26, 2026, the BidCo, our Company, and Nagarro entered into a business combination agreement ("**BCA**"), setting forth the framework and mutual commitments in connection with the Proposed Acquisition. Under the BCA, Nagarro has agreed to certain covenants requiring it to conduct its business in accordance with past practice and to refrain from taking certain measures outside the ordinary course of business until the closing of the Takeover Offer. Additionally, from the date of the BCA until one year following publication of the results of the Acceptance Period, Nagarro has agreed that it shall not, and shall procure that its group companies shall not, without the prior written approval of the BidCo, acquire or offer to acquire, or encourage or induce any other person to acquire, any shares or other instruments in Nagarro.

4. Conditions to closing of the Takeover Offer

As set out in the Offer Document, the completion of the Takeover Offer is subject to the satisfaction or waiver of certain conditions (collectively, the "**Offer Conditions**"), including:

i. *Minimum Acceptance Threshold*: At least 50% plus one share of Nagarro Shares issued and outstanding at the time of publication of the Offer Document, have, inter alia, been tendered by the expiration of the Acceptance Period and not withdrawn by the end of the Acceptance Period, this included the shares under the Lantano SPA

ii. *Merger Control Clearances*: Receipt of all necessary merger control clearances or confirmation that the Proposed Acquisition does not fall within the scope of application of the relevant merger control law in Germany, Austria, the United States, Türkiye, Malta, Saudi Arabia and the United Kingdom, or expiry of applicable waiting periods without prohibition;

iii. *Investment Control Clearances*: Receipt of clearances under foreign direct investment screening regimes or confirmation that the Proposed Acquisition does not fall within the scope of the relevant foreign direct investment screening laws in Germany, Austria, Romania, Sweden and Spain, or expiry of applicable review periods;

iv. *FEMA Clearance*: Receipt of prior approval from the RBI under (a) Rule 9(3)(ii) of the Foreign Exchange Management (Overseas Investment) Rules, 2022 ("**OI Rules**") read with Paragraph 5 of the Master Direction – Overseas Investment dated July 24, 2024 issued by the RBI ("**OI Direction**") for the financial commitment exceeding USD 1 (one) billion in financial year 2026-27; and (b) Rule 19(3) of the OI Rules read with Paragraph 20 of the OI Direction for the financial commitment resulting in an overseas structure that has invested in India with more than two layers of subsidiaries ("**FEMA Clearance**");

v. *No Material Compliance Violation:* Between the publication of the Offer Document and the end of the Acceptance Period, Nagarro has neither (i) published circumstances by way of an ad-hoc announcement pursuant to Art. 17 of the EU Market Abuse Regulation that constitute a material compliance breach(ii) nor have circumstances occurred that constitute a material compliance breach which would have had to be published by way of an ad-hoc announcement;

vi. *No Material Adverse Market Change*: Between the publication of the Offer Document and the end of the Acceptance Period, neither (i) has trading of Nagarro Shares been suspended for more than 3 (three) consecutive trading days on the Frankfurt Stock Exchange, nor (ii) has the daily closing price of the SDAX for 3 (three) consecutive trading days been more than 25% below its closing price on the last trading day before announcement of the Takeover Offer;

vii. *No Dividend, No Capital Measures, No Insolvency*: Between the publication of the Offer Document and the end of the Acceptance Period, no resolution of Nagarro's general meeting or decision of Nagarro's executive board and/or supervisory board has been adopted/published by way of an ad-hoc announcement regarding the distribution of dividends, issuance of additional share capital, the transfer of treasury shares (excluding in the fulfilment of obligations under an employee and/or management incentive/participation program), the filing of insolvency proceedings, or the dissolution of Nagarro; and

viii. *No Prohibition or Illegality of the Takeover Offer*: As of the expiration of the Acceptance Period, no law, regulation, administrative act, temporary restraining order or preliminary or permanent injunction or other order issued by a governmental entity in the European Union, or any of its member states, in India, in the United States of America or in the United Kingdom prohibits or makes illegal the consummation of the Takeover Offer or the acquisition or ownership of Nagarro Shares by the BidCo.

5. Status of Offer Conditions

As of the date of this Placement Document:

i. *Conditions Satisfied/Fulfilled:*

a. Shareholder approval was obtained at the Annual General Meeting of our Company held on August 3, 2026, for the Proposed Acquisition, provision of corporate guarantee and related party transactions.

b. Merger control clearance in the United States was received on August 25, 2026 (section above ii);

c. Merger control clearance in Türkiye was received on August 27, 2026 (section above ii) ;

d. Merger control clearance in Germany was received on September 1, 2026 (section above ii);

e. Investment control clearance in Sweden was received on September 3, 2026 (section above iii);

f. Merger control clearance in Malta was received on September 4, 2026 (section above ii);

g. Merger control clearance in Austria was received on September 8, 2026 (section above ii);

h. Merger control clearance in Saudi Arabia was received on September 15, 2026 (section above ii);

i. Investment control clearance in Romania was received on September 16, 2026 (section above iii);

j. Investment control clearance in Germany was received on September 16, 2026 (section above iii);

k. The minimum acceptance threshold (section above i) being at least 50% plus one share of the Nagarro Shares issued and outstanding at the time of publication of the Offer Document, has been satisfied. The acceptance period for the Takeover Offer ended on September 17, 2026 at 24:00 hours (Frankfurt am Main local time), and the additional acceptance period under Section 16(2) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, "WpÜG") commenced on September 23, 2026 and ended on October 6, 2026 at 24:00 hours (Frankfurt am Main local time). During the Acceptance Period and the Additional Acceptance Period, a combined 8,903,259 Nagarro Shares, representing 71.94% of Nagarro's share capital (excluding treasury shares), were tendered. Including the 2,734,665 Nagarro Shares under the Lantano SPA, the total acceptance rate after expiry of the Additional Acceptance Period amounts to 11,637,924 Nagarro Shares, representing 90.06% of the issued share capital of Nagarro (or 94.04% of Nagarro's share capital excluding treasury shares; and

l. The No Material Compliance Violation (section above v); No Material Adverse Market Change (section above vi); No Dividend, No Capital Measures, No Insolvency (section above vii) and; No Prohibition or Illegality (section above viii) Offer Conditions were fulfilled on September 17, 2026, after the Acceptance Period expired without such event occurring.

ii. *Conditions Pending/Outstanding:*

a. Merger control clearance in the United Kingdom;

b. Investment control clearances in Austria and Spain; and

c. FEMA Clearance from the RBI under the OI Rules

6. Cooperation Agreement

In connection with the Proposed Transaction, our Company and Nagarro SE have entered into a cooperation agreement dated October 8, 2026 (the "**Cooperation Agreement**"), which supplements the BCA and sets forth the framework for the operational and commercial cooperation between the Persistent Group and the Nagarro Group during the period commencing upon the receipt of all required Merger Control Clearances and ending on the earlier of closing of the Proposed Transaction or the termination of the BCA / lapse of the Takeover Offer. The Cooperation Agreement, inter alia, provides for (i) the joint offering of products and services on a subcontracting basis, subject to arm's length terms and applicable antitrust and FDI law; (ii) information sharing on a need-to-know basis, subject to comprehensive confidentiality obligations; (iii) compliance with the SEBI Insider Trading Regulations and MAR in relation to any unpublished price sensitive / inside information; and (iv) post-closing governance arrangements, including the application of de facto group rules under German law. The

Cooperation Agreement has an initial term of two years and is governed by German law, with disputes subject to DIS arbitration seated in Munich.

7. Financial arrangements

To fund the Proposed Acquisition, the BidCo and our Company have arranged external debt financing from Barclays Bank PLC, pursuant to, and subject to the terms and conditions set forth in, a binding debt commitment letter dated June 28, 2026 by and among our Company, the BidCo and Barclays Bank PLC to which an agreed form facility agreement, executed by all parties thereto and held in escrow pending release, is appended, in the form of a committed bridge facility (the "**Bridge Facility**"). The principal terms of the Bridge Facility are as follows:

(i) Facility Amount: EUR 1,400,000,000 (approximately USD 1.6 billion / ₹152.51 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR));

(ii) Lender: Barclays Bank PLC, including its successors, transferees, novatees and assigns, as lender(s). Barclays Bank PLC is also acting as mandated lead arranger, agent, and security agent;

(iii) Tenure: The availability period for drawdowns under the Bridge Facility ends 15 months from June 28, 2026 (i.e., September 28, 2027), with the Bridge Facility repayable within 18 months from June 28, 2026 (i.e., December 28, 2027), extendable by an additional 6 months subject to the consent of the lender(s);

(iv) Utilization: Payment of consideration under the Takeover Offer and the Lantano SPA and payment of associated transaction costs (in the amount of up to EUR 1,150,000,000), refinancing of Nagarro's debt, and other transaction-related costs and expenses (in the amount of up to EUR 350,000,000, but in aggregate not exceeding the total commitment of EUR 1,400,000,000 under the Bridge Facility);

(v) Security: Inter alia, (a) pledge over 100% of the present and future shares of the BidCo; (b) pledge over Nagarro Shares to be owned by the BidCo; (c) pledge over future receivables arising under or in connection with any loan granted by our Company to the BidCo, and (d) pledge over the BidCo's bank and deposit accounts, provided that any security interest over future assets or receivables of our Company shall be created only upon receipt of the RBI's prior written approval;

(vi) Corporate Guarantee: Our Company has agreed to provide a corporate guarantee of up to EUR 1,540,000,000 (approximately ₹165.70 billion (with the ₹ equivalent provided for reference and convenience only and all actual payments to be made in EUR)), being 110% of the Bridge Facility to cover the outstanding amount under the Bridge Facility; and

(vii) Refinancing Strategy: The Bridge Facility has been arranged as committed financing in connection with the Proposed Acquisition. Subject to applicable laws and receipt of requisite regulatory and other approvals the Company intends to fund a portion of the Proposed Acquisition through the proceeds of the Issue. Any residual funding requirements in relation to the Proposed Acquisition is intended to be met through other debt financing. To the extent any amounts are drawn from the Bridge Facility for the Nagarro Acquisition, the Company may utilise the proceeds of the Issue, subject to applicable laws and the terms of the relevant financing arrangement to repay a portion of such amounts drawn under the Bridge Facility.

8. Delisting and post-acquisition integration

In alignment with Nagarro's Management Board, our Company considers to pursue a delisting of Nagarro Shares from the regulated market (Prime Standard) of the Frankfurt Stock Exchange as soon as practicable and legally feasible following completion of the Takeover Offer.

Our Company plans to initiate a squeeze-out of the remaining minority shareholders in accordance with applicable German law. No final decision has been taken yet. Including the Nagarro Shares to be acquired under the Lantano SPA, the Nagarro Shares tendered in the Takeover Offer represent approximately 94.04% of Nagarro's share capital (excluding treasury shares), which exceeds the 90% threshold for a merger squeeze-out under the German Transformation Act (*UmwG*) (section 62 para. 5 of the German Transformation Act in conjunction with sections

327a et seq. of the German Stock Corporation Act (*AktG*)). However, the BidCo will hold such Nagarro Shares only upon settlement of the Takeover Offer and completion of the Lantano SPA, each of which remains subject to the satisfaction of the outstanding Offer Conditions. A merger squeeze-out would lead to a delisting of Nagarro.

9. Restructuring of Indian subsidiaries

Following completion of the Proposed Acquisition, Nagarro's group structure will include certain Indian subsidiaries which may be subject to regulatory requirements under the OI Rules and other applicable Indian foreign exchange laws. Following completion of the Proposed Acquisition, our Company will take appropriate steps to restructure or collapse the Indian subsidiary structure as may be required to ensure compliance with applicable Indian regulations and to optimize the combined group structure. However, as of the date of this Placement Document, the restructuring has not been finalized and appropriate steps will be taken in due course pending or following completion of the Proposed Acquisition. For details, see "*Risk Factors – We require approval from the Reserve Bank of India for overseas direct investment in connection with the Nagarro Acquisition, and any delay or refusal of such approval or any conditions imposed by the RBI, could delay or prevent the closing of the Nagarro Acquisition or restrict our future overseas investments*" on page 42.

10. About Nagarro

Nagarro is a European stock corporation (Societas Europaea) established under the laws of Germany with its corporate seat in Munich, Germany, and registered in the commercial register of the local court of Munich under HRB 254410. Nagarro's share capital amounts to EUR 12,922,297, divided into 12,922,297 ordinary no-par value registered shares with a notional interest of EUR 1.00 each. As of July 9, 2026, Nagarro held 546,140 treasury shares. The Nagarro Shares are listed on the regulated market (Prime Standard) of the Frankfurt Stock Exchange under ISIN DE000A3H2200 and are tradable via the XETRA electronic trading system.

Nagarro is a global digital engineering company offering technology-based services to customers worldwide and operates through a network of subsidiaries across multiple jurisdictions globally. Nagarro provides digital engineering services, including software development, product engineering, cloud and infrastructure services, data and AI services, experience design, and enterprise software solutions. Nagarro serves clients across various industry verticals, including automotive, banking and financial services, consumer goods, healthcare, insurance, manufacturing, energy and utilities, and technology. We believe the Proposed Acquisition will enable our Company to achieve significant scale in the digital engineering services segment, access established customer relationships in key European markets, enable cross-selling of products and services to Nagarro's existing customer base, enhance our ability to participate in larger global contracts, and realize operational synergies. The combined entity is expected to benefit from complementary capabilities, leading to incremental revenue generation and improved market positioning.

For further information, see "*Summary of Business – Nagarro Business Overview*" on page 79.

BOARD OF DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The composition of our Board of Directors is governed by the provisions of the Companies Act, 2013, the SEBI Listing Regulations and our Articles of Association. The Articles of Association require that our Board shall comprise of not less than three Directors and not more than 15 Directors. Our Company may appoint more than 15 Directors after passing a special resolution in a general meeting of our Shareholders.

As on the date of this Placement Document, we have 10 Directors, which includes three Executive Directors and seven non-executive directors of which all seven are Independent Directors (including two women Independent Directors).

The following table sets forth details of our Board as on the date of this Placement Document:

Name, address, date of birth, occupation, nationality, current term, and DIN	Age (in years)	Designation
Dr. Anand Suresh Deshpande ***Date of Birth:*** May 7, 1962 ***Address***: 101 Vanashree Apt, CTS 94/20, Erandvane Prabhat Road, Lane No 11, Pune – 411 004, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period of five years effective from July 21, 2025, liable to retire by rotation ***DIN***: 00005721	64	Chairman[*] and Managing Director
Sandeep Kumar Kalra ***Date of Birth:*** October 29, 1971 ***Address***: 1507 Hayfield DR Yardley, PA 19067 ***Occupation:*** Business Executive ***Nationality****:* United States of America ***Current term****:* For a period of three years effective from October 1, 2025, liable to retire by rotation ***DIN***: 02506494	54	Executive Director and Chief Executive Officer[^]
Vinit Ajit Teredesai ***Date of Birth:*** March 28, 1971 ***Address***: 102 The Seasons Residences Lane 6 Dahanukar Colony, Pune – 411 038, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period from April 24, 2025 till September 30, 2028, liable to retire by rotation ***DIN***: 03293917	55	Executive Director and Chief Financial Officer[#]

Name, address, date of birth, occupation, nationality, current term, and DIN	Age (in years)	Designation
Arvind Hari Goel ***Date of Birth:*** October 13, 1957 ***Address***: Sr No 260/1 Plot No 10 Baner Shahik Park behind Chaitraban Aundh, Pune – 411 007, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period of five years effective from June 7, 2022, not liable to retire by rotation ***DIN***: 02300813	69	Independent Director
Dr. Ambuj Goyal ***Date of Birth:*** October 3, 1956 ***Address***: 6 Teed Court Katonah, NY 10536 ***Occupation:*** Business Executive ***Nationality****:* United States of America ***Current term****:* For a period of five years effective from June 7, 2022, not liable to retire by rotation ***DIN***: 09631525	70	Independent Director
Anjali Joshi ***Date of Birth:*** May 21, 1960 ***Address***: 13155 LA Cresta Dr Los Altos HLS, CA 94022 ***Occupation:*** Business Executive ***Nationality****:* United States of America ***Current term****:* For a period of five years effective from June 12, 2024, not liable to retire by rotation ***DIN***: 10661577	66	Independent Director
Praveen Purushottam Kadle ***Date of Birth:*** January 21, 1957 ***Address***: 224 NCPA Apartments Nariman Point, Mumbai – 400 021, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period of five years effective from April 23, 2025, not liable to retire by rotation ***DIN***: 00016814	69	Independent Director
Dan'l Lewin ***Date of Birth:*** April 6, 1954	72	Independent Director

Name, address, date of birth, occupation, nationality, current term, and DIN	Age (in years)	Designation
Address: 190 Angela Dr Los Altos, CA 94022 ***Occupation:*** Business Executive ***Nationality****:* United States of America ***Current term****:* For a period of five years effective from June 10, 2022, not liable to retire by rotation ***DIN***: 09631526		
Avani Vishal Davda ***Date of Birth:*** February 9, 1979 ***Address***: B-82 / 8th Floor, Heera Panna B Wing, Haji Ali Mumbai, Mumbai – 400 026, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period of five years effective from December 28, 2021, not liable to retire by rotation ***DIN***: 07504739	47	Independent Director
Dr. Ajit Keshav Ranade ***Date of Birth:*** April 24, 1961 ***Address***: 1103, Lodha Grandeur, Sayani Road, Mumbai – 400 025, Maharashtra, India ***Occupation:*** Business Executive ***Nationality****:* Indian ***Current term****:* For a period of five years effective from June 6, 2023, not liable to retire by rotation ***DIN***: 00918651	65	Independent Director

[*] *Appointed as the Chairman with effect from October 19, 1990, pursuant to the Board resolution dated October 19, 1990.*
[^] *Appointed as the Chief Executive Officer with effect from October 23, 2020, pursuant to Board resolution dated October 23, 2020.*
[#] *Appointed as the Chief Financial Officer with effect from May 15, 2024, pursuant to Board resolution dated May 15, 2024.*

Relationship between Directors

As on the date of this Placement Document, none of our directors are related to each other.

Borrowing powers of our Board

Our Company has pursuant to a special resolution passed by the Shareholders dated October 5, 2026, and subject to the applicable laws, our Board has been authorised to borrow sums of money, which, together with the monies borrowed by our Company shall not exceed USD 1,250.00 million or its equivalent in Indian Rupees and/or any other foreign currency, and that money so borrowed together with the monies already borrowed by our Company, if business, may exceed the aggregate of the paid-up share capital of our Company and its free reserves.

Interest of our Directors

Except as stated below and in "*Related Party Transactions*" on page 749, our Directors do not have any other interest in our Company or its business.

Our Directors may be deemed to be interested to the extent of their shareholding, remuneration, sitting fees, commission, reimbursement of expenses and other benefits to which they are entitled as per their terms of appointment.

Except for our Chairman and Managing Director, Dr. Anand Suresh Deshpande, who is also the Promoter of our Company, none of our Directors have any interest in the promotion of our Company.

Our Directors may also be regarded as interested in any Equity Shares and options under the Employee Stock Option Schemes held by them and to the extent of any dividend payable to them and other distributions or benefits in respect of the Equity Shares held by them.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Directors were appointed to the Board of Directors.

Except as provided in "*Related Party Transactions*" on page 749, there have been no related party transactions between the Company and any of the Directors during the last three Fiscals immediately preceding the date of this Placement Document.

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

Other than as disclosed in this Placement Document, there are no outstanding transactions other than in the ordinary course of business undertaken by our Company, in which the Directors are interested. Further, our Company has neither availed of any loans from, nor extended any loans to the Directors which are currently outstanding.

Shareholding of Directors

The following table sets forth the shareholding of the Directors in our Company as on the date of this Placement Document:

Name	Designation	Number of Equity Shares held	Percentage of shareholding (%)^	Number of employee stock options held under Employee Stock Option Schemes
Dr. Anand Suresh Deshpande	Chairman and Managing Director	45,784,580	28.95	Nil
Sandeep Kumar Kalra	Executive Director and Chief Executive Officer	200,000	0.13	740,000
Vinit Ajit Teredesai	Executive Director and Chief Financial Officer	11,875	0.01	9,000
Arvind Hari Goel	Independent Director	750	Negligible	Nil

^*The percentage of the Equity Share capital on a fully diluted basis has been calculated on the basis of total Equity Shares held by the Shareholders and exercise of vested options under the Employee Stock Option Schemes.*

Terms of appointment of Executive Directors

a) Dr. Anand Suresh Deshpande, Chairman and Managing Director

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on June 6, 2025, approved the re-appointment of Dr. Anand Suresh Deshpande as the Managing Director of the Company for a further period of five (5) years with effect from July 21, 2025, subject to the approval of the Shareholders. The Shareholders of the Company ratified this re-appointment on July 21, 2025. The following table sets forth the current terms of appointment of Dr. Anand Suresh Deshpande.

S. No.	Category	Remuneration
1.	Basic salary	In the range of ₹600,000.00 to ₹1,500,000.00 per month.
2.	Bonus	Bonus, as may be decided by the Board, not to exceed a maximum of 0.50% (half per cent) of the consolidated net profits of the Company for the respective financial year, payable annually.

<table>
<tr><th>S. No.</th><th>Category</th><th colspan="2">Remuneration</th></tr>
<tr><td>3.</td><td>Allowances</td><td colspan="2">Allowances in the nature of city compensatory allowance, dearness allowance, personal allowance, special allowance or such other allowance, by whatever name called calculated as a percentage of basic salary or fixed amount, as decided by the Board of Directors from time to time.</td></tr>
<tr><td>4.</td><td>Perquisites and other benefits</td><td colspan="2"><table>
<tr><td>Housing</td><td>• The expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 50.00% of the basic salary. The perquisite value shall be computed in accordance with the prevailing Income Tax Rules.
• In case the Company provides no accommodation, a house rent allowance subject to a ceiling of 50.00% of the basic salary.
• In addition, the Company shall provide for the maintenance of a house.
• The Company may provide the services of a sweeper and / or gardener at the residence of Dr. Anand Suresh Deshpande. The Company shall pay the monthly wages of each of them, which shall be valued as taxable perquisite as per the prevailing Income Tax Rules.</td></tr>
<tr><td>Domestic utilities</td><td>The Company shall reimburse expenses for utilities such as gas, electricity, water, repairs at the residence of Dr. Anand Suresh Deshpande.</td></tr>
<tr><td>Reimbursement of corporate relations expenses</td><td>He shall be entitled to a reimbursement of corporate relations expenses subject to submission of bills.</td></tr>
<tr><td>Medical reimbursement</td><td>Medical and hospitalisation benefits for self and family by way of reimbursement of expenses actually incurred, the total cost of which shall not exceed such amount as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Leave travel concession / allowance</td><td>For self and family once in a year, as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Club fees</td><td>Entrance fees (excluding life membership fees) and monthly subscription fees payable subject to a maximum of two clubs.</td></tr>
<tr><td>Life insurance policy, personal accident insurance and mediclaim policy</td><td>Life insurance policy, personal accident insurance for self and mediclaim policy for self and dependent family members as per the rules of the Company. In addition, a Life Insurance policy for self and dependent family members is subject to the annual premium not exceeding ₹400,000.00.</td></tr>
<tr><td>Company's contribution to provident fund and superannuation fund, gratuity, earned / privileged leave and encashment of leave</td><td>As per the rules of the Company.</td></tr>
<tr><td>Company car</td><td>The Company will provide a car with a driver, for all his official and personal needs. In this case, no commuting allowance will be paid. If Dr. Anand Suresh Deshpande chooses not to use the Company vehicle, then he will be entitled to a vehicle allowance as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Telephone / telefax / internet</td><td>The Company shall reimburse rent, taxes and call charges of telephone / telefax at the residence of Dr. Anand Suresh Deshpande. The Company shall also provide cellular phones with roaming facility and reimburse all charges pertaining to the same. The Company shall also reimburse the cost of the internet connection at the residence of Dr. Anand Suresh Deshpande.</td></tr>
<tr><td>Books and periodicals</td><td>Dr. Anand Suresh Deshpande shall be entitled to reimbursement of the cost of books and periodicals subject to a ceiling as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Other privileges</td><td>Such other privileges, facilities, perquisites and amenities as may be applicable from time to time to the Executives of the Company.</td></tr>
</table>
Explanation:
• Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Income Tax Rules, perquisites shall be evaluated at actual cost.
• 'Family' means spouse, dependent children and dependent parents of Dr. Anand Suresh Deshpande.</td></tr>
<tr><td>5.</td><td>Total remuneration</td><td colspan="2">The total remuneration, including basic salary, bonus, allowances, perquisites and other benefits as mentioned above, may increase by a maximum of 7.00% on a year-on-year basis, within the statutory permissible limits.</td></tr>
</table>

b) Sandeep Kumar Kalra, Executive Director and Chief Executive Officer

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on June 6, 2025, approved the re-appointment of Sandeep Kumar Kalra as an Executive Director of the Company for a further period of three (3) years with effect from October 1, 2025, subject to the approval of the Shareholders. The Shareholders of the Company ratified this re-appointment on July 21, 2025. The following table sets forth the current terms of appointment of Sandeep Kumar Kalra.

<table>
<tr><th>S. No.</th><th>Category</th><th>Remuneration</th></tr>
<tr><td>1.</td><td>Basic salary</td><td>In the range of USD 60,000 to USD 150,000 per month.</td></tr>
<tr><td>2.</td><td>Bonus</td><td>Bonus, as may be decided by the Board up to a maximum of 1.00% (One per cent) of the consolidated net profits of the respective financial year, or ₹50.00 million, whichever is lower, payable annually.</td></tr>
<tr><td>3.</td><td>Allowances</td><td>Allowances in the nature of city compensatory allowance, dearness allowance, personal allowance, special allowance or such other allowance, by whatever name called, calculated as a percentage of Base Salary or fixed amount, as decided by the Board of Directors from time to time.</td></tr>
<tr><td>4.</td><td>Perquisites and other benefits</td><td>
<table>
<tr><td>Reimbursement of corporate relations expenses</td><td>Sandeep Kumar Kalra is entitled to a reimbursement of corporate relations expenses subject to submission of bills.</td></tr>
<tr><td>Medical reimbursement</td><td>Medical and hospitalisation benefits for self and family by way of reimbursement of expenses for Medical Insurance, the total cost of which shall not exceed such amount as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Club fees</td><td>Entrance fees (excluding life membership fees) and monthly subscription fees are payable, subject to a maximum of two clubs.</td></tr>
<tr><td>Life insurance policy, personal accident insurance and mediclaim policy</td><td>Life insurance policy, personal accident insurance for self and mediclaim policy for self and dependent family members as per the rules of the Company. In addition, a life insurance policy for self and dependent family members is subject to an annual premium not exceeding USD 60,000.</td></tr>
<tr><td>Company's contribution to provident fund and superannuation fund, gratuity, earned / privileged leave and encashment of leave</td><td>As per the rules of the Company.</td></tr>
<tr><td>Telephone / telefax / internet</td><td>The Company shall reimburse rent, taxes, and call charges of telephone / telefax at the residence of Sandeep Kumar Kalra. The Company shall also provide cellular phones with a roaming facility and reimburse all charges pertaining to the same. The Company shall also reimburse the cost of the Internet connection at the residence of Sandeep Kumar Kalra.</td></tr>
<tr><td>Books and periodicals</td><td>Sandeep Kumar Kalra shall be entitled to reimbursement of the cost of books and periodicals subject to a ceiling as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Leadership classes</td><td>Sandeep Kumar Kalra shall be entitled to reimbursement of the cost of leadership classes and leadership mentorship.</td></tr>
<tr><td>Stock options</td><td>Sandeep Kumar Kalra shall be eligible for the vesting and exercise of stock options (which were already granted to him on May 31, 2024) during his proposed tenure of reappointment.</td></tr>
<tr><td>Other privileges</td><td>Such other privileges, facilities, perquisites and amenities as may be applicable from time to time to the executives of the Company.</td></tr>
</table>
Explanation:
• Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Income Tax Rules, perquisites shall be evaluated at actual cost.
• 'Family' means spouse, dependent children, and the dependent parents of Sandeep Kumar Kalra.
</td></tr>
<tr><td>5.</td><td>Total remuneration</td><td>The total remuneration, including basic salary, bonus, allowances, perquisites and other benefits, excluding stock-based remuneration as mentioned above, may increase by a maximum of 4.00% on a year-on-year basis.</td></tr>
</table>

c) Vinit Ajit Teredesai, Executive Director and Chief Financial Officer

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors of the Company at its meeting held on April 24, 2025, approved the appointment of Vinit Ajit Teredesai as an Executive Director of the Company for the period from April 24, 2025 to September 30, 2028, subject to the approval of the Shareholders. The Shareholders of the Company ratified this appointment on July 21, 2025. The following table sets forth the current terms of appointment of Vinit Ajit Teredesai.

S. No.	Category	Remuneration
1.	Basic salary	In the range of ₹400,000.00 to ₹1,200,000.00 per month.
2.	Bonus	Bonus, as may be decided by the Board, not to exceed a maximum of 0.5% (half per cent) of the consolidated net profits of the Company for the respective financial year, payable annually.
3.	Allowances	Allowances: allowances in the nature of house rent allowance, city compensatory allowance, dearness allowance, personal allowance, special allowance, or such other allowance, by whatever

<table>
<tr><th>S. No.</th><th>Category</th><th colspan="2">Remuneration</th></tr>
<tr><td></td><td></td><td colspan="2">name called calculated as a percentage of basic salary or fixed amount, as decided by the Board of Directors from time to time.</td></tr>
<tr><td>4.</td><td>Perquisites and other benefits</td><td colspan="2"><table>
<tr><td>Housing</td><td>• The expenditure by the Company on hiring furnished accommodation shall be subject to a ceiling of 50.00% of the basic salary. The perquisite value shall be computed in accordance with the prevailing Income Tax Rules.
• In case the Company provides no accommodation, a house rent allowance subject to a ceiling of 50.00% of the basic salary.
• In addition, the Company shall provide for the maintenance of a house.
• The Company may provide the services of a sweeper and / or gardener at the residence of Vinit Ajit Teredesai. The Company shall pay the monthly wages of each of them, which shall be valued as taxable perquisite as per the prevailing Income Tax Rules.</td></tr>
<tr><td>Reimbursement of corporate relations expenses</td><td>Vinit Ajit Teredesai shall be entitled to a reimbursement of corporate relations expenses subject to submission of bills.</td></tr>
<tr><td>Medical reimbursement</td><td>Medical and hospitalisation benefits for self and family by way of reimbursement of expenses actually incurred, the total cost of which shall not exceed such amount as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Leave travel concession / allowance</td><td>For self and family once in a year, as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Club fees</td><td>Entrance fees (excluding life membership fees) and monthly subscription fees are payable subject to a maximum of two clubs.</td></tr>
<tr><td>Life insurance policy, personal accident insurance and mediclaim policy</td><td>Life insurance policy, personal accident insurance for self and mediclaim policy for self and dependent family members as per the rules of the Company. In addition, a life insurance policy for self and dependent family members is subject to an annual premium not exceeding ₹400,000.</td></tr>
<tr><td>Company's contribution to provident fund and superannuation fund, gratuity, earned / privileged leave and encashment of leave</td><td>As per the rules of the Company.</td></tr>
<tr><td>Company car</td><td>The Company will provide a car with a driver, for all his official and personal needs. In this case, no commuting allowance will be paid. If Vinit Ajit Teredesai chooses not to use the Company vehicle, then he will be entitled to a vehicle allowance as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Telephone / telefax / internet</td><td>The Company shall re-imburse rent, taxes and call charges of telephone / telefax at the residence of Vinit Ajit Teredesai. The Company shall also provide cellular phones with roaming facility and re-imburse all charges pertaining to the same. The Company shall also re-imburse the cost of Internet connection at the residence of Vinit Ajit Teredesai.</td></tr>
<tr><td>Books and periodicals</td><td>Vinit Ajit Teredesai shall be entitled to reimbursement of the cost of books and periodicals subject to a ceiling as decided by the Board of Directors from time to time.</td></tr>
<tr><td>Stock options</td><td>Vinit Ajit Teredesai shall be eligible to receive stock options of the Company as decided by the Board of Directors or the Committee thereof from time to time.</td></tr>
<tr><td>Other privileges</td><td>Such other privileges, facilities, perquisites and amenities as may be applicable from time to time to the Executives of the Company.</td></tr>
</table>

Explanation:
• Perquisites shall be evaluated as per the Income Tax Rules, wherever applicable. In the absence of any such Income Tax Rules, perquisites shall be evaluated at actual cost.
• 'Family' means spouse, dependent children and dependent parents of Vinit Ajit Teredesai.</td></tr>
<tr><td>5.</td><td>Total remuneration</td><td colspan="2">The total remuneration, including basic salary, bonus, allowances, perquisites and other benefits excluding stockbased remuneration as mentioned above, may increase by a maximum of 7% on a year-on-year basis, within the permissible statutory limits.</td></tr>
</table>

Remuneration of the Directors

A. Executive Directors

The following table sets forth the compensation paid by our Company and our Subsidiaries, wherever applicable, to the Executive Directors for the six months period ended September 30, 2026, and for Fiscals 2026, 2025 and 2024 and from October 1, 2026, till the date of this Placement Document:

(in ₹ million)

S. No.	Name of the Director	From October 1, 2026 till the date of this Placement Document	For the six months ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
1.	Dr. Anand Suresh Deshpande	Nil	22.81	42.43	39.78	37.68
2.	Sandeep Kumar Kalra^	5.51	2,206.85	4,029.90	1,502.02	765.89
3.	Vinit Ajit Teredesai	Nil	61.53	95.22	23.74	-

^Sandeep Kumar Kalra's remuneration is paid by the Company and Persistent Systems Inc.

B. Independent Directors

Pursuant to a resolution dated April 21, 2026, passed by our Board, each of our Independent Directors is entitled to: (i) receive sitting fees of ₹0.10 million for each meeting of the Board and the Audit Committee, ₹0.08 million for each meeting of the Nomination and Remuneration Committee, Executive Committee and Risk Management Committee, and ₹0.05 million for each meeting of the Corporate Social Responsibility Committee, the Stakeholders' Relationship and ESG Committee and the investment committee; and (ii) fixed commission of ₹10 million for each of the next three consecutive years, i.e., Fiscals 2027, 2028 and 2029, on a pro-rata basis.

The following table sets forth the compensation (including sitting fees and commission) paid by our Company to the Independent Directors for the six months period ended September 30, 2026, and for Fiscals 2026, 2025 and 2024 and from October 1, 2026 till the date of this Placement Document:

(in ₹ million)

S. No.	Name of the Director	From October 1, 2026 till the date of this Placement Document	For the six months ended September 30, 2026	Fiscal 2026	Fiscal 2025	Fiscal 2024
1.	Avani Vishal Davda	Nil	6.33	8.95	6.55	6.58
2.	Arvind Hari Goel	Nil	5.90	8.53	6.15	6.15
3.	Dr. Ambuj Goyal	Nil	5.88	8.55	6.30	6.08
4.	Anjali Joshi	Nil	5.73	8.40	4.64	-
5.	Praveen Purushottam Kadle	Nil	6.38	9.10	6.70	6.65
6.	Dan'l Lewin	Nil	5.75	8.15	5.90	5.65
7.	Dr. Ajit Keshav Ranade	Nil	6.33	8.85	6.45	4.73

Corporate governance

Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including the constitution of our Board and the committees thereof**.**

Committees of our Board of Directors

In accordance with the requirements of the provisions of the Companies Act and the provisions of the SEBI Listing Regulations, our Board has constituted various committees as detailed below: (i) Audit Committee; (ii) Nomination and Remuneration Committee; (iii) Stakeholders' Relationship and ESG Committee; (iv) Corporate Social Responsibility Committee; and (v) Risk Management Committee.

The following table sets forth details of members of the aforesaid committees, as on the date of this Placement Document:

S. No.	Committee	Name	Designation of members
1.	Audit Committee	Praveen Purushottam Kadle	Chairperson
		Avani Vishal Davda	Member
		Dr. Ajit Keshav Ranade	Member
2.	Nomination and Remuneration Committee	Dr. Ambuj Goyal	Chairperson
		Arvind Hari Goel	Member
		Dan'l Lewin	Member
		Dr. Ajit Keshav Ranade	Member
		Anjali Joshi	Member
3.	Stakeholders' Relationship and ESG Committee	Arvind Hari Goel	Chairperson
		Avani Vishal Davda	Member
		Dr. Anand Suresh Deshpande	Member
		Vinit Ajit Teredesai	Member
4.	Corporate Social Responsibility Committee	Avani Vishal Davda	Chairperson
		Dr. Anand Suresh Deshpande	Member
		Arvind Hari Goel	Member
5.	Risk Management Committee	Praveen Purushottam Kadle	Chairperson
		Arvind Hari Goel	Member
		Dr. Ajit Keshav Ranade	Member
		Sandeep Kumar Kalra	Member
		Vinit Ajit Teredesai	Member
		Debashis Singh	Member

Key Managerial Personnel

In addition to Dr. Anand Suresh Deshpande, our Chairman and Managing Director, Sandeep Kumar Kalra, our Executive Director and Chief Executive Officer and Vinit Ajit Teredesai, our Executive Director and Chief Financial Officer, whose details are provided in *"– Board of Directors and Senior Management*" on page 806, the details of our other Key Managerial Personnel as on the date of this Placement Document are as set forth below:

Name	Designation
Amit Atre	Company Secretary and Compliance Officer

Senior Management

In addition to Amit Atre who is our Company Secretary and Compliance Officer, whose details are provided above under *"– Key Managerial Personnel*", the details of our other members of the Senior Management as on the date of this Placement Document are as set forth below:

S. No.	Name	Designation
1.	Jaideep Vijay Dhok	Chief Operating Officer – Technology
2.	Nitish Shrivastava	CTO-Engineering Hyper Productivity
3.	Rajiv Naithani	Chief People Officer
4.	Mukesh Sureshchandra Agarwal	Chief Planning Officer
5.	Shimona Chadha	Chief Marketing Officer
6.	Thomas Christopher Klein	General Counsel
7.	Barath Subba Sokkapa Narayanan	Executive Vice President
8.	Kuljesh Puri	Executive Vice President
9.	Anand Krishnan	Executive Vice President
10.	Nitha Narayan Puthran	Executive Vice President
11.	Rahul Shrivastava	Executive Vice President
12.	Ganesh Nathella Munirathinam	Executive Vice President
13.	Hari Shreeram Abhyankar	Executive Vice President
14.	Ruchi Kulhari	Executive Vice President
15.	Padmanabhan Venkatesan	Senior Corporate Vice President
16.	Ankur Saxena	Senior Corporate Vice President
17.	Nayana Satish Bhandari	Corporate Vice President
18.	Sachin Pathak	Corporate Vice President
19.	Sanjay Hari Bapat	Corporate Vice President
20.	Saurabh Dwivedi	Corporate Vice President
21.	Vikram Tulsyan	Senior Vice President
22.	Mahesh Balkrishna Kulkarni	Senior Vice President
23.	Vivek Agarwal	Senior Vice President

S. No.	Name	Designation
24.	Vinod Vasantrao Mandlik	Senior Vice President
25.	Anuja Jayant Ramdasi	Vice President

Status of Key Managerial Personnel and Senior Management

As on the date of this Placement Document, all Key Managerial Personnel and members of the Senior Management are permanent employees of our Company.

Interest of Key Managerial Personnel and Senior Management

Other than as disclosed under "– *Interest of our Directors*" on page 808, Key Managerial Personnel and members of the Senior Management do not have any interest in our Company other than to the extent of the remuneration or benefits or stock options to which they are entitled as per their terms of appointment, reimbursement of expenses incurred by them during the ordinary course of business. Our Key Managerial Personnel and members of Senior Management may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held in our Company, if any.

Except as provided in "*Related Party Transactions*" on page 749, there have been no related party transactions between the Company and any of the Key Management Personnel or Senior Management, during the six months period ended September 30, 2026, and the last three Fiscals immediately preceding the date of this Placement Document.

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel and members of Senior Management was selected as a key managerial personnel or member of senior management.

Our Company has not entered into any service contracts with our Key Managerial Personnel and members of Senior Management pursuant to which they are entitled to any benefits upon termination of their employment.

None of our Key Managerial Personnel and members of Senior Management have been paid any consideration of any nature from our Company, other than their remuneration.

Other confirmations

Except as otherwise stated above in "*Interest of our Directors*" and "*Interest of Key Managerial Personnel and Senior Management*", none of our Directors, Key Managerial Personnel or members of the Senior Management have any financial or other material interest in the Issue and there is no effect of such interest in so far as it is different from the interests of other persons.

Neither our Company, nor the Directors or Promoters have been identified as Wilful Defaulter or Fraudulent Borrowers.

Neither our Company, nor our Directors or Promoters are debarred from accessing capital markets under any order or direction made by SEBI or any other governmental authority. Further, none of our Directors or Promoters is declared as a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018**.**

There is no contingent or deferred compensation payable to our Key Managerial Personnel or Directors, which does not form part of their remuneration.

Except as disclosed above and in "*Related Party Transactions*" on page 749, our Key Managerial Personnel or our Senior Management do not have any other interest in our Company or its business.

Except as disclosed above under "– *Terms of appointment of our Executive Directors*", none of our Directors, Key Managerial Personnel or Senior Management are party to any bonus or profit-sharing plan of our Company.

None of the Directors, Promoters, Key Managerial Personnel or Senior Management of our Company intend to subscribe to the Issue.

Relationship between Key Managerial Personnel, Senior Management and Directors

In addition to the disclosure made in "– *Relationship between Directors*", none of our Key Managerial Personnel or Senior Management are related to each other or to the Directors of our Company.

Policy on disclosures and internal procedure for prevention of insider trading

SEBI Insider Trading Regulations applies to our Company and our employees and requires our Company to formulate and implement a code of practices and procedures for fair disclosure of unpublished price sensitive information and a code of conduct to regulate, monitor and report trading by designated persons and the prevention of insider trading. Our Company has adopted and implemented a code of conduct for prevention of insider trading in accordance with the SEBI Insider Trading Regulations, in terms of which, our Company Secretary and Compliance Officer, acts as the compliance officer of the Company under the aforesaid code of conduct for prevention of insider trading.

SHAREHOLDING PATTERN OF OUR COMPANY

The following table sets forth the details regarding the equity shareholding pattern of our Company as on September 30, 2026:

Category of Shareholders	No. of Shareholders	No. of fully paid-up equity shares held	Total no. of Shares held	Shareholding as a % of total no of shares (calculate as per SCRR, 1957) As a % of (A+B+C2)	No. of voting rights	Total as a % of Total Voting right	Total no. of shares on fully diluted basis (including warrants, ESOP, convertible securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of Shares pledged or otherwise encumbered		Total number of shares encumbered		No. of equity shares held in dematerialized form	Sub-categorization of shares (XV)		
									No.(a)	As a % of total Shares held(b)	No.(a)	As a % of total Shares held(b)		Shareholding (No. of shares) under		
														Sub Category I	Sub Category II	Sub Category III
(A) Promoter & Promoter Group	12	47,789,930	47,789,930	30.29	47,789,930	30.29	47,789,930	30.29	0	0.00	-	-	47,789,930	-	-	-
(B) Public	250,859	109,087,199	109,087,199	69.15	109,087,199	69.15	109,087,199	69.15	-	-	-	-	109,087,199	0	0	0
(C1) Shares underlying DRs	0	0	0	0.00	0	0.00	0	0.00	-	-	-	-	0	-	-	-
(C2) Shares held by Employee Trusts	1	872,871	872,871	0.55	872,871	0.55	872,871	0.55	-	-	-	-	872,871	-	-	-
(C) Non Promoter-Non Public	1	872,871	872,871	0.55	872,871	0.55	872,871	0.55	-	-	-	-	872,871	-	-	-
Total	**250,872**	**157,750,000**	**157,750,000**	**100.00**	**157,750,000**	**100.00**	**157,750,000**	**100.00**	**0**	**0.00**	-	-	**157,749,448**	**0**	**0**	**0**

Shareholding pattern of our Promoter and Promoter Group, as on September 30, 2026

The following table sets forth the details regarding the equity shareholding pattern of our Promoters and Promoter Group as on September 30, 2026:

Category	Category & Name of shareholder	Entity type	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Total number of Shares encumbered		Number of Equity Shares held in dematerialized form
							Number of Voting Rights			Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
							Class e.g.: Equity Shares	Class e.g.: Others	Total								
1	**Indian**																
(a)	Individuals / Hindu Undivided Family		12	47,789,930	47,789,930	30.29	47,789,930	0	47,789,930	30.29	47,789,930	30.29	0	0.00	-	-	47,789,930
	Anand Suresh Deshpande	Promoters	1	45,784,580	45,784,580	29.02	45,784,580	0	45,784,580	29.02	45,784,580	29.02	0	0.00	-	-	45,784,580
	Chitra Hemadri Buzruk	Promoters	1	938,800	938,800	0.60	938,800	0	938,800	0.60	938,800	0.60	0	0.00	-	-	938,800
	Mukund Suresh Deshpande	Promoters	1	744,050	744,050	0.47	744,050	0	744,050	0.47	744,050	0.47	0	0.00	-	-	744,050
	Sonali Anand Deshpande	Promoters	1	224,000	224,000	0.14	224,000	0	224,000	0.14	224,000	0.14	0	0.00	-	-	224,000
	Arul Anand Deshpande	Promoters	1	20,000	20,000	0.01	20,000	0	20,000	0.01	20,000	0.01	0	0.00	-	-	20,000
	Chinmay Hemadri Buzruk	Promoters	1	20,000	20,000	0.01	20,000	0	20,000	0.01	20,000	0.01	0	0.00	-	-	20,000
	Gayatri Hemadri Buzruk	Promoters	1	20,000	20,000	0.01	20,000	0	20,000	0.01	20,000	0.01	0	0.00	-	-	20,000
	Ria Anand Deshpande	Promoter	1	20,000	20,000	0.01	20,000	0	20,000	0.01	20,000	0.01	0	0.00	-	-	20,000

Category	Category & Name of shareholder	Entity type	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Total number of Shares encumbered		Number of Equity Shares held in dematerialized form
							Number of Voting Rights										
							Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
	Hemadri Narayan Buzruk	Promoters	1	15,640	15,640	0.01	15,640	0	15,640	0.01	15,640	0.01	0	0.00	-	-	15,640
	Padmakar Govind Khare	Promoters	1	1,760	1,760	0.00	1,760	0	1,760	0.00	1,760	0.00	0	0.00	-	-	1,760
	Sulabha Suresh Deshpande	Promoters	1	1,000	1,000	0.00	1,000	0	1,000	0.00	1,000	0.00	0	0.00	-	-	1,000
	Suresh Purushottam Deshpande	Promoter	1	100	100	0.00	100	0	100	0.00	100	0.00	0	0.00	-	-	100
(b)	Central Government / State Government(s)		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
(c)	Financial Institutions / Banks		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
(d)	Any Other (Specify)		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
	Sub Total (A)(1)		**12**	**47,789,930**	**47,789,930**	**30.29**	**47,789,930**	**0**	**47,789,930**	**30.29**	**47,789,930**	**30.29**	**0**	**0.00**	**-**	**-**	**47,789,930**
2	**Foreign**																
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
(b)	Government		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
(c)	Institutions		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0

Category	Category & Name of shareholder	Entity type	Number of Shareholders	Number of fully paid-up Equity Shares held	Total number of shares held	Shareholding as a % of total number of shares (calculated as per SCRR, 1957) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities				Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of Shares pledged or otherwise encumbered		Total number of Shares encumbered		Number of Equity Shares held in dematerialized form
							Number of Voting Rights										
							Class e.g.: Equity Shares	Class e.g.: Others	Total	Total as a % of (A+B+C)			Number (a)	As a % of total Shares held (b)	Number (a)	As a % of total Shares held (b)	
(d)	Foreign Portfolio Investor		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
(e)	Any Other (Specify)		0	0	0	0.00	0	0	0	0.00	0	0.00	0	0.00	-	-	0
	Sub Total (A)(2)		**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0**	**0.00**	**0**	**0.00**	**-**	**-**	**0**
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)		**12**	**47,789,930**	**47,789,930**	**30.29**	**47,789,930**	**0**	**47,789,930**	**30.29**	**47,789,930**	**30.29**	**0**	**0.00**	**-**	**-**	**47,789,930**

Shareholding pattern of public shareholders, as on September 30, 2026

The following table sets forth the details regarding the equity shareholding pattern of the public shareholders, as on September 30, 2026:

Category and Name of the Shareholders	Number of shareholders	Number of fully paid-up equity shares held	Total number shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (Number of shares) under		
										Subcategory I	Subcategory II	Subcategory III
Institutions												
B1) Institutions (Domestic)												
Mutual Funds	40	34,374,978	34,374,978	21.79	34,374,978	21.79	34,374,978	21.79	34,374,978	0	0	0
HDFC Mutual Fund - HDFC Mid-Cap Fund	1	7,024,111	7,024,111	4.45	7,024,111	4.45	7,024,111	4.45	7,024,111	0	0	0
Motilal Oswal Midcap Fund	1	4,433,099	4,433,099	2.81	4,433,099	2.81	4,433,099	2.81	4,433,099	0	0	0
Aditya Birla Sun Life Mutual Fund - Aditya Birla Sun Life Flexi Cap Fund	1	3,107,144	3,107,144	1.97	3,107,144	1.97	3,107,144	1.97	3,107,144	0	0	0
Nippon Life India Trustee Ltd- A/C Nippon India Growth Mid Cap Fund	1	2,859,465	2,859,465	1.81	2,859,465	1.81	2,859,465	1.81	2,859,465	0	0	0
Kotak Midcap Fund	1	2,472,024	2,472,024	1.57	2,472,024	1.57	2,472,024	1.57	2,472,024	0	0	0
Mirae Asset Large & Midcap Fund	1	2,467,422	2,467,422	1.56	2,467,422	1.56	2,467,422	1.56	2,467,422	0	0	0
UTI-Flexi Cap Fund	1	2,300,168	2,300,168	1.46	2,300,168	1.46	2,300,168	1.46	2,300,168	0	0	0
Venture Capital Funds	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Alternate Investment Funds	29	456,722	456,722	0.29	456,722	0.29	456,722	0.29	456,722	0	0	0
Banks	3	135,188	135,188	0.09	135,188	0.09	135,188	0.09	135,188	0	0	0
Insurance Companies	25	13,604,123	13,604,123	8.62	13,604,123	8.62	13,604,123	8.62	13,604,123	0	0	0

Category and Name of the Shareholders	Number of shareholders	Number of fully paid-up equity shares held	Total number shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (Number of shares) under		
										Subcategory I	Subcategory II	Subcategory III
Life Insurance Corporation Of India	1	5,493,493	5,493,493	3.48	5,493,493	3.48	5,493,493	3.48	5,493,493	0	0	0
SBI Life Insurance Co. Ltd	1	3,194,229	3,194,229	2.02	3,194,229	2.02	3,194,229	2.02	3,194,229	-	-	-
HDFC Life Insurance Company Limited	1	1,954,220	1,954,220	1.24	1,954,220	1.24	1,954,220	1.24	1,954,220	-	-	-
Provident Funds/ Pension Funds	1	1,844,048	1,844,048	1.17	1,844,048	1.17	1,844,048	1.17	1,844,048	0	0	0
NPS Trust- A/C HDFC Pension Fund Management Limited Scheme E - Tier I	1	1,844,048	1,844,048	1.17	1,844,048	1.17	1,844,048	1.17	1,844,048	0	0	0
Asset reconstruction companies	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Sovereign Wealth Funds	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
NBFCs registered with RBI	4	1,909	1,909	0.00	1,909	0.00	1,909	0.00	1,909	0	0	0
Other Financial Institutions	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Any Other (Institutions (Domestic))	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Sub Total B1	**102**	**50,416,968**	**50,416,968**	**31.96**	**50,416,968**	**31.96**	**50,416,968**	**31.96**	**50,416,968**	**0**	**0**	**0**
B2) Institutions (Foreign)												
Foreign Direct Investment	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Foreign Venture Capital Investors	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Sovereign Wealth Funds	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Foreign Portfolio Investors Category I	721	31,907,349	31,907,349	20.23	31,907,349	20.23	31,907,349	20.23	31,907,349	0	0	0
Government Pension Fund Global	1	1,923,063	1,923,063	1.22	1,923,063	1.22	1,923,063	1.22	1,923,063	-	-	-

Category and Name of the Shareholders	Number of shareholders	Number of fully paid-up equity shares held	Total number shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (Number of shares) under		
										Subcategory I	Subcategory II	Subcategory III
Foreign Portfolio Investors Category II	32	888,456	888,456	0.56	888,456	0.56	888,456	0.56	888,456	0	0	0
Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Any Other (Institutions Foreign))	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Sub Total B2	**753**	**32,795,805**	**32,795,805**	**20.79**	**32,795,805**	**20.79**	**32,795,805**	**20.79**	**32,795,805**	**0**	**0**	**0**
B3) Central Government/ State Government(s)/ President of India												
Central Government / President of India	1	1	1	0.00	1	0.00	1	0.00	1	0	0	0
State Government / Governor	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Sub Total B3	**1**	**1**	**1**	**0.00**	**1**	**0.00**	**1**	**0.00**	**1**	**0**	**0**	**0**
B4) Non-Institutions												
Associate companies / Subsidiaries	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Directors and their relatives (excluding independent directors and nominee directors)	2	211,875	211,875	0.13	211,875	0.13	211,875	0.13	211,875	0	0	0
Key Managerial Personnel	1	6,654	6,654	0.00	6,654	0.00	6,654	0.00	6,654	0	0	0

Category and Name of the Shareholders	Number of shareholders	Number of fully paid-up equity shares held	Total number shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (Number of shares) under		
										Subcategory I	Subcategory II	Subcategory III
Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Investor Education and Protection Fund (IEPF)	1	6,086	6,086	0.00	6,086	0.00	6,086	0.00	6,086	0	0	0
Resident Individuals holding nominal share capital up to ₹ 2 lakhs	235,822	14,841,623	14,841,623	9.41	14,841,623	9.41	14,841,623	9.41	14,841,071	0	0	0
Resident Individuals holding nominal share capital in excess of ₹ 2 lakhs	48	5,626,850	56,26,850	3.57	5,626,850	3.57	5,626,850	3.57	5,626,850	0	0	0
Shridhar Bhalchandra Shukla	1	2,203,992	22,03,992	1.40	2,203,992	1.40	2,203,992	1.40	2,203,992	0	0	0
Non Resident Indians (NRIs)	9,450	2,956,512	2,956,512	1.87	2,956,512	1.87	2,956,512	1.87	2,956,512	0	0	0
Foreign Nationals	25	59,082	59,082	0.04	59,082	0.04	59,082	0.04	59,082	0	0	0
Foreign Companies	0	0	0	0.00	0	0.00	0	0.00	0	-	-	-
Bodies Corporate	1,070	653,353	653,353	0.41	653,353	0.41	653,353	0.41	653,353	0	0	0
Any Other (specify)	3,584	1,512,390	2,385,261	1.51	2,385,261	1.51	2,385,261	1.51	2,385,261	0	0	0
Trusts	31	274,768	274,768	0.17	274,768	0.17	274,768	0.17	274,768	0	0	0
LLP	85	792,861	792,861	0.50	792,861	0.50	792,861	0.50	792,861	0	0	0

Category and Name of the Shareholders	Number of shareholders	Number of fully paid-up equity shares held	Total number shares held	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2)	Number of Voting Rights	Total as a % of Total Voting right	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	No. of equity shares held in dematerialized form (Not Applicable)	Sub-categorization of shares (XV)		
										Shareholding (Number of shares) under		
										Subcategory I	Subcategory II	Subcategory III
HUF	3,426	272,077	272,077	0.17	272,077	0.17	272,077	0.17	272,077	0	0	0
Clearing Members	42	172,684	172,684	0.11	172,684	0.11	172,684	0.11	172,684	0	0	0
Sub Total B4	**250,003**	**25,874,425**	**25,874,425**	**16.40**	**25,874,425**	**16.40**	**25,874,425**	**16.40**	**25,873,873**	**0**	**0**	**0**
B=B1+B2+B3+B4	**250,859**	**109,087,199**	**109,087,199**	**69.15**	**109,087,199**	**69.15**	**109,087,199**	**69.15**	**109,086,647**	**0**	**0**	**0**

Shareholding pattern of non-Promoter non-public Shareholders, as on September 30, 2026

The following table sets forth the details regarding the equity shareholding pattern of the non- Promoter- non- public Shareholders as on September 30, 2026.

Sl. No.	Category & Name of the Shareholders	No. of shareholders	Number of fully paid up equity shares held	Total no. of shares held	Shareholding % calculated as per SCRR. 1957 As a % of (A+B+C2)	Total number of shares on fully diluted basis (including warrants, ESOP, Convertible Securities etc.)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) As a % of (A+B+C2)	Number of equity shares held in dematerialized form
(1)	Custodian / DR Holder	0	0	0	0.00	0	0.00	0
(2)	Employee Benefit Trust/Employee Welfare Trust under SEBI (Share based Employee Benefits and Sweat Equity) Regulations, 2021	1	872,871	872,871	0.55	872,871	0.55	872,871
	Total Non-Promoter - Non Public Shareholding (C)=(C)(1)+(C)(2)	**1**	**872,871**	**872,871**	**0.55**	**872,871**	**0.55**	**872,871**

TAXATION

The Board of Directors
Persistent Systems Limited
Bhageerath, 402, Senapati Bapat Road,
Pune- 411 016, Maharashtra, India

Date: October 21, 2026

Subject: Statement of possible special tax benefits ("the Statement") available to Persistent Systems Limited ("the Company") and its shareholders prepared in connection with the proposed qualified institutions placement of equity shares of face value of INR 5 each (the "Equity Shares") of the Company comprising a fresh issue of the Equity Shares by the Company (hereinafter referred to as the "Proposed Issue")

This report is issued in accordance with the Engagement Letter dated October 21, 2026.

We hereby report that the enclosed Annexure II prepared by the Company, digitally signed by us for identification purpose, states the possible special tax benefits available to the Company and its shareholders, under direct and indirect taxes (together the **"Tax Laws**"), presently in force in India as on the signing date, which are defined in Annexure I **(List of Direct and Indirect Tax Laws ('Tax Laws'))** prepared by the Company, digitally signed by us for identification purpose only. These possible special tax benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant provisions of the Tax Laws. Hence, the ability of the Company and its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company and its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure II cover the possible special tax benefits available to the Company and its shareholders and do not cover any general tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure II and its contents is the responsibility of the management of the Company. We were informed that the Statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing Tax Laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Proposed Issue particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India. Our scope of work did not involve performance of any audit test in this context of our examination. Accordingly, we do not express an audit opinion.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

We do not express any opinion or provide any assurance as to whether:

(ii) the Company and its shareholders will continue to obtain these possible special tax benefits in future; or

(iii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of the enclosed Annexures are based on the information, explanation and representations obtained from the Company, and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of the Tax Laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to the Company and any other person in respect of this report, except as per applicable law.

We hereby give consent to include this report in the Preliminary Placement Document and Placement Document in connection with the Proposed Issue, and it is not to be used, referred to or distributed for any other purpose without our prior written consent.

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

Swapnil Dakshindas
Partner
Place: Pune
Membership No:113896
Date: October 21, 2026
UDIN: 26113896SWHLGK8487

ANNEXURE I

LIST OF DIRECT AND INDIRECT TAX LAWS (TAX LAWS)

Sr. No:	Details of Tax Laws
1.	Income-tax Act, 2025 and the Income-tax Rules, 2026
2.	Central Goods and Services Tax Act, 2017 and the Central Goods and Services Tax Rules, 2017
3.	Integrated Goods and Services Tax Act, 2017
4.	Special Economic Zones Act, 2005 and the Special Economic Zones Rules, 2006
5.	Foreign Trade (Development and Regulation) Act, 1992 and the prevailing Foreign Trade Policy, to the extent relevant to Software Technology Park units.

References to statutory provisions include amendments, substitutions and re-enactments applicable on the relevant date.

For **Persistent Systems Limited**

Vinit Teredesai
Executive Director and Chief Financial Officer
Place: Pune
Date: October 21, 2026

Digitally signed for Identification purpose only
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Swapnil Dakshindas
Partner
Membership No.: 113896

ANNEXURE II

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO PERSISTENT SYSTEMS LIMITED ("THE COMPANY") AND ITS SHAREHOLDERS UNDER THE APPLICABLE DIRECT AND INDIRECT TAXES ("TAX LAWS")

Outlined below are the Possible Special Tax Benefits available to the Company and its shareholders under the Tax Laws. These Possible Special Tax Benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the Tax Laws. Hence, the ability of the Company and its shareholders to derive the Possible Special Tax Benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

A. UNDER DIRECT TAX LAWS

1. ***Possible Special tax benefits available to the Company***

Lower corporate tax rate under Section 200 read with section 205 of the Income Tax Act, ('ITA'), 2025 (erstwhile section 115BAA of the Income Tax Act, ('ITA'), 1961

Pursuant to enactment of Income Tax Act, 2025 w.e.f. April 1, 2026, section 115BAA of earlier ITA, 1961 has been replaced by Section 200 under ITA, 2025. Section 200 grants an option to a domestic company to be governed by the section from a particular tax year. If a company opts for Section 200 of the Act, it can pay corporate tax at a reduced rate of 25.168% (22% plus surcharge of 10% and Health and Education Cess of 4%), provided the total income of the company is computed without claiming certain specified deductions and specified brought forward losses and claiming depreciation determined in the prescribed manner.

Section 206(1)(q)(ii) of ITA, 2025 further provides that domestic companies availing the option under Section 200(5) of ITA, 2025 will not be required to pay Minimum Alternate Tax ("MAT") on their 'book profits' under Section 206 of the Act.

The option needs to be exercised on or before the due date specified u/s 263(1) (erstwhile section 139(1) of ITA, 1961) for furnishing the return of income. Option once exercised, cannot be subsequently withdrawn for the same or any other subsequent assessment year.

The Company opted for the lower corporate tax rate of 25.168% with effect from A.Y.2020-21. From A.Y. 2020-21 to A.Y. 2026-27, the Company has followed Section 115BAA of the ITA, 1961, and from Tax Year 2026-27 onwards the Company shall follow Section 200 of the ITA, 2025.

Further, in case the Company opts for the concessional income tax rate as prescribed under Section 200 of the ITA, 2025, it will not be allowed to claim any of the following deductions/ exemptions:

a) Deduction under:
   - Section 45(2) of the ITA, 2025 (erstwhile Section 35(2AB)(1) of the ITA, 1961)
   - Section 47(1)(b) of the ITA, 2025 (erstwhile Section 35CCD of the ITA, 1961)
   - Deduction under any provision of Chapter VIII of the ITA, 2025, other than Section 146 and
   - Section 148 (erstwhile deduction under Chapter VI-A of the ITA, 1961, other than Sections 80JJAA and 80M)
   - Section 33(8) of the ITA, 2025 (erstwhile Section 32(1)(iia) of the ITA, 1961)
   - Section 45(3)(a), (b) or (c) of the ITA, 2025 (corresponds to Section 35(1)(ii), (iia) and its proviso or 35(2AA)(a) and 2nd proviso of the ITA, 1961)
   - Section 46 of the ITA, 2025 (erstwhile Section 35AD of the ITA, 1961)
   - Section 47(1)(a) of the ITA, 2025 (erstwhile Section 35CCC of the ITA, 1961)
   - Section 48 of the ITA, 2025 (erstwhile Section 33AB of the ITA, 1961)
   - Section 49 of the ITA, 2025 (erstwhile Section 33ABA of the ITA, 1961)
   - Section 144 of the ITA, 2025 (erstwhile Section 10AA of the ITA, 1961)

b) No set-off of any loss carried forward or depreciation from any earlier assessment year, if such loss or depreciation is attributable to any of the deductions referred above;

c) No set-off of any loss or allowance for unabsorbed depreciation deemed so under Section 116, if such loss or depreciation is attributable to any of the deductions referred above.

Deduction in respect of certain inter-corporate dividends under Section 148 of the ITA, 2025

As per Section 148 of ITA, 2025 (Section 80M of earlier Income Tax Act, 1961), dividend received by the Company from any other domestic company or a foreign company or a business trust shall be eligible for deduction while computing its total income for the relevant year. A deduction of an amount equal to so much of the amount of income by way of dividends received from such other domestic company or foreign company or business trust as does not exceed the amount of dividend distributed by it at least one month before the due date of filing return of income under section 263(1).

The deduction under Section 148 is available even if domestic companies opt for concessional tax rate under Section 200 of the ITA, 2025.

Deduction in respect of employment of new employees – Section 146 of the ITA, 2025

The Company and its Material Subsidiary are entitled to claim deduction under Section 146 of the ITA, 2025 (Section 80JJAA of the Income Tax Act, 1961), subject to the fulfilment of the prescribed conditions, of an amount equal to 30% of the additional employee cost (relating to the specified category of employees) incurred in the course of business during the tax year. Such deduction is available for three consecutive tax years, beginning from the tax year in which employment is provided. The prescribed form is required to be furnished with the Income-tax authorities within the specified due date.

2. ***Possible Special tax benefits available to Shareholders***

There is no special direct tax benefit available to the shareholders of Company for investing in the shares of the Company. However, such shareholders shall be liable to concessional tax rates on certain incomes under the extant provisions of the ITA. Further, it may be noted that these general tax benefits are available on equity shares or unit of an equity-oriented funds or unit of a business trust any other type of instrument are not covered below.

a) Dividend Income: Dividend income earned by the shareholders would be taxable in their hands at the applicable rates. However, in case of shareholders who are individuals, Hindu Undivided Family, Association of Persons, Body of Individuals, whether incorporated or not and every artificial juridical person, maximum rate of surcharge would be restricted to 15%, irrespective of the amount of dividend. Further in case shareholder is a domestic company, deduction under Section 148 of the ITA would be available on fulfilling the conditions as mentioned above.

b) Tax on Capital gains: As per Section 198 of the ITA, 2025, (erstwhile section 112A of ITA, 1961), long-term capital gains arising from transfer of equity shares, or a unit of an equity-oriented fund or a unit of a business trust shall be taxed at 12.5% (without indexation) of such capital gains subject to payment of securities transaction tax on acquisition and transfer of equity shares, on the transfer of unit of an equity-oriented fund or a unit of a business trust under Chapter VII of Finance (No.2) Act 2004. However, long term capital gain to the extent of INR 1,25,000 in a tax year is exempt from tax. Further, as per Section 196 of the ITA, short term capital gains arising from transfer of an equity share, or a unit of an equity-oriented fund or a unit of a business trust on which securities transaction tax (STT) is paid at the time of transfer shall be taxed at 20% subject to fulfillment of prescribed conditions under the ITA. The maximum rate of surcharge would be restricted to 15%, irrespective of the amount of capital gains.

c) As regards the shareholders that are Mutual Funds, as covered in Schedule VII, Table: Sl. No. 20 and Sl. No. 21 of the ITA, 2025 [corresponding to Section 10(23D) of the Income-tax Act, 1961], any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or its regulations, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as may be prescribed.

d) Resident as well as non-resident buyers should independently evaluate their obligations to withhold tax on transactions involving sale of shares by the shareholders of the Company in light of the provisions of

Section 393 of the ITA, 2025 (corresponding to Section 195 of the Income-tax Act, 1961) and other relevant provisions of the Act.

3. ***Benefits available to the Non-resident Shareholders***

As per Section 207 of the ITA, 2025 (corresponding to Section 115A of the Income-tax Act, 1961), where the total income of a non-resident (not being a company) or a foreign company includes income by way of dividends, such income shall be taxable at 20% specified under Section 207(1), subject to fulfilment of prescribed conditions under the Act. Further, the above tax rate shall be subject to beneficial provisions, if any, available under the applicable Double Taxation Avoidance Agreement (DTAA) between India and the country of residence of the non-resident shareholder provided the person claiming the benefit of DTAA is eligible to claim such benefit as per the guidelines issued by the Indian Govt. and judicial precedents in India.

As per Section 210 read with Section 198 of the ITA, 2025, long-term capital gains arising to a non-resident specified fund or a Foreign Institutional Investor (FII) from the transfer of a listed equity share, or a unit of an equity-oriented fund, or a unit of a business trust shall be taxable at the rate of 12.5% (without indexation), subject to fulfilment of prescribed conditions as specified under Section 210(1) read with the relevant Table entry including payment of securities transaction tax (STT).

However, such long-term capital gain to the extent of INR 1,25,000 in a tax year is exempt from tax.

As per Section 210 read with Section 196 of the ITA, 2025, short-term capital gains arising to a non-resident specified fund or a non-resident Foreign Institutional Investor (FII) from the transfer of a listed equity share, or a unit of an equity-oriented fund, or a unit of a business trust, on which securities transaction tax (STT) is paid, shall be taxable at the rate of 20%, subject to fulfilment of the prescribed conditions, as specified under Section 210(1) read with the relevant Table entry.

As per Section 214 of the ITA, 2025 (corresponding to Section 115E of the Income-tax Act, 1961), long-term capital gains arising to a Non-Resident Indian (NRI) from the transfer or sale of shares in an Indian company which have been acquired in convertible foreign exchange shall be taxable at the rate of 12.5%, subject to fulfilment of the prescribed conditions under the Act.

In respect of non-resident shareholders, the tax rates and the consequent taxation shall be further subject to benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

Simplified /New tax regime: As per Section 202 of the ITA, a simplified/new tax regime has been introduced wherein income-tax shall be computed at the rates specified in sub-section 1 of Section 202 of the ITA, 2025, subject to the assessee not availing specified exemptions and deductions. The said regime is applicable for Individuals, Hindu Undivided Family, Association of Persons (other than a co operative society), Body of Individuals, whether incorporated or not and an Artificial Juridical Person. It may be noted that the shareholders have the discretion to exercise the simplified tax regime.

B. UNDER INDIRECT TAX LAWS

1. The Company's SEZ unit avails the benefit of zero-rated procurement of goods and services under Section 16 of the IGST Act, 2017 from domestic suppliers.

2. The SEZ Unit of the Company avails the benefit of duty free import of goods such as capital goods, equipment, components, consumables and other eligible goods required for carrying on its authorised operations under section 26 of the Special Economic Zones Act, 2005, subject to fulfilment of prescribed conditions.

3. The Company’s Software Technology Park (“STP”) units avails benefit of duty-free import of specified capital goods, equipment, components, spares, consumables and other eligible goods under the relevant customs exemption notification and the applicable STP/Foreign Trade Policy framework, subject to fulfilment of prescribed conditions.

4. The Company claims refund of IGST paid on export of services in accordance with Section 54 of the CGST Act, 2017 read with Rule 96 of the CGST Rules, 2017.

5. The Company claims refund of unutilized Input Tax Credit (ITC) in respect of export of goods and services made under a Letter of Undertaking (LUT) in terms of Section 54 of the CGST Act, 2017 read with Rule 89 of the CGST Rules, 2017.

NOTES:

1. The above is as per the current Tax Laws in force in India.
2. The above Statement of possible special tax benefits sets out the provisions of Tax Laws in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. This Statement does not discuss any tax consequences in any country outside India of an investment in the equity shares of the Company. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

For **Persistent Systems Limited**

Vinit Teredesai
Executive Director and Chief Financial Officer
Place: Pune
Date: October 21, 2026

Digitally signed for Identification purpose only
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Swapnil Dakshindas
Partner
Membership No.: 113896

OUTSTANDING LITIGATION AND LEGAL PROCEEDINGS

We are involved in various legal proceedings from time to time, mostly arising in the ordinary course of business. These legal proceedings are primarily in the nature of, amongst others, tax disputes, criminal proceedings and civil proceedings, which are pending before various adjudicating forums.

*As on the date of this Placement Document, except as disclosed below, there is no outstanding legal proceeding which has been considered material in accordance with our Company's policy for 'Determination of Materiality of Events or Information' framed in accordance with Regulation 30 of the SEBI Listing Regulations and adopted by our Board pursuant to its resolution dated April 23, 2016 and last amended pursuant to its resolution dated October 22, 2024 ("**Materiality Policy**"), in relation to disclosure of material events framed in accordance with Regulation 30 of the SEBI Listing Regulations. The SEBI ICDR Regulations mandate legal proceedings to be disclosed in accordance with the materiality policy framed under the SEBI Listing Regulations. In accordance with Regulation 30 of the SEBI Listing Regulations, all outstanding legal proceedings involving (which includes cases filed by and against) our Company where the amount involved exceeds* 5.00*% of average absolute value of consolidated profit or loss after tax in Fiscals 2026, 2025 and 2024, which is equivalent to ₹726.46 million or above ("**Materiality Threshold**") shall be considered material and shall be disclosed in this Placement Document.*

In addition, except as disclosed below, there is no outstanding matters involving (i) involving criminal liability on the part of our Company or our Subsidiaries; (ii) material violations of statutory regulations by our Company or our Subsidiaries, and (iii) economic offences where proceedings have been initiated against our Company or our Subsidiaries.

Further, as on the date of this Placement Document, other than disclosed hereinbelow: (i) there is no litigation or legal action, pending or taken, by any ministry or department of the government or a statutory authority against our Promoters during the last three years immediately preceding the year of the issue and no directions have been issued by such ministry or department or statutory authority upon conclusion of such litigation or legal action; (ii) there are no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or any previous company law in the last three years immediately preceding the year of issue of this Placement Document involving our Company or our Subsidiaries, nor are there any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last three years immediately preceding the year of this Placement Document involving our Company or our Subsidiaries; (iii) there are no outstanding defaults by our Company including therein the amount involved, duration of default and present status, in repayment of (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interests thereon; or loan from any bank or financial institution and interest thereon; (iv) there are no material frauds committed against our Company in the last three years; (v) there are no defaults in annual filing of our Company under the Companies Act, 2013 or the rules made thereunder; (vi) there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations; and (vii) none of our Company, Promoters or Directors have been declared as a wilful defaulter or a fraudulent borrower.

It is clarified that for the purposes of the above, pre-litigation notices received by our Company and/or our Subsidiaries from third parties (excluding statutory / regulatory / governmental authorities or notices threatening criminal action) shall, not unless otherwise decided by our Board of Directors, be considered as a litigation proceeding till such time that our Company and/or our Subsidiaries, are impleaded as parties in any such litigation proceedings before any court, arbitral tribunal or governmental authority, or is notified by any governmental, statutory or regulatory authority of any such proceeding that may be commenced.

I. *Litigation involving our Company*

Litigation by our Company

Criminal proceedings

1. Six separate complaints (collectively, the "**Complaints**") were filed by the Office of the Assistant Labour Commissioner, Indore, Division, Indore ("**ALC, Indore**") against our Promoter, and Chairman and Managing Director, Dr. Anand Suresh Deshpande (in his capacity as the employer of our Indore unit), before the Chief Judicial Magistrate District and Sessions Court, Indore ("**Magistrate**"), alleging non-compliance with (i) Sections 15, 19, 20 and 28 of the Maternity Benefit Act, 1961; (ii) Rules 3(1) and

4(1) of the Payment of Gratuity Act, 1972; (iii) Section 7(12) of the Child Labour (Prohibition and Regulation) Act, 1986; (iv) Sections 8 and 9(3)(b) of the Equal Remuneration Act, 1976; (v) Sections 22(1), 22(4), 27(2) and 29(1) of the Minimum Wages Act, 1948; and (vi) Sections 54 and 31 of the Madhya Pradesh Shops and Establishments Act, 1958, together with the applicable rules thereunder. The Complaints arose pursuant to six inspection reports, each dated February 29, 2024 ("**Inspection Reports**"), issued by the ALC, Indore to our Company following an inspection of our erstwhile Indore office.

In respect of five of the Complaints, the Magistrate passed orders, taking cognizance of the alleged offences and issuing summons to our Promoter, and Chairman and Managing Director, Dr. Anand Suresh Deshpande. In relation to the remaining Complaint under the Payment of Gratuity Act, 1972, a complaint was filed on August 5, 2024, followed by prosecution authorization dated December 16, 2024. Our Company filed six petitions before the High Court of Madhya Pradesh, challenging the Inspection Reports, Complaints and the consequential proceedings, *inter-alia*, on the grounds that (i) the alleged violations are technical in nature and do not warrant criminal proceedings; (ii) no proper inspection of the premises was conducted by the respective labour inspector; and (iii) the proceedings were instituted against Dr. Anand Suresh Deshpande without impleading our Company. The High Court has granted interim relief staying the proceedings arising from the Complaints before the Magistrate pursuant to orders dated January 8, 2026, January 15, 2026 and February 4, 2026. The Petitions are currently pending before the High Court.

Civil proceedings above the Materiality Threshold in accordance with the Materiality Policy

Nil

Litigation against our Company

Criminal proceedings

Nil

Civil proceedings above the Materiality Threshold in accordance with the Materiality Policy

Nil

II. *Litigation involving our Subsidiaries*

Litigation by our Subsidiaries

Criminal litigation

Nil

Civil proceedings above the Materiality Threshold in accordance with the Materiality Policy

Nil

Litigation against our Subsidiaries

Criminal litigation

Nil

Civil proceedings above the Materiality Threshold in accordance with the Materiality Policy

Nil

III. *Actions taken by regulatory and statutory authorities against our Company and Subsidiaries*

Nil

IV. ***Any other outstanding litigation involving our Company and our Subsidiaries, that may be treated as being material in terms of the Materiality Policy.***

Nil

V. ***Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Placement Document and any direction issued by any such Ministry or Department or statutory authority upon conclusion of such litigation or legal action***

Except as disclosed below, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against our Promoters during the last three years immediately preceding the year of issue of this Placement Document and no direction has been issued by any such Ministry of Department or statutory authority upon conclusion of such litigation or legal action:

1. For details of the legal actions initiated by the Office of the Assistant Labour Commissioner, Indore, Division, Indore against Dr. Anand Suresh Deshpande, see "– *Litigation by our Company – Criminal proceedings*" on page 833.

VI. ***Inquiries, inspections, or investigations under the Companies Act***

Except as disclosed below, there have been no (i) inquiries, inspections or investigations initiated or conducted under the Companies Act, 1956 or Companies Act, 2013 or any previous company law in relation to our Company or our Subsidiaries in the last three years immediately preceding the year of issue of this Placement Document; and (ii) prosecutions filed (whether pending or not), fines imposed, or compounding of offences in the last three years immediately preceding the year of this Placement Document, involving our Company or our Subsidiaries:

1. Our Company filed an application dated September 22, 2025, to the Regional Director, Western Region of India, Mumbai ("**RD**") for compounding of the offence under Section 96 of the Companies Act, 2013, committed by Capiot Software Private Limited ("**CSPL**") (*an erstwhile wholly owned subsidiary of our Company*), in relation to the delay of four days in holding its annual general meeting for the Financial Year 2024, which was subsequently held on September 18, 2024. Pursuant to such application, the RD, through its order dated January 2, 2026, compounded the aforesaid offence on payment of a compounding fee of ₹50,000 by the Company and ₹30,000 by Hitesh Prabhudas Salla (*erstwhile managing director of CSPL*). CSPL has since amalgamated with our Company, pursuant to a scheme of merger sanctioned by the National Company Law Tribunal vide order dated April 9, 2025. As on the date of this Placement Document, the compounding fee has been duly paid by our Company.

VII. ***Details of acts of material frauds committed against our Company in the last three years, if any, and if so, the action taken by the Company***

There have been no material frauds committed against our Company in the last three years from the date of this Placement Document.

VIII. ***Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of statutory dues; debentures and interests thereon; deposits and interest thereon; and loan from any bank or financial institution and interest thereon***

There are no defaults in the payment of undisputed statutory dues (including contribution towards provident fund, investor education and protection fund, employees' state insurance, income-tax, professional tax, labour welfare fund, cess and goods and service tax and other material statutory dues applicable to the Company), repayment of debentures and interest thereon, repayment of deposit and interest thereon and repayment of loan from any bank or financial institution and interest thereon by our Company, outstanding as at September 30, 2026.

IX. ***Details of defaults in annual filing of our Company under the Companies Act, 2013 and the rules made thereunder***

As on the date of this Placement Document, our Company has not defaulted in any annual filing under the Companies Act, 2013, as amended, or the rules made thereunder.

X. ***Details of significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of the Company and its future operations***

As on the date of this Placement Document, there are no significant and material orders passed by the regulators, courts and tribunals impacting the going concern status of our Company and its future operations.

XI. ***Summary of reservations, qualifications or adverse remarks of auditors in the last five Fiscals immediately preceding the year of issue of this Placement Document and of their impact on the financial statements and financial position of our Company and the corrective steps taken and proposed to be taken by our Company for each of the said reservations or qualifications or adverse remarks.***

Except as disclosed in "*Risk Factors – The auditors' reports on our consolidated financial statements for Fiscals 2023, 2024 and 2025 contain qualifications and adverse remarks reported under the Companies (Auditor's Report) Order, 2020 and, for Fiscal 2024, an exception reported under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, the auditors' report for Fiscal 2023 reproduces emphasis of matter paragraphs relating to going concern from the audit reports of certain of our Subsidiaries, and our future auditors' reports may not be free of qualifications, adverse remarks or other observations*" on page 62, and "*Financial Information*" on page 103, there are no reservations, qualifications or adverse remarks of auditors in the respective audit reports of the audited consolidated financial statements of our Company for the last five Fiscals immediately preceding the year of issue of this Placement Document.

XII. ***Other confirmations***

None of our Company, Promoters or Directors have been declared as a wilful defaulter or a fraudulent borrower.

XIII. ***Tax proceedings***

As on the date of this Placement Document, except as disclosed below, there are no claims related to direct and indirect taxes involving our Company and our Subsidiaries:

Nature of case	Number of cases	Amount involved (in ₹ million)*
Company		
Direct Tax	12	1,420.55
Indirect Tax	12	1,121.40
Subsidiaries		
Direct Tax	1	29.62^
Indirect Tax	Nil	Nil

**To the extent quantifiable.*

^Includes amount in USD which have been converted into ₹ at the conversion rates applicable as on September 30, 2026.

STATUTORY AUDITORS

Our Statutory Auditors, B S R & Co. LLP, Chartered Accountants, having firm registration number 101248W/W-100022, are independent of our Company in accordance with the provisions of the Companies Act, 2013, and the guidelines prescribed by the ICAI. B S R & Co. LLP, Chartered Accountants were appointed as the Statutory Auditors of our Company pursuant to a resolution passed by our Shareholders at the AGM held on July 21, 2025, for a period of five years, to hold office from the conclusion of that AGM until the conclusion of the 40th AGM of our Company to be held on or before September 30, 2030. The peer review certificate of our Statutory Auditors is valid as of the date of this Placement Document.

The Audited Condensed Interim Financial Statements and the Audited Financial Statements for Fiscal 2026, included in this Placement Document, have been audited by B S R & Co. LLP, Chartered Accountants, as stated in their reports included under the section "*Financial Information*" of this Placement Document on page 103. The Audited Financial Statements for Fiscal 2025 and the Audited Financial Statements for Fiscal 2024, included in this Placement Document, have been audited by the Erstwhile Statutory Auditors, Walker Chandiok & Co LLP, as stated in their reports included under the section "*Financial Information*" of this Placement Document on page 103. The audit reports of the Erstwhile Statutory Auditors relate only to the Audited Financial Statements for Fiscal 2025 and the Audited Financial Statements for Fiscal 2024 as originally approved and signed. Any financial information as at and for the Fiscals ended March 31, 2025 and March 31, 2024, that has been re-presented, reclassified or regrouped in this Placement Document, is identified as re-presented and is not covered by the audit reports of the Erstwhile Statutory Auditors.

GENERAL INFORMATION

1. Our Company was incorporated as "Persistent Systems Private Limited" a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated May 30, 1990, issued by the RoC. Subsequently, pursuant to a resolution passed at the extraordinary general meeting of our Shareholders held on September 17, 2007, our Company was converted from a private limited company into a public limited company and the name was changed to "Persistent Systems Limited", and consequent to such conversion, a fresh certificate of incorporation dated September 28, 2007 was issued by the RoC.

2. The Equity Shares of our Company have been listed on BSE and NSE since April 6, 2010.

3. The Issue was authorised and approved by the Board pursuant to the board resolution dated September 2, 2026. The Shareholders of our Company have authorized the Issue pursuant to a special resolution dated October 5, 2026.

4. Our Company has received in-principle approvals each dated October 21, 2026 from BSE and NSE in terms of Regulation 28(1) of the SEBI Listing Regulations for listing of the Equity Shares pursuant to the Issue.

5. Our Registered and Corporate Office is situated at Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India.

6. The CIN of our Company is L72300PN1990PLC056696.

7. The website of our Company is www.persistent.com.

8. As on the date of this Placement Document, the authorised share capital of our Company is ₹2,000,000,000 divided into 400,000,000 Equity Shares of face value of ₹5.00 each.

9. As on the date of this Placement Document, the issued, subscribed and paid-up share capital of our Company is ₹790,750,000 divided into 158,150,000 Equity Shares of face value of ₹5.00 each.

10. Copies of our Memorandum of Association and Articles of Association will be available for inspection during usual business hours i.e. on all Working Days, (except Saturdays and public holidays) at our Registered and Corporate Office.

11. No change in control of the Company will occur consequent to the Issue.

12. Our Company has obtained all necessary consents, approvals and authorisations as may be required in connection with the Issue.

13. There has been no material change in the financial or trading position of our Company since September 30, 2026, the date of the Condensed Interim Audited Consolidated Financial Statements included in this Placement Document, except as disclosed herein.

14. There are no changes in the accounting policies applied during six months period ended September 30, 2026 and the last three Fiscals.

15. Except as disclosed in this Placement Document, there are no material litigation or arbitration proceedings against or affecting us, or our assets or revenues, nor are we aware of any pending or threatened litigation or arbitration proceedings, which are or might be material in the context of this Issue. For further details, see "*Outstanding Litigation and Legal Proceedings*" on page 833.

16. As on the date of this Placement Document, (i) B S R & Co. LLP, Chartered Accountants, having firm registration number 101248W/W-100022 are the Statutory Auditors of our Company; and (ii) Walker Chandiok & Co LLP, having firm registration number 001076N/N500013 are the Erstwhile Statutory Auditors of our Company.

17. Our Company confirms that it is compliant with the minimum public shareholding requirements as prescribed under the terms of the SEBI Listing Regulations and Rule 19A of SCRR.

18. The Floor Price for the Equity Shares under the Issue is ₹5,761.00 per Equity Share which has been calculated in accordance with Chapter VI of the SEBI ICDR Regulations, as certified by the Independent Chartered Accountant. Our Company has offered a discount of 3.66% on the Floor Price in terms of Regulation 176(1) of the SEBI ICDR Regulations and in accordance with the approval of the Shareholders of our Company accorded through their resolution passed on October 5, 2026.

19. Our Company and the Lead Managers accept no responsibility for statements made otherwise than in this Placement Document and anyone placing reliance on any other source of information, including our website, would be doing it at his or her own risk.

20. Details of the Company Secretary and Compliance Officer of our Company:

Amit Atre
Company Secretary and Compliance Officer
Bhageerath, 402, Senapati Bapat Road
Pune – 411 016
Maharashtra, India
Telephone: +91 20 6703 3000
E-mail: investors@persistent.com

ISSUE PROCEDURE

The following is a summary intended to present a general outline of the procedure relating to the Bidding, application, payment of Application Amount, Allocation and Allotment of the Equity Shares pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and the Bidders are assumed to have apprised themselves of the same from our Company or the Lead Managers. Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Eligible QIBs that apply in the Issue are required to confirm and are deemed to have represented to our Company, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Lead Managers and their respective directors, officers, employees, counsels, agents, affiliates, and representatives accept no responsibility or liability for advising any Eligible QIBs on whether such Eligible QIB was eligible to acquire the Equity Shares. Also see "Selling Restrictions" and "Purchaser Representations and Transfer Restrictions" on pages 865 and 872, respectively.

Our Company, the Lead Managers and their respective directors, officers, agents, advisors, shareholders, employees, counsels, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs are advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Placement Document. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and shall be solely responsible for compliance with all the applicable provisions of the SEBI Takeover Regulations, the SEBI Insider Trading Regulations, and other applicable laws.

Qualified Institutions Placement

THE ISSUE IS MEANT ONLY FOR ELIGIBLE QIBs ON A PRIVATE PLACEMENT BASIS AND IS NOT AN OFFER TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible QIBs.

The Issue is being made to Eligible QIBs in reliance upon Chapter VI of the SEBI ICDR Regulations and Section 42, Section 62 and all other applicable provisions of the Companies Act, 2013, and the rules issued thereunder through the mechanism of a QIP. Under Chapter VI of the SEBI ICDR Regulations and Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and all other applicable provisions of the Companies Act, 2013, our Company, being a listed company in India may issue Equity Shares to Eligible QIBs, provided that certain conditions are met by our Company. Some of these conditions are set out below:

- the Shareholders have passed a special resolution dated October 5, 2026 approving the Issue. Such special resolution must, *inter-alia* specify (a) that the allotment of Equity Shares is proposed to be made pursuant to the QIP; and (b) the Relevant Date for the QIP;

- the explanatory statement to the notice to the Shareholders for convening the general meeting must disclose, among other things, the particulars of the issue including the date of passing the board resolution, the kind of securities being offered, amount which our Company intends to raise by way of such securities and the material terms of raising such securities, proposed Issue schedule, the purpose or objects of Issue, the contribution made by the Promoters or Directors either as part of the Issue or separately in furtherance of the objects, and the basis or justification for the price (including premium, if any) at which the Issue or invitation is being made;

- under Regulation 172(1)(b) of the SEBI ICDR Regulations, the Equity Shares of the same class of our Company, which are proposed to be allotted through the Issue, are listed on the stock exchanges for a period of at least one year prior to the date of issuance of notice to our Shareholders for convening the meeting to seek approval of our Shareholders for the above-mentioned special resolution;

- the "Equity Shares of the same class" shall mean Equity Shares which rank *pari passu* in relation to rights as to the dividend, voting or otherwise of our Company;

- invitation to apply in the Issue was required to be made through a private placement offer-cum-application letter (i.e., the Preliminary Placement Document and an Application Form) serially numbered and addressed specifically to the Eligible QIBs to whom the Issue is made either in writing or in electronic mode, within 30 days of recording the name of such person in accordance with applicable law;

- our Company shall not make any subsequent qualified institutions placement until the expiry of two weeks from the date of this Issue;

- our Company shall have completed allotments with respect to any offer or invitation made by our Company earlier shall have been completed or our Company shall have withdrawn or abandoned any such invitation or offer made except as permitted under the Companies Act, 2013. However, our Company may, at any time, make more than one issue of securities to such class of identified persons as may be prescribed under the Companies Act, 2013;

- our Promoters and Directors are not fugitive economic offenders under Section 12 of the Fugitive Economic Offenders Act, 2018, as amended;

- our Promoters or Directors are not declared as Wilful Defaulter;

- our Promoters or Directors are not declared as Fraudulent Borrower;

- in accordance with the SEBI ICDR Regulations, the Equity Shares will be issued and Allotment shall be made only in dematerialized form to the Allottees;

- an offer to Eligible QIBs will not be subject to a limit of 200 persons. Prior to circulating the private placement offer-cum-application letter (i.e., the Preliminary Placement Document and the Application Form), our Company was required to prepare and record a list of Eligible QIBs to whom the Issue will be made. The Issue must be made only to such Eligible QIBs whose names are recorded by our Company prior to the invitation to subscribe; and

- our Company acknowledges that the offering of securities by issue of public advertisements or utilisation of any media, marketing or distribution channels or agents to inform the public about the Issue is prohibited.

At least 10% of the Equity Shares issued to Eligible QIBs was made available for Allocation to Mutual Funds, provided that, if this portion or any part thereof to be allotted to Mutual Funds remains unsubscribed, it may be allotted to other Eligible QIBs.

Bidders were not allowed to withdraw or revise downwards their Bids after the Issue Closing Date.

Additionally, there is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price of the Equity Shares issued under this Issue could not be less than the average of the weekly high and low of the closing prices of the Equity Shares of the same class quoted on the Stock Exchanges during the two weeks preceding the Relevant Date as calculated in accordance with Chapter VI of the SEBI ICDR Regulations.

The "*relevant date*" referred to above means the date of the meeting in which the Special Committee decides to open the Issue and "*stock exchange*" means any of the recognized stock exchanges on which the Equity Shares of the same class are listed and on which the highest trading volume in such Equity Shares has been recorded during the two weeks immediately preceding the Relevant Date. Further, in accordance with the resolution of our Shareholders dated October 5, 2026, our Company has offered a discount of 3.66% on the Floor Price in accordance with the SEBI ICDR Regulations.

The Equity Shares will be Allotted within 365 days from the date of the Shareholders' resolution approving the Issue and within 60 days from the date of receipt of Application Amount from the Successful Bidders, failing which our Company shall refund the Application Amount in accordance with the applicable laws. For details of refund of Application Amount, see "*– Pricing and Allocation*" and *"– Designated Date and Allotment of Equity Shares*" on pages 850 and 851, respectively.

Subscription to the Equity Shares offered pursuant to the Issue must be made by Eligible QIBs on the basis of the Preliminary Placement Document and this Placement Document that contains all material information required under applicable law including the information specified in Schedule VII of SEBI ICDR Regulations and the requirements prescribed under the PAS Rules and Form PAS-4. The Preliminary Placement Document and this Placement Document are private documents provided to only select Eligible QIBs through serially numbered copies and are required to be placed on the website of the concerned stock exchanges and of our Company with a disclaimer to the effect that it is in connection with an issue to Eligible QIBs and no offer is being made to the public or to any other category of investors. Please note that if you do not receive a serially numbered copy of the Preliminary Placement Document addressed to you, you may not rely on the Preliminary Placement Document or this Placement Document to be uploaded on the website of the concerned Stock Exchanges or our Company for making an application to subscribe to Equity Shares pursuant to the Issue.

The minimum number of Allottees with respect to a QIP shall not be less than:

- two, where the issue size is less than or equal to ₹2,500 million; and
- five, where the issue size is greater than ₹2,500 million.

No single Allottee shall be Allotted more than 50% of the Issue Size.

Eligible QIBs that belong to the same group or that are under common control shall be deemed to be a single Allottee for the purpose of the Issue. For details of what constitutes "same group" or "common control", see "— *Bid Process – Application Form*" on page 847.

Equity Shares being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on the floor of a recognised stock exchange.

We shall also make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules.

Allotments made to VCFs and AIFs in the Issue are subject to the rules and regulations that are applicable to each of them, including in relation to lock-in requirements. VCFs and AIFs should independently consult their own counsels and advisors as to investment in and related matters concerning the Issue.

Our Company has filed a draft of the Preliminary Placement Document with each of the Stock Exchanges and received the in-principle approvals each dated October 21, 2026 from NSE and BSE in terms of Regulation 28(1)(a) of the SEBI Listing Regulations for listing of the Equity Shares on the Stock Exchanges, to be issued pursuant to this Issue.

The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States, and unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the U.S. Securities Act and the applicable laws of the jurisdictions where those offers and sales are made. The Equity Shares are transferable only in accordance with the restrictions described under the sections "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively.

The Equity Shares issued pursuant to this Issue have not been and will not be registered, listed, or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Issue Procedure

1. On the Issue Opening Date, our Company and the Lead Managers, had circulated serially numbered copies of the Preliminary Placement Document along with the serially numbered Application Form, either in electronic or physical form, to identified Eligible QIBs and the Application Form has been specifically addressed to each such Eligible QIB. In terms of Section 42(3) of the Companies Act, 2013, our Company shall maintain complete records of the Eligible QIBs in the form and manner as prescribed under the PAS

Rules, to whom the serially numbered copies of the Preliminary Placement Document and the Application Form have been dispatched or circulated, as the case may be. The list of Eligible QIBs to whom the Preliminary Placement Document and the Application Form have been delivered has been determined by our Company, in consultation with the Lead Managers, at its sole discretion. Our Company will make the requisite filings with the RoC within the stipulated time period as required under the Companies Act and the PAS Rules.

2. Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which included the details of the bank account wherein the Application Amount was to be deposited, was addressed to a particular Eligible QIB, no invitation to make an offer to subscribe was deemed to have been made to such Eligible QIB. Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer was deemed to have been made to such person and any application that did not comply with this requirement was treated as invalid.

3. Eligible QIBs were required to submit a duly filled Application Form, including any revisions thereof, along with the Application Amount transferred to the Escrow Account specified in the Application Form and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Lead Managers.

4. Application Form could have been signed physically or digitally, if required under applicable law in the relevant jurisdiction applicable to each Eligible QIB and as permitted under such applicable law. An Eligible QIB could have submitted an unsigned copy of the Application Form, as long as the Application Amount was paid along with submission of the Application Form within the Issue Period. Once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not have been withdrawn or revised downwards after the Issue Closing Date. In case Bids were being made on behalf of the Eligible QIB and the Application Form was unsigned, it has been assumed that the person submitting the Application Form and providing necessary instructions for transfer of the Application Amount to the Escrow Account, on behalf of the Eligible QIB was authorised to do so.

5. Bidders were required to indicate the following in the Application Form:

   - it has agreed to certain other representation as set forth in the Application Form and the Preliminary Placement Document;

   - full official name of the Eligible QIB to whom Equity Shares are to be Allotted, complete address, e-mail ID, PAN (if applicable), phone number and bank account details;

   - number of Equity Shares Bid for;

   - price at which they were agreeable to subscribe to the Equity Shares and the aggregate Application Amount for the number of Equity Shares Bid for;

   - details of the depository / beneficiary account maintained by the Depository Participant to which the Equity Shares should be credited pursuant to the Issue;

   - Equity Shares held by the Eligible QIBs in our Company prior to the Issue;

   - a representation that it is outside the United States acquiring the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made, and it has agreed to certain other representations set forth in the "*Representations by Investors*" on page 6 and "*Purchaser Representations and Transfer Restrictions*" on page 872 and certain other representations made in the Application Form; and

   - Eligible FPIs were required to indicate their SEBI FPI registration number in the Application Form.

6. Eligible QIBs were required to make the entire payment of the Application Amount for the Equity Shares Bid for, along with the Application Form, only through electronic transfer to the Escrow Account opened in the name of "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Bank, within the Issue Period as specified in the Application Form sent to the respective Bidders. No payment could have been made in the Issue by the Bidders in cash. Please note that any payment of Application

Amount for the Equity Shares was required to be made from the bank accounts of the relevant Bidders and our Company shall keep a record of the bank account from where such payment has been received. Application Amount payable on Equity Shares to be held by joint holders was required be paid from the bank account of the person whose name appears first in the Application Form. Until Allotment, and the filing of return of Allotment by our Company with the RoC, or receipt of final listing and trading approvals from BSE and NSE, whichever is later, Application Amount received for subscription of the Equity Shares shall be kept by our Company in a separate bank account with a scheduled bank and shall be utilised only for the purposes permitted under the Companies Act, 2013. Notwithstanding the above, in the event (a) any Bidder is not allocated Equity Shares in the Issue, (b) the number of Equity Shares Allotted to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, (c) the Application Amount has been arrived at using an indicative price higher than the Issue Price, or (d) any Eligible QIB lowers or withdraws their Bid after submission of the Application Form but on or prior to the Issue Closing Date, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "– *Refunds*" on page 852.

7. Once a duly completed Application Form was submitted by a Bidder and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and the Bid could not be withdrawn or revised downwards after the Issue Closing Date. In case of an upward revision in the Issue Price before the Issue Closing Date, an additional amount was required to be deposited towards the Application Amount in the Escrow Account along with the submission of such revised Bid. The Issue Closing Date has been notified to the Stock Exchanges and the Eligible QIBs were deemed to have been given notice of such date after receipt of the Application Form.

8. The Eligible QIBs acknowledge that in accordance with the requirements of the Companies Act, 2013 upon Allocation, our Company is required to disclose the names of proposed Allottees and the percentage of their post Issue shareholding in this Placement Document and any other regulatory filing and consents to such disclosure, if any Equity Shares were allocated to it.

9. The Bids made by asset management companies or custodians of Mutual Funds were required to specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid could have been made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund were not treated as multiple Bids provided that the Bids clearly indicated the scheme for which the Bid was made. Application by various schemes or funds of a Mutual Fund were treated as one application from the Mutual Fund. Bidders were advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable laws.

10. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, our Company has, in consultation with the Lead Managers, determined the final terms, including the Issue Price of the Equity Shares to be issued pursuant to the Issue and Allocation to the Successful Bidders. Upon such determination, the Lead Manager, on behalf of our Company, have sent the serially numbered CAN to the Eligible QIBs who have been Allocated the Equity Shares. The dispatch of a CAN, and this Placement Document to a Successful Bidder has been deemed a valid, binding and irrevocable contract for the Successful Bidders to subscribe to the Equity Shares Allocated to such Successful Bidders at an aggregate price equivalent to the product of the Issue Price and Equity Shares Allocated to such Successful Bidders. The CAN contains details such as the number of Equity Shares Allocated to the Successful Bidders, Issue Price and the aggregate amount received towards the Equity Shares Allocated. Please note that the Allocation has been made at the absolute discretion of our Company and in consultation with the Lead Managers.

11. Upon determination of the Issue Price and the issuance of CAN and before Allotment of Equity Shares to the Successful Bidders, the Lead Manager, shall, on our behalf, send a serially numbered Placement Document to each of the Successful Bidders who have been Allocated Equity Shares pursuant to dispatch of a serially numbered CAN.

12. Upon dispatch of the serially numbered Placement Document in electronic form only, our Company shall Allot Equity Shares as per the details in the CANs sent to the Successful Bidders. We will inform the Stock Exchanges of the details of the Allotment.

13. After passing the Board or committee resolution for Allotment and prior to crediting the Equity Shares into the beneficiary account of the Successful Bidders maintained by the Depository Participant, as specified in the records of the depositories or as indicated in their respective Application Form, our Company shall apply to the Stock Exchanges for listing approvals in respect of the Equity Shares Allotted pursuant to the Issue. Our Company will intimate to the Stock Exchanges the details of the Allotment and apply for approvals for listing of the Equity Shares on the Stock Exchanges prior to crediting the Equity Shares into the beneficiary account maintained with the Depository Participant by the QIBs.

14. After receipt of the listing approvals of the Stock Exchanges, our Company shall credit the Equity Shares Allotted pursuant to this Issue into the beneficiary accounts of the respective Allottees.

15. Our Company will then apply for the final trading approvals from the Stock Exchanges.

16. The Equity Shares that would have been credited to the beneficiary account with the Depository Participant of the Successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the recognized stock exchanges having nationwide trading terminals, being, BSE and NSE.

17. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and our Company may communicate the receipt of the listing and trading approvals to those Eligible QIBs to whom the Equity Shares have been Allotted. Our Company and the Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing approvals from the Stock Exchanges or any loss arising from such delay or non-receipt. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges or our Company.

18. In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in the Refund Intimation which will be dispatched to such Bidder.

Qualified Institutional Buyers

Only Eligible QIBs were eligible to invest in the Equity Shares pursuant to the Issue, provided that with respect to Foreign Portfolio Investors, only Eligible FPIs applying under Schedule II of the FEMA Rules were considered as Eligible QIBs. Currently, QIBs who could have participated in the Issue, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, are set forth below:

- Alternate investment funds registered with SEBI;
- Eligible FPIs;
- insurance companies registered with Insurance Regulatory and Development Authority of India;
- insurance funds set up and managed by army, navy or air force of the Union of India;
- insurance funds set up and managed by the Department of Posts, India;
- multilateral and bilateral development financial institutions;
- Mutual Funds registered with SEBI;
- pension funds with minimum corpus of ₹250 million registered with the Pension Fund Regulatory and Development Authority established under Section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;
- provident funds with minimum corpus of ₹250 million;
- public financial institutions as defined under Section 2(72) of the Companies Act;
- scheduled commercial banks;
- state industrial development corporations;
- systemically important non-banking financial companies;
- the National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government published in the Gazette of India;
- venture capital funds registered with SEBI, and

- accredited investors as defined in clause (ab) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, for the limited purpose of their investment in Angel Funds registered with the Board, under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012

Only Eligible QIBs are eligible to invest in the Equity Shares pursuant to the Issue.

ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF FEMA RULES IN THIS ISSUE. ELIGIBLE FPIS WERE PERMITTED TO PARTICIPATE IN THE ISSUE SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS AND SUCH THAT THE SHAREHOLDING OF THE FPIS DO NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS IN THIS REGARD. OTHER ELIGIBLE NON-RESIDENT QIBS PARTICIPATED IN THE ISSUE UNDER SCHEDULE I OF THE FEMA RULES, SUBJECT TO OTHER CONDITIONS MENTIONED IN THE FEMA RULES.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than 50% or common control) is not permitted to be 10% or more of the total paid-up equity capital of our Company on a fully diluted basis, and the total holding of all FPIs, collectively, shall not exceed 49% of the paid-up equity share capital of our Company on a fully diluted basis. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Eligible FPIs were permitted to participate in the Issue subject to compliance with the conditions and restrictions which may be specified by the Government from time to time. In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

Restriction on Allotment

Under Regulation 179(2)(b) of the SEBI ICDR Regulations, no Allotment shall be made pursuant to the Issue, either directly or indirectly, to any Eligible QIB being our Promoters or any person related to our Promoters. QIBs which have all or any of the following rights shall be deemed to be persons related to our Promoters:

- rights under a shareholders' agreement or voting agreement entered into with our Promoters or members of the Promoter Group;
- veto rights; or
- a right to appoint any nominee director on the Board.

Provided, however, that an Eligible QIB which does not hold any Equity Shares and which has acquired the aforesaid rights in the capacity of a lender shall not be deemed to be related to the Promoters.

Our Company and the Lead Managers and any of their respective shareholders, employees, counsels, officers, directors, representatives, agents, advisors or affiliates are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Placement Document. Eligible QIBs were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Eligible QIBs were advised to ensure that any single application from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document and the Placement Document. A minimum of 10% of the Equity Shares offered in this Issue was available for Allocation to Mutual Funds. In case of under-subscription in the portion available for Allocation only to Mutual Funds, such portion or part thereof may be Allotted to other QIBs. Further, Eligible QIBs are required to satisfy themselves that their Bids would not result in triggering an open offer under the SEBI Takeover Regulations and ensure compliance with applicable laws.

Note: *Affiliates or associates of the Lead Managers who are Eligible QIBs were permitted to participate in the Issue in compliance with applicable laws.*

Bid Process

Application Form

Eligible QIBs could only use the serially numbered Application Forms (which were specifically addressed to them) supplied by our Company and the Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of the Preliminary Placement Document and this Placement Document.

By making a Bid (including the revision thereof) for Equity Shares through Application Forms and pursuant to the terms of the Preliminary Placement Document, the Eligible QIB has been deemed to have made the following representations, warranties, acknowledgements and undertakings given or made under "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 6, 865 and 872, respectively:

1. The Eligible QIB confirmed that it is a QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and is not excluded under Regulation 179(2)(b) of the SEBI ICDR Regulations, has a valid and existing registration under the applicable laws in India and is eligible to participate in this Issue;

2. The Eligible QIB confirmed that it is not a promoter and is not a person related to the Promoters, either directly or indirectly and its Application Form does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters;

3. The Eligible QIB confirmed that it has no rights under a shareholders' agreement or voting agreement with the Promoters or members of the Promoter Group, no veto rights, and no right to appoint any nominee director on the Board other than those acquired in the capacity of a lender, which shall not be deemed to be a person related to the Promoters;

4. The Eligible QIB acknowledged that it has no right to withdraw or revise its Bid downwards after the Issue Closing Date;

5. Each Eligible QIB confirmed that in the event it is resident outside India, it is an Eligible FPI, having a valid and existing registration with SEBI under the applicable laws in India or a multilateral or bilateral development financial institution, and is eligible to invest in India under applicable law, including the FEMA Rules, as amended, and any notifications, circulars or clarifications issued thereunder, and has not been prohibited by SEBI or any other regulatory authority, from buying, selling, dealing in securities or otherwise accessing the capital markets and is not an FVCI;

6. The Eligible QIB confirmed that if Equity Shares are Allotted through this Issue, it shall not, for a period of one year from Allotment, sell such Equity Shares otherwise than on the recognized stock exchanges;

7. The Eligible QIB confirmed that it is eligible to Bid and hold Equity Shares so Allotted together with any Equity Shares held by it prior to the Issue, if any. The Eligible QIB further confirmed that the holding of the Eligible QIB, does not and shall not, exceed the level permissible as per any applicable regulations applicable to the Eligible QIB;

8. The Eligible QIB confirmed that its Bid would not result in triggering an open offer under the SEBI Takeover Regulations;

9. The Eligible QIB agreed that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period in terms of provisions of the Companies Act, 2013, our Company reserves the right to Allocate and Allot Equity Shares pursuant to this Issue on a discretionary basis in consultation with the Lead Managers. The Eligible QIB further acknowledged and agreed that the payment of Application Amount does not guarantee Allocation and/or Allotment of Equity Shares Bid for in full or in part;

10. The Eligible QIB acknowledged that in terms of the requirements of the Companies Act, 2013, upon Allocation, our Company is required to disclose names as "proposed Allottees" and percentage of post-Issue shareholding of the proposed Allottees in this Placement Document and consents to such disclosure, of any Equity Shares are Allocated to it. However, the Eligible QIB further acknowledged and agreed that disclosure of such details in relation to the proposed Allottees in this Placement Document will not guarantee Allotment to them, as Allotment in the Issue shall continue to be at the sole discretion of our Company, in consultation with the Lead Managers;

11. The Eligible QIB confirmed that the number of Equity Shares Allotted to it pursuant to the Issue, together with other Allottees that belong to the same group or are under common control, shall not exceed 50% of the Issue. For the purposes of this representation:

    i. Eligible QIBs "belonging to the same group" shall mean entities where (a) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (b) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (c) there is a common director, excluding nominee and Independent Directors, amongst an Eligible QIB, its subsidiary(ies) or holding company and any other QIB; and

    ii. 'Control' shall have the same meaning as is assigned to it by Regulation 2(1)(e) of the SEBI Takeover Regulations;

12. The Bidder confirmed that it has made payment of its Application Amount along with submission of the Application Form within the Bidding Period. Each Bidder agreed that once a duly filled Application Form was submitted by an Eligible QIB, whether signed or not, and the Application Amount was transferred to the Escrow Account, such Application Form constituted an irrevocable offer and could not have been withdrawn or revised downwards after the Issue Closing Date;

13. The Eligible QIB acknowledged that no Allotment shall be made to it if the price at which it has Bid for in the Issue is lower than the Issue Price;

14. Each Eligible FPI, confirmed that it will participate in the Issue only under and in conformity with Schedule II of FEMA Rules. Further, each Eligible FPI acknowledged that Eligible FPIs may invest in such number of Equity Shares such that the individual investment of the Eligible FPI or its investor group (multiple entities registered as FPIs and directly or indirectly, having common ownership of more than fifty per cent or common control) in our Company does not exceed 10% of the post-Issue paid-up capital of our Company on a fully diluted basis. The Bidder confirmed that it, individually or together with its investor group, is not restricted from making further investments in our Company through the portfolio investment route, in terms of Regulation 22(3) of the SEBI FPI Regulations;

15. The Eligible QIB confirmed that it shall not undertake any trade in the Equity Shares credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; and

16. The Eligible QIB confirmed that:

    (a) It is outside the United States and is subscribing to the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where such offers and sales are made, and is not our affiliate or a person acting on behalf of such an affiliate; and

    (b) It has read and understood, and by making a Bid for the Equity Shares through the Application Forms and pursuant to the terms of the Preliminary Placement Document, will be deemed to have made the representations, warranties and agreements made under the sections "*Notice to Investors*", "*Representations by Investors*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" on pages 3, 6, 865 and 872, respectively.

ELIGIBLE QIBS WERE REQUIRED TO PROVIDE THEIR NAME, COMPLETE ADDRESS, EMAIL ID, PHONE NUMBER, BANK ACCOUNT DETAILS, BENEFICIARY ACCOUNT DETAILS, PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE QIBS WERE REQUIRED TO ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM WAS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT WAS HELD.

IF SO REQUIRED BY THE LEAD MANAGERS, THE ELIGIBLE QIBS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "ELIGIBLE QIB" AS DEFINED HEREINABOVE.

IF SO REQUIRED BY THE LEAD MANAGERS, ESCROW BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE QIBS SUBMITTING A BID AND/OR BEING ALLOTTED EQUITY SHARES IN THE ISSUE, WERE ALSO REQUIRED TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE APPLICABLE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account were obtained from the Depositories as per the Depository Participant account details provided in the Application Form. However, for the purposes of refund of all or part of the Application Amount submitted by the Bidder, the bank details as mentioned in the Application Form from which the Application Amount shall be remitted for the Equity Shares applied for in the Issue, will be considered.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder was deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Equity Shares and becomes a binding contract on a Successful Bidder upon issuance of the CAN and this Placement Document (when dispatched) by our Company in favour of the Successful Bidder.

Submission of Application Form

All Application Forms were required to be duly completed with information including the number of Equity Shares applied for along with proof of payment and a copy of the PAN card or PAN allotment letter (if applicable). Additionally, the Application Form included details of the relevant Escrow Account into which the Application Amounts were required to be deposited. The Application Amount was required to be deposited in the Escrow Account as was specified in the Application Form and the Application Form was required to be submitted to the Lead Managers through electronic form or through physical delivery at either of the following addresses:

Name of the Lead Managers	Address	Contact Person	Website and Email	Telephone
J.P. Morgan India Private Limited	J.P. Morgan Tower, Off C.S.T Road Kalina, Santacruz (East) Mumbai – 400 098 Maharashtra, India	Himanshi Arora / Krittvee Bastawala	**Website**: www.jpmipl.com **Email**: PERSISTENT_QIP@jpmorgan.com	+91 22 6157 3000
IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)	24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013 Maharashtra, India	Sagar Lenka / Mukesh Garg	**Website**: www.iiflcapital.com **Email**: persistent.qip@iiflcap.com	+91 22 4646 4728
HSBC Securities and Capital Markets (India) Private Limited	52/60 Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India	Harsh Thakkar	**Website:** www.business.hsbc.co.in **Email**: peristentsystemsqip@hsbc.co.in	+91 22 6864 1289

The Lead Managers were not required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

Bidders Bidding in the Issue were required to pay the entire Application Amount along with the submission of the Application Form, within the Issue Period.

Payment of Application Amount

Our Company has opened the "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" with the Escrow Bank, in terms of the arrangement among our Company, the Lead Managers and the Escrow Bank. Bidders were required to deposit the entire Application Amount payable for the Equity Shares applied for through the Application Form submitted by it in accordance with the applicable laws.

Note: Payments were required to be made only through electronic fund transfer. Payments through cheques or demand draft or cash was liable to be rejected. If the payment was not made favouring the "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" account within the Issue Period stipulated in the Application Form, the Application Form of the QIB was liable to be cancelled.

Pending Allotment, our Company undertakes to utilise the amount deposited in "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" only for the purposes of (i) adjustment against Allotment of Equity Shares in the Issue; or (ii) repayment of Application Amount if our Company is not able to Allot Equity Shares in the Issue. Notwithstanding the above, in the event a Bidder was not Allocated Equity Shares in the Issue, or the number of Equity Shares Allocated to a Bidder, was lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount was been paid by such Bidder, the excess Application Amount will be refunded to the same bank account from which Application Amount was remitted, in the form and manner set out in "– *Refunds*" on page 852.

Permanent Account Number or PAN

Each Bidder was required to mention its PAN allotted under the Income Tax Act, 2025 in the Application Form and enclose a copy of the PAN card or PAN allotment letter along with the Application Form, to the extent applicable. Applications without this information were considered incomplete and were liable to be rejected. Bidders could not submit the GIR number instead of the PAN as the Application Form was liable to be rejected on this ground.

Bank Account Details

Each Bidder was required to mention the details of the bank account from which the payment of Application Amount was made along with confirmation that such payment had been made from such account.

Pricing and Allocation

There is a minimum pricing requirement under the SEBI ICDR Regulations. The Floor Price shall not be less than the average of the weekly high and low of the closing prices of the Equity Shares quoted on the stock exchange during the two weeks preceding the Relevant Date. However, our Company has offered a discount of 3.66% on the Floor Price, in terms of Regulation 176(1) of the SEBI ICDR Regulations, in accordance with the approval of our Shareholders pursuant to a special resolution passed on October 5, 2026.

Build-up of the Book

The Eligible QIBs were required to submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Managers. Such Bids could not have been withdrawn or revised downwards after the Issue Closing Date. The book was maintained by the Lead Managers.

Price Discovery and Allocation

Our Company, in consultation with the Lead Managers, has determined the Issue Price, which was required to be at or above the Floor Price. However, our Company has offered a discount of 3.66% on the Floor Price in terms of Regulation 176 of the SEBI ICDR Regulations as approved by our Shareholders pursuant to resolution dated October 5, 2026.

After finalisation of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and has filed the same with the Stock Exchanges as this Placement Document.

Method of Allocation

Our Company has determined the Allocation in consultation with the Lead Managers on a discretionary basis and in compliance with Chapter VI of the SEBI ICDR Regulations.
Application Forms received from the Eligible QIBs at or above the Issue Price were required to be grouped together to determine the total demand. The Allocation to all such Eligible QIBs was made at the Issue Price. Allocation to Mutual Funds for up to a minimum of 10% of the Issue Size was required to be undertaken subject to valid Bids being received at or above the Issue Price.

In case of cancellations or default by the Bidders, our Company in consultation with Lead Managers has the right to reallocate the Equity Shares at the Issue Price among existing or new Bidders at their sole and absolute discretion subject to the applicable laws.

THE DECISION OF OUR COMPANY IN CONSULTATION WITH THE LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE THAT ALLOCATION OF EQUITY SHARES IS AT THE SOLE AND ABSOLUTE DISCRETION OF OUR COMPANY, IN CONSULTATION WITH THE LEAD MANAGERS AND ELIGIBLE QIBS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE WITHIN THE ISSUE PERIOD. NEITHER OUR COMPANY NOR THE LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON- ALLOCATION.

CONFIRMATION OF ALLOCATION NOTE OR CAN

Based on receipt of the serially numbered Application Forms and Application Amount, our Company, in consultation with the Lead Managers, in their sole and absolute discretion, decided the Successful Bidders to whom the serially numbered CAN were subsequently electronically dispatched, pursuant to which the details of the Equity Shares Allocated to them, the Issue Price and the Application Amount for the Equity Shares Allocated to them were notified to such Successful Bidders. Additionally, the CAN included the probable Designated Date, being the date of credit of the Equity Shares to the Bidders' account, as applicable to the respective Bidder.

The Successful Bidders would be sent a serially numbered Placement Document (which will include the names of the proposed Allottees along with the percentage of their post-Issue Shareholding in our Company) in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and this Placement Document to the Eligible QIBs was deemed as a valid, binding and irrevocable contract for the Eligible QIBs to subscribe to the Equity Shares Allocated to such Successful Bidders. Subsequently, our Board of Directors or the Special Committee will approve the Allotment of the Equity Shares to the Allottees in consultation with the Lead Managers.

Eligible QIBs are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them pursuant to the Issue

By submitting the Application Form, an Eligible QIB was deemed to have made the representations and warranties as specified in "*Notice to Investors*" on page 3 and further that such Eligible QIB shall not undertake any trade on the Equity Shares credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by Stock Exchanges

Designated Date and Allotment of Equity Shares

1. Subject to the satisfaction of the terms and conditions of the Placement Agreement, our Company will ensure that the Allotment of the Equity Shares is completed by the Designated Date provided in the CAN.

2. In accordance with the SEBI ICDR Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialized form to the Allottees. Allottees will have the option to re-materialize the Equity Shares, if they so desire, as per the provisions of the Companies Act, 2013 and the Depositories Act. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

3. Our Company, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reasons whatsoever.

4. Following the Allotment of the Equity Shares pursuant to the Issue, our Company shall apply to the Stock Exchanges for obtaining listing approvals and post receipt of the listing approvals from the Stock Exchanges, our Company shall credit the Equity Shares into the beneficiary accounts of the Eligible QIBs.

5. Following the Allotment and credit of Equity Shares into the Successful Bidders' beneficiary demat accounts maintained with the Depository Participant, as indicated in the respective Application Form, our Company will apply for final trading and listing approvals from the Stock Exchanges.

6. The monies lying to the credit of the Escrow Account shall not be released until the final listing and trading approvals for the listing and trading of the Equity Shares issued pursuant to this Issue are received by our Company from the Stock Exchanges and our Company files the return of Allotment in connection with the Issue with the RoC within the prescribed timelines under the Companies Act.

7. After finalization of the Issue Price, our Company has updated the Preliminary Placement Document with the Issue details and filed it with the Stock Exchanges as this Placement Document, which includes names of the proposed Allottees and the percentage of their post-Issue shareholding in the Company, Pursuant to a circular dated March 5, 2010 issued by the SEBI, Stock Exchanges are required to make available on their websites the details of those Allottees in Issue who have been allotted more than 5% of the Equity Shares offered in the Issue, viz, the names of the Allottees, and number of Equity Shares Allotted to each of them, pre and post Issue shareholding pattern of our Company along with the Placement Document.

8. Our Company shall make the requisite filings with the RoC within the stipulated period as required under the Companies Act, 2013 and the PAS Rules. Further, as required in terms of the PAS Rules, names of the proposed Allottees and the percentage of their post-Issue shareholding in our Company will be disclosed in this Placement Document.

Refunds

In the event that the number of Equity Shares Allocated to a Bidder is lower than the number of Equity Shares applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or Equity Shares are not Allocated to a Bidder for any reasons, or a Bidder withdraws the Bid prior to the Issue Closing Date, any excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the Refund Intimation. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the issuance of the CAN.

In the event that Equity Shares have been Allocated to Successful Bidders and our Company is unable to issue and Allot the Equity Shares offered in the Issue or on cancellation of the Issue, within 60 days from the date of receipt of the Application Amount, our Company shall repay the Application Amount within 15 days from expiry of 60 days, failing which our Company shall repay that money with interest at such rate and in such manner as prescribed under the Companies Act, 2013.

Other instructions

Right to reject Applications

Our Company, in consultation with the Lead Manager, could have rejected Bids, in part or in full, without assigning any reason whatsoever. The decision of our Company in consultation with the Lead Managers in relation to the rejection of Bids is final and binding. In the event the Bid was rejected by our Company, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For further details, see "– *Refunds*" on page 852.

Equity Shares in dematerialized form with NSDL or CDSL

The Allotment of the Equity Shares in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode). Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act, the Depositories Act and other applicable laws. However, no transfer in physical form is permitted as per Regulation 40 of the SEBI Listing Regulations.

The Bidders applying for Equity Shares to be issued pursuant to the Issue was required to have at least one beneficiary account with a Depository Participant of either of the Depositories prior to making the Bid. Equity Shares Allotted to a Successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Successful Bidder, as indicated in the Application Form.

Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with the Depositories. The Stock Exchanges have electronic connectivity with the Depositories. The trading of the Equity Shares would be in dematerialised form only for all Allottees in the respective demat segment of the Stock Exchanges. Our Company and the Lead Managers will not be responsible or liable for the delay in the credit of the Equity Shares to be issued pursuant to the Issue due to errors in the Application Form or otherwise on part of the Bidder.

Release of Funds to our Company

The Escrow Bank shall not release the monies lying to the credit of the "PERSISTENT SYSTEMS LIMITED – QIP ESCROW ACCOUNT" account to our Company until receipt of notice from the Lead Manager, the listing and trading approvals of the Stock Exchanges for Equity Shares offered in the Issue and filing of return of allotment under Form PAS-3 with the RoC.

PLACEMENT

Placement Agreement

The Lead Managers have entered into a placement agreement dated October 21, 2026 with our Company (the "**Placement Agreement**"), pursuant to which the Lead Managers have agreed, subject to certain conditions, to manage the Issue and to act as placement agents in connection with the proposed Issue and procure subscriptions for the Equity Shares on a reasonable efforts basis with Eligible QIBs pursuant to Chapter VI of SEBI ICDR Regulations, Sections 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules, as amended and other applicable provisions of the Companies Act, 2013 read with rules thereunder.

The Placement Agreement contains customary representations, warranties and indemnities from our Company, and it is subject to the satisfaction of certain conditions and subject to termination in accordance with the terms contained therein. Applications shall be made to list the Equity Shares issued pursuant to the Issue and admit them to trading on the Stock Exchanges. No assurance can be given as to the liquidity or sustainability of the trading market for such Equity Shares, the ability of holders of the Equity Shares to sell their Equity Shares or the price at which holders of the Equity Shares will be able to sell their Equity Shares.

The Preliminary Placement Document and this Placement Document have not been, and will not be, filed as a prospectus with the RoC and, no Equity Shares issued pursuant to the Issue, will be offered in India or overseas to the public or any members of the public or any other class of Bidders, other than Eligible QIBs.

Relationship with the Lead Manager

In connection with the Issue, the Lead Managers (or their respective affiliates) may, for their own account, subscribe to the Equity Shares or enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares to be issued pursuant to the Issue at the same time as the offer and sale of the Equity Shares, or in secondary market transactions. As a result of such transactions, the Lead Managers may hold long or short positions in such Equity Shares. These transactions may comprise a substantial portion of the Issue and no specific disclosure will be made of such positions. Affiliates of the Lead Managers which are Eligible FPIs may purchase, to the extent permissible under applicable law, the Equity Shares in the Issue and be Allotted Equity Shares, for proprietary purposes and not with a view to distribute or in connection with the issuance of P-Notes. For further details, see "*Offshore Derivative Instruments*" on page 13. The Lead Managers and their affiliates may engage in transactions with and perform services for our Company and our Subsidiaries or affiliates in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company and its Subsidiaries or affiliates, for which they would have received compensation and may in the future receive compensation

Lock-up

Under the Placement Agreement, our Company agrees, subject to the exceptions set out below, not to: (a) issue, offer, lend, pledge, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any equity shares, or any securities convertible into or exercisable or exchangeable for Equity Shares or any securities convertible into, or exercisable for Equity Shares (including, without limitation, securities convertible into, or exercisable or exchangeable for Equity Shares), or file any registration statement under the U.S. Securities Act with respect to any of the foregoing; (b) enter into any swap or other agreement or transaction that transfers, directly or indirectly, in whole or in part, any of the economic consequences of ownership of the Equity Shares or such other securities, in cash or otherwise); (c) deposit Equity Shares with any other depositary in connection with a depositary receipt facility; or (d) publicly announce any intention to enter into any transaction described in (a) to (c) above, whether any such transaction described in (a) to (c) above is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, for a period from the date of the Preliminary Placement Document up to 60 days after the Closing Date without the prior written consent of the Lead Managers, however, the foregoing restriction shall not be applicable to the (i) the issuance of the Equity Shares to be offered pursuant to the Issue; (ii) any transaction required by applicable law or an order of a court of law or a statutory authority.

Promoter and Promoter Group lock-up

Under the Placement Agreement, the Promoters and members of the Promoter Group of our Company, holding 47,789,930 Equity Shares aggregating 30.22% of the Equity Share capital of our Company as on the date of the Preliminary Placement Document (the "**Lock-up Shares**") agree that, without the prior written consent of the Lead Managers, we shall not, and we shall not publicly announce any intention to, enter into any transaction whether any such transaction which is to be settled by delivery of Equity Shares, or such other securities, in cash or otherwise, during the period commencing of the Preliminary Placement Document and ending 60 days after the Closing Date (both dates inclusive) directly or indirectly:

a) offer, issue, pledge, sell, encumber, contract to sell, lend, purchase any option, grant or sell any option, right, contract or warrant to purchase, make any short sale or otherwise transfer or dispose of any of the Lock-up Shares or any other securities of our Company substantially similar to the Equity Shares, including, but not limited to options, warrants or other securities that are convertible into, exercisable or exchangeable for, or that represent the right to receive Lock-up Shares, whether now owned or hereinafter acquired;

b) enter into any swap or other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the Lock-up Shares and the securities that are convertible into, exercisable or exchangeable for or any such substantially similar securities, whether now owned or hereinafter acquired;

c) enter into any transaction (including a transaction involving derivatives) having an economic effect similar to that of an issue, offer, sale or deposit of the Lock-up Shares in any depository receipt facility.

Provided, however, that none of the foregoing or below restrictions shall apply to:

(i) any sale, transfer or disposition of any of the Lock-up Shares by the undersigned with prior written consent of the Lead Managers to the extent such sale, transfer or disposition is required by applicable law; and

(ii) any bona fide pledge or non-disposal undertaking of any of the Lock-up Shares held by the undersigned as collateral for loans on normal commercial terms entered or to be entered into in the ordinary course of business of the undersigned, our Company or transfer of any of the Lock-up Shares to any third party pursuant to the invocation of any pledge in relation to the Lock-up Shares.

THE SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the respective websites of SEBI and the Stock Exchanges and has not been prepared or independently verified by our Company or the Lead Managers or any of their affiliates or advisors.

The Indian securities market

India has a long history of organised securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE are the significant stock exchanges in India in terms of the number of listed companies, market capitalisation and trading activity.

Indian Stock Exchanges

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. On October 3, 2018, SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the Securities Contracts (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum net worth requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations and guidelines concerning minimum disclosure requirements by listed companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, FPIs, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. BSE was listed on NSE with effect from February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Listing and delisting of securities

The listing of securities on a recognised Indian stock exchange is regulated by the applicable Indian laws including the Companies Act, 2013 the SCRA, the SCRR, the SEBI Act and various guidelines and regulations issued by SEBI including the SEBI ICDR Regulations and the SEBI Listing Regulations, as well as pursuant to the Listing Agreements. The SCRA empowers the governing body of each recognised stock exchange to suspend trading of or withdraw admission to dealings in a listed security for breach of or non-compliance with any conditions or breach of company's obligations under the SEBI Listing Regulations or for any reason, subject to the issuer receiving prior written notice of the intent of the exchange and upon granting of a hearing in the matter. SEBI also has the power to amend the SEBI Listing Regulations and byelaws of the stock exchanges in India, to overrule a stock exchange's governing body and withdraw recognition of a recognized stock exchange.

Delisting of equity shares from the stock exchanges, whether by way of a compulsory or a voluntary delisting, is

governed by the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended (the "**Delisting Regulations**"). Following a compulsory delisting of equity shares, a company, its whole-time directors, its promoters, person(s) responsible for ensuring compliance with the securities laws and the companies promoted by any of them cannot directly or indirectly access the securities market or seek listing of any equity shares for a period of 10 years from the date of such delisting. In addition, certain amendments to the SCRR have also been notified in relation to delisting.

Minimum level of public shareholding

All listed companies (except public sector undertakings) are required to maintain a minimum public shareholding of 25%. Where the public shareholding in a listed company falls below 25% at any time, such company shall bring the public shareholding to 25% within a maximum period of 12 months from the date of such fall in the manner specified by SEBI. However, every public sector listed company whose public shareholding falls below 25% at any time after the commencement of the Securities Contracts (Regulation) (Second Amendment) Rules, 2018, shall increase its public shareholding to at least 25%, within a period of two years from the date of such fall, in the manner specified by SEBI. Consequently, a listed company may be delisted from the Stock Exchanges for not complying with the above-mentioned requirements. Our Company is in compliance with this minimum public shareholding requirement.

Disclosures under the Companies Act and securities regulations

Under the Companies Act, a public offering of securities in India must be made by means of a prospectus, which must contain information specified in the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI ICDR Regulations. The prospectus must be filed with the relevant registrar of companies having jurisdiction over the place where a company's registered office is situated. A company's directors and promoters shall be subject to civil and criminal liability for misrepresentation in a prospectus. The Companies Act, 2013 also sets forth procedures for the acceptance of subscriptions and payment of commission rates for the sale of securities. Pursuant to the provisions of the SEBI Act, SEBI has issued detailed guidelines concerning disclosures by public companies and to further investor protection. The SEBI ICDR Regulations permit companies to price their domestic issues of securities in consultation with the lead merchant banker or through the book building process.

Public limited companies are required under the Companies Act, 2013, and other applicable guidelines to prepare, file with the RoC and circulate to their shareholders audited annual accounts which comply with the Companies Act's disclosure requirements and regulations governing their manner of presentation and which include sections pertaining to corporate governance, related party transactions and the management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations. Accordingly, companies are required to publish unaudited financial results (subject to a limited review by the company's statutory auditors) on a quarterly basis and are required to inform the stock exchange immediately regarding any unpublished price sensitive information.

Insider Trading Regulations

Insider Trading Regulations have been notified on January 15, 2015 and came into effect on May 15, 2015, by SEBI to amongst other things, prohibit and penalize insider trading in India and prohibit dealing in the securities of a listed company when in possession of unpublished price sensitive information ("**UPSI**").

The Insider Trading Regulations also impose certain restrictions on the communication of UPSI relating to a company or securities listed or proposed to be listed. In terms of the Insider Trading Regulations, (i) no insider shall communicate, provide or allow access to any UPSI relating to such companies and securities to any person including other insiders; and (ii) no person shall procure or cause the communication by any insider of UPSI relating to such companies and securities, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations. It also provides disclosure obligations for promoters, employees and directors, with regard to their shareholding in the company, and the changes therein. However, UPSI may be communicated, provided or allowed access to or procured, under certain circumstances specified in the Insider Trading Regulations.

The Insider Trading Regulations define the term "unpublished price sensitive information" to mean any information, relating to a company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of its securities and shall ordinarily

includes but not restricted to information relating to the following: (a) financial results; (b) dividends; (c) change in capital structure; (d) mergers, de-mergers, acquisitions, de-listings, disposals and expansion of business award or termination of order/contracts not in the normal course of business and such other transactions; and (e) changes in key managerial personnel, other than due to superannuation or end of term, and resignation of a statutory auditor or secretarial auditor. Further, in terms of the Insider Trading Regulations, "generally available information" is defined as information that is accessible to the public on a non-discriminatory basis and shall not include unverified event or information reported in print or electronic media. An "insider" means any person who is i) a connected person; or ii) in possession of or having access to unpublished price sensitive information. The term "connected person" means any person who is or has during the six months prior to the concerned act been associated with a company, directly or indirectly, in any capacity, including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the company or holding any position, including a professional or business relationship between himself and the company, whether temporary or permanent, that allows such person, directly or indirectly, to have access to unpublished price sensitive information or is reasonably expected to allow such access.

The Insider Trading Regulations make it compulsory for listed companies and certain other entities (including fiduciaries and intermediaries) that are required to handle UPSI in the course of business operations to establish (i) an internal code of practices and procedures for fair disclosure of UPSI; (ii) an internal code to regulate, monitor and report trading by designated persons and immediate relatives of designated persons; and (iii) a policy for procedures to be adopted by a company in case of any leak of UPSI. There are also initial and continuing shareholding disclosure obligations under the Insider Trading Regulations.

SEBI Listing Regulations

Public listed companies are required under the SEBI Listing Regulations to prepare and circulate to their shareholders audited annual accounts which comply with the disclosure requirements and regulations governing their manner of presentation and which include sections relating to corporate governance, related party transactions and management's discussion and analysis as required under the SEBI Listing Regulations. In addition, a listed company is subject to continuing disclosure requirements pursuant to the terms of the SEBI Listing Regulations.

Index-Based Market-Wide Circuit Breaker System

In order to restrict abnormal price volatility in any particular stock, SEBI has instructed stock exchanges to apply daily circuit breakers which do not allow transactions beyond a certain level of price volatility. The index-based market-wide circuit breaker system (equity and equity derivatives) applies at three stages of the index movement, at 10%, 15% and 20%. The Stock Exchanges on a daily basis translate the circuit breaker limits based on previous day's closing level of the index. These circuit breakers, when triggered, bring about a coordinated trading halt in all equity and equity derivative markets nationwide. The market-wide circuit breakers are triggered by movement of either the SENSEX of BSE or the NIFTY 50 of NSE, whichever is breached earlier.

In addition to the market-wide index-based circuit breakers, there are currently in place individual scrip-wise price bands of 20% movements either up or down, for all scrips in the compulsory rolling settlement. However, no price bands are applicable on scrips on which derivative products are available or scrips included in indices on which derivative products are available.

The stock exchanges in India can also exercise the power to suspend trading during periods of market volatility. Margin requirements are imposed by stock exchanges that are required to be paid by the stockbrokers.

Settlement

The stock exchanges in India operate on a trading day plus one, or T+1 rolling settlement system. At the end of the T+1 period, obligations are settled with buyers of securities paying for and receiving securities, while sellers transfer and receive payment for securities. For example, trades executed on a Monday would typically be settled on a Tuesday. Additionally, SEBI has introduced a beta version of T+0 rolling settlement cycle on optional basis in addition to existing T+1 settlement cycle for a limited set of 25 scrips and with a limited number of brokers. By its circular dated December 10, 2024, SEBI extended optional T+0 settlement to the top 500 scrips by market capitalisation (in addition to the existing 25 scrips) and allowed all stock brokers to participate.

Trading Hours

Trading on both BSE and NSE normally occurs from Monday through Friday between 9:15 a.m. IST and 3:30

p.m. IST (excluding the 15 minutes pre-open session from 9.00 a.m. IST to 9.15 a.m. IST that has been introduced). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Internet-Based Securities Trading and Security Trading using Wireless Technology Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. This permits clients throughout the country to trade using brokers' internet trading systems. Stock brokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated under applicable law. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE online trading facility in 1995. This 100% automated screen-based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work. In the year 2014, BSE introduced its new generation trading platform BOLT Plus. NSE has a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade.

Depositories

The Depositories Act, 1996 provides a legal framework for the establishment of depositories to record ownership details and effect transfers in electronic book-entry form. Further, SEBI has framed the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 in relation to, among other things, the formation and registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SEBI Takeover Regulations

Disclosure and mandatory bid obligations for listed Indian companies under Indian law are governed by the specific regulations in relation to substantial acquisition of shares and takeover. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 provide specific regulations in relation to substantial acquisition of shares and takeovers. Once the equity shares of a company are listed on a stock exchange in India, the provisions of the SEBI Takeover Regulations will apply to any acquisition of the company's shares/voting rights/control. The SEBI Takeover Regulations prescribes certain thresholds or trigger points in the shareholding that a person or entity (along with persons acting in concert with such person or entity) has in the listed Indian company, which give rise to certain obligations on the part of the acquirer. Acquisition of shares or voting rights up to a certain threshold prescribed under the SEBI Takeover Regulations mandate specific disclosure requirements, while acquisitions (direct or indirect, along with persons acting in concert with such acquirer) crossing particular thresholds may result in the acquirer having to make an open offer for the shares of the target company.

The SEBI Takeover Regulations were amended on with effect from May 18, 2024 to exclude the effect on the price of the listed equity shares (i) of the target company and (ii) which are offered as consideration, due to material price movement and confirmation of reported event or information, as per the framework specified under the Regulation 30(11) of the SEBI Listing Regulations for determination of the price of such equity shares under the SEBI Takeover Regulations. The SEBI Takeover Regulations were further amended effective from January 3, 2026, where an independent registered valuer must now carry out valuations for determining the offer price. Previously these were done by the acquirer and the manager to the open offer, or by an independent merchant banker or an independent chartered accountant with at least ten years' experience. This applies to the valuation of infrequently traded shares, the fair price where the offer price cannot otherwise be determined, any valuation required by SEBI, and the certification of the share exchange ratio where listed securities are offered as consideration. Valuation assignments already underway when the amendment came into force must be completed within nine months of that date.

Buy-back

A company may buy-back its shares subject to compliance with the requirements of Section 68 of the Companies Act, 2013, as amended and the SEBI (Buy-back of Securities) Regulations 2018, as amended. Under Section 68 of the Companies Act, 2013, as amended, a company may buy-back its shares out of its free reserves or securities premium account or the proceeds of the issue of any shares or other specified securities, other than proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

Derivatives (Futures and Options)

Trading in derivatives is governed by the SCRA, the SCRR and the SEBI Act. The SCRA was amended in February 2000 and derivatives contracts were included within the term "securities", as defined by the SCRA. Trading in derivatives in India takes place either on separate and independent derivatives exchanges or on a separate segment of an existing stock exchange. The derivatives exchange or derivatives segment of a stock exchange functions as a self-regulatory organisation under the supervision of the SEBI.

The above information is given for the benefit of investors in the Issue. Our Company, and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Placement Document. Investors are advised to make their independent investigations and ensure that they are eligible to subscribe to, purchase or otherwise acquire the Equity Shares they Bid for under Indian laws or regulations.

DESCRIPTION OF THE EQUITY SHARES

The following is the information relating to the Equity Shares including a brief summary of the Memorandum of Association and Articles of Association and the Companies Act. The prospective investors are urged to read the Memorandum of Association and Articles of Association carefully, and consult with their advisers, as the Memorandum of Association and Articles of Association and applicable Indian law, and not this summary, govern the rights attached to the Equity Shares.

Share capital

The authorized share capital of our Company is ₹2,000,000,000 divided into 400,000,000 Equity Shares of face value of ₹5.00 each. For further details please see "*Capital Structure*" on page 95.

Dividends

Under Indian law, a company pays dividends upon a recommendation by its board of directors and approval by a majority of its shareholders at the annual general meeting of its shareholders. The shareholders have the right to decrease but not increase the dividend amount recommended by the board of directors. Dividends are generally declared as a percentage of par value (on per share basis) and distributed and paid to shareholders. The Companies Act provides that shares of the same class of a company must receive equal dividend treatment. These distributions and payments are required to be paid to or claimed by shareholders within 30 days of the date of declaration of dividend. The Companies Act states that any dividends that remain unpaid or unclaimed after that period are to be transferred to a special bank account within seven days from the date of expiry of the period of 30 days. Any dividend amount that remains unclaimed for seven years from the date of such transfer is to be transferred by the company to a fund, called the Investor Education and Protection Fund, created by the Government of India.

According to the Articles of Association, and subject to section 123 of the Companies Act read with the Companies (Declaration and Payment of Dividend) Rules, 2014, the Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.

Where a dividend has been declared but remains unpaid or unclaimed for 30 days from the date of declaration, the Company shall, within seven days after the expiry of that period, transfer the unpaid amount to a special account in a scheduled bank to be called the "Unpaid Dividend Account of Persistent Systems Limited". Any money remaining unclaimed in this account for seven years from the date of transfer shall be credited to the investor education and protection fund in accordance with section 125 of the Companies Act and applicable rules. No unclaimed or unpaid dividend shall be forfeited by the Company, and the Company shall comply with section 124 of the Companies Act, as regards unclaimed dividends.

Subject to the provisions of the Companies Act, and the rights of shareholders with special dividend entitlements, dividends shall be declared and paid in proportion to the amounts paid on the shares after providing for depreciation. Dividends shall be apportioned accordingly, unless the terms of issue provide for a specific date from which a share shall rank for dividend. Before recommending dividends, the Board may set aside such portion of the Company's profits as it deems appropriate as reserves, which shall be applied in the manner as may be from time to time decided by the Board. The Board may carry forward the profits without declaring dividend. Further, no dividends shall bear interest against the Company.

Capitalisation of profits

In addition to permitting dividends to be paid as described above, the Companies Act permits the board of directors of a company, subject to the approval of the shareholders of the company, to capitalise the profits or reserves of the company to inter alia distribute to the shareholders, in the form of fully paid-up bonus shares, an amount transferred from the company's free reserves, securities premium account or the capital redemption reserve account. These bonus equity shares must be distributed to the shareholders in proportion to the number of equity shares owned by them.

As per the Articles of Association, any general meeting may, upon the recommendation of the Board, resolve that the whole or any part of the undivided profit of the Company be capitalized and distributed amongst such of the members as would be entitled to receive the same if distributed by way of dividend and in the same proportions and such sum shall be applied either in or towards: (a) paying up any amounts for the time being unpaid on any shares held by such member respectively; (b) paying up in full any un-issued shares of the Company to be allotted

and distributed, credited as fully paid up, to and amongst such members in the same proportions; or (c) partly in the way specified in (a) and partly in the way specified in (b), provided that any sum standing to the credit of a securities premium account, general reserve account or a capital redemption reserve account may, for the purpose of the capitalisation, only be applied in the paying up of un-issued shares to be issued to members of the Company as fully-paid bonus shares.

Alteration of share capital

Under the provisions of the Companies Act, a company may increase its share capital by issuing new shares on such terms and with such rights as it, by action of its shareholders in a general meeting may determine. The board of directors of a company is entitled to make private placement and preferential issue of equity shares, debentures, preference shares or any other instruments to such class of persons as the board of directors may deem fit.

According to section 62(1)(a) of the Companies Act, such new shares shall be offered to existing shareholders in proportion to the amount paid-up on those shares at that date. The offer shall be made by notice specifying the number of shares offered and the date (being not less than 15 days and not exceeding 30 days from the date of the offer or as may be permitted by applicable law) within which the offer, if not accepted, will be deemed to have been declined. After such date, the board may dispose of the shares offered in respect of which no acceptance has been received which shall not be disadvantageous to the Shareholders. The offer is deemed to include a right exercisable by the person concerned to renounce the shares offered to him in favour of any other person. Under the provisions of section 62(1)(c) of the Companies Act, new shares may be offered to any persons whether or not those persons include existing shareholders, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to such conditions as may be prescribed, if a special resolution to that effect is passed by our shareholders in a general meeting. Further, the Companies (Share Capital and Debentures) Rules, 2014 prescribe that price of shares to be issued on preferential basis by a listed company need not be determined by the valuation report of the registered valuer.

In accordance with the Articles of Association and the provisions of the Companies Act, by ordinary resolution, from time to time, alter the conditions of Memorandum of Association as follows: (a) increase the share capital by such amount to be divided into shares of such amount as may be specified in the resolution; (b) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares (c) sub- divide its existing shares or any of them into shares of smaller amount than is fixed by Memorandum of Association, and the resolution whereby any share is subdivided, may determine that, as between the holders of the shares resulting from such sub-division, one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise as compared with the other or others. However, no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the tribunal; and (d) cancel any shares which, at the date of the general meeting, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

General meetings

There are two types of general meetings of shareholders: (i) AGM; and (ii) EGM. A company must hold its AGM within six months after the expiry of each Fiscal provided that not more than 15 months shall elapse between the AGM and next one, unless extended by the RoC at its request for any special reason for a period not exceeding three months. The board of directors of the company may convene an EGM when necessary or at the request of shareholders in accordance with the Companies Act. Such number of shareholders as required under the Companies Act or applicable law personally present shall constitute quorum for a general meeting.

As per the provisions of the Companies Act and the Articles of Association, all general meetings other than annual general meeting shall be called extraordinary general meeting. The Board may, whenever it thinks fit, convene an extraordinary general meeting, at such date, time and at such place as it deems fit, subject too such directions if any, given by the Board. Notices, along with statement containing material facts concerning each special item, either in writing or through electronic mode, convening a meeting setting out the date, day, hour, place and agenda of the meeting must be given to every member or the person entitled to the shares in consequence of the death or insolvency of a member, auditors of our company and every director of our company, at least 21 clear days prior to the date of the proposed meeting.

At every general meeting, the ‘chair’ shall be taken by the chairman of the Board. If at any meeting, the chairman of the Board is not present within 15 minutes after the time appointed for holding the meeting, though present is unwilling to act as chairman, the directors present shall choose one of the directors present to be chairman or if

no director is present or though present is unwilling to take the chair then the members present shall choose one of their members, to be chairman. No business shall be transacted at any general meeting unless the requisite quorum of members is present at the commencement of the meeting. The quorum for a general meeting shall be as provided in section 103 of the Companies Act. Any general meeting may be convened at a shorter notice of less than clear 21 days, if the consent is received from 95% of the members entitled to vote at the general meeting. Accidental omission to give notice or non-receipt of notice by any member shall not invalidate the proceedings of the meeting.

Voting rights

Subject to provisions of the Companies Act and rights or restrictions being attached to any class or classes of shares, and in accordance with the Articles of Association, on a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he is not entitled to vote in his own right, shall have one vote. No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by such Member in respect of their shares have been paid, or where the Company has a lien on such shares and has exercised its right of lien. A member may exercise his vote at a meeting by electronic means in accordance with section 108 of the Companies Act and shall vote only once. In the case of joint holders, the vote of the first named joint-holder, who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint-holders. A shareholder may exercise his voting rights by proxy to be given in the form prescribed. The instrument appointing a proxy is required to be lodged with our Company at least 48 hours before the time for holding the meeting, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll. A proxy may not vote except on a poll and does not have a right to speak at meetings.

Ordinary resolutions may be passed by simple majority of those present and voting. Special resolutions require that the votes cast in favour of the resolution must be at least three times the votes cast against the resolution.

Directors

The Articles of Association provide that the minimum and maximum number of Directors of the Company shall be three and 15 respectively. The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and provisions of SEBI Listing Regulations. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Independent Director, as may be prescribed by law from time to time.

The remuneration payable to each Director for every meeting of the Board or committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to section 197 of the Companies Act.

Transfer of shares

Shares held through depositories are transferred in the form of book entries or in electronic form in accordance with the regulations laid down by SEBI. These regulations provide the regime for the functioning of the depositories and the participants and set out the manner in which the records are to be kept and maintained and the safeguards to be followed in this system. Transfers of beneficial ownership of shares held through a depository are subject to securities transaction tax (levied on and collected by the stock exchanges on which such equity shares are sold), however, are exempt from stamp duty. Our Company has entered into an agreement for such depository services with the Depositories. SEBI requires that the shares for trading and settlement purposes be in book-entry form for all investors, except for transactions that are not made on a stock exchange and transactions that are not required to be reported to the stock exchange. The registrar and transfer agent shall maintain a register in which every transfer or transmission of shares will be entered. In addition to complying with the Companies Act and the other applicable laws, our Company is also required to comply with the provisions of the SEBI Listing Regulations for effecting the transfer of shares. In terms of the SEBI Listing Regulations, except in case of transmission or transposition of Equity Shares, requests for effecting transfer of shares shall not be processed unless the shares are held in dematerialized form with a depository and that transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form. The Equity Shares shall be freely transferable, subject to applicable laws.

Our Articles of Association provide that every such instrument of transfer shall be executed by the transferor and the transferee, and the transferor shall be deemed to remain holder of the shares until the name of the transferee is entered in the register of members in respect thereof.

Winding up

Our Articles of Association provide that subject to the provisions of the Companies Act and the rules made thereunder, if the Company is wound up and, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Companies Act, divide amongst the members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of the property of the same kind or not. For this purpose, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability. Further, under section 286 of the Companies Act, any person who is or has been a Director or manager, whose liability is unlimited under the Companies Act, shall, in addition to any other liability as an ordinary member, be liable to make such further contributions as if they were, at the commencement of winding up, a member of an unlimited company.

SELLING RESTRICTIONS

The distribution of this Placement Document and the offer, sale or delivery of the Equity Shares in this Issue is restricted by law in certain jurisdictions. Therefore, persons who may come into possession of this Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorised.

This Issue is being made only to Eligible QIBs through a QIP, in reliance upon Chapter VI of the SEBI ICDR Regulations and the Companies Act. Each purchaser of the Equity Shares in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors", "Representations by Investors" and "Purchaser Representations and Transfer Restrictions" on pages 3, 6 and 872, respectively.

General

No action has been taken or will be taken that would permit a public offering of the Equity Shares to occur in any jurisdiction other than India, or the possession, circulation or distribution of this Placement Document or any other material relating to our Company or the Equity Shares in any jurisdiction where action for such purpose is required. Accordingly, the Equity Shares may not be offered or sold, directly or indirectly, and neither this Placement Document nor any offering materials or advertisements in connection with the Equity Shares may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI ICDR Regulations, Section 42 and 62 of the Companies Act, 2013 read with Rule 14 of the PAS Rules and other applicable provisions of the Companies Act, 2013 and the rules made thereunder. Each purchaser of the Equity Shares in the Issue will be deemed to have made acknowledgments and agreements as described under "*Purchaser Representations and Transfer Restrictions*" on page 872.

Republic of India

This Placement Document may not be distributed directly or indirectly in India or to residents of India and any Equity Shares may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible QIBs and is not an offer to the public. This Placement Document has not been and will not be registered as a prospectus with the RoC, and will not be circulated or distributed to the public in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

Australia

This Placement Document:

- does not constitute a product disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (the "**Corporations Act**");
- has not been, and will not be, lodged with the Australian Securities and Investments Commission ("**ASIC**"), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D.2 of the Corporations Act;
- does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors ("**Exempt Investors**"), available under section 708 of the Corporations Act.

The Equity Shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Equity Shares may be issued, and no draft or definitive Placement Document, advertisement or other offering material relating to any Equity Shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in

compliance with all applicable Australian laws and regulations. By submitting an application for the Equity Shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of Equity Shares under this Placement Document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Equity Shares you undertake to us that you will not, for a period of 12 months from the date of issue of the Equity Shares, offer, transfer, assign or otherwise alienate those securities to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

British Virgin Islands

The Equity Shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on our behalf. The Equity Shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a "**BVI Company**"), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands. This Placement Document has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered Placement Document has been or will be prepared in respect of the Equity Shares for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Equity Shares may be made to the public in the Cayman Islands.

Dubai International Financial Centre

This Placement Document relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority ("**DFSA**"). This Placement Document is intended for distribution only to persons of a type specified in the Markets Rules Module of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this Placement Document. The securities to which this Placement Document relates may be illiquid and/ or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Placement Document you should consult an authorized financial advisor. In relation to its use in the DIFC, this Placement Document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that it may make an offer to the public in that Relevant State of any Equity Shares at any time under the following exemptions under the Prospectus Regulation:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Managers for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Equity Shares shall require the Issuer or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

Hong Kong

(i) The Equity Share may not be offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO.

(ii) No person has issued or had in its possession for the purposes of the issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere any advertisement, invitation or document relating to the Equity Shares, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Equity Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Indonesia

This Placement Document does not constitute a prospectus for a public offering of securities under Indonesian capital market law and regulations. This Placement Document may not be distributed or passed on to more than 100 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia. The Equity Shares may not be sold using this Placement Document to more than 50 persons who are citizens of Indonesia (wherever they are domiciled or located) or entities of or residents in Indonesia.

Japan

The Equity Shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law. No. 25 of 1948 as amended) (the "**FIEA**") and disclosure under the FIEA has not been and will not be made with respect to the Equity Shares. No Equity Shares have, directly or indirectly, been offered or sold, and may not, directly or indirectly, be offered or sold in Japan or to, or for the benefit of, any resident of Japan as defined in the first sentence of Article 6, Paragraph 1, Item 5 of the Foreign Exchange and Foreign Trade Law of Japan ("**Japanese Resident**") or to others for re-offering or re-sale, directly or indirectly in Japan or to, or for the benefit of, any Japanese Resident except (i) pursuant to an exemption from the registration requirements of the FIEA and (ii) in compliance with any other relevant laws, regulations and governmental guidelines of Japan.

If an offeree does not fall under a "qualified institutional investor" (*tekikaku kikan toshika*), as defined in Article 10, Paragraph 1 of the Cabinet Office Ordinance Concerning Definition Provided in Article 2 of the Financial Instruments and Exchange Act (the "**Qualified Institutional Investor**"), the Equity Shares will be offered in Japan by a private placement to small number of investors (*shoninzu muke kanyu*), as provided under Article 23-13, Paragraph 4 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made.

If an offeree falls under the Qualified Institutional Investor, the Equity Shares will be offered in Japan by a private placement to the Qualified Institutional Investors (*tekikaku kikan toshikamuke kanyu*), as provided under Article 23-13, Paragraph 1 of the FIEA, and accordingly, the filing of a securities registration statement for a public offering pursuant to Article 4, Paragraph 1 of the FIEA has not been made. To subscribe the Equity Shares (the "**QII Equity Shares**") such offeree will be required to agree that it will be prohibited from selling, assigning, pledging or otherwise transferring the QII Equity Shares other than to another Qualified Institutional Investor.

Kuwait

The Equity Shares have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Document and the offering and sale of the Equity Shares in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Mauritius

The Equity Shares may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Placement Document nor any offering material or information contained herein relating to the offer of Equity Shares may be released or issued to the public in Mauritius or used in connection with any such offer. This Placement Document does not constitute an offer to sell Equity Shares to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

New Zealand

This Placement Document is not a prospectus. It has not been prepared or registered in accordance with the Securities Act 1978 of New Zealand (the "**New Zealand Securities Act**"). This Placement Document is being distributed in New Zealand only to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, within the meaning of section 3(2)(a)(ii) of the New Zealand Securities Act ("**Habitual Investors**"). By accepting this Placement Document, each investor represents and warrants that if they receive this Placement Document in New Zealand they are a Habitual Investor and they will not disclose this Placement Document to any person who is not also a Habitual Investor.

People's Republic of China

This Placement Document does not constitute a public offer of the Equity Shares, whether by way of sale or subscription, in the People's Republic of China (the "**PRC**"). The Equity Shares are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of, legal or natural persons of the PRC. According to legal and regulatory requirements of the PRC, the Equity Shares may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

Qatar (excluding the Qatar Financial Centre)

The Equity Shares have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Placement Document has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Placement Document is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Placement Document, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Document. Prospective purchasers of the Equity Shares offered hereby should conduct their own due diligence on the accuracy of the information relating to the Equity Shares. If you do not understand the contents of this Placement Document, you should consult an authorized financial adviser.

Qatar Financial Centre

This Placement Document does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center ("**QFC**"), and accordingly should not be construed as such. This Placement Documenthas not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Placement Document is strictly private and confidential, and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Company has not been approved or licensed by or registered with any licensing authorities within the QFC.

Republic of Korea

The Equity Shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (the "**FSCMA**"), and the Equity Shares have been and will be offered in Korea as a private placement under the FSCMA. None of the Equity Shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (the "**FETL**"). Furthermore, the purchaser of the Equity Shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the Equity Shares. By the purchase of the Equity Shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Equity Shares pursuant to the applicable laws and regulations of Korea.

Singapore

This Placement Document has not been and will not be lodged or registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Placement Document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Equity Shares may not be circulated or distributed, nor may the Equity Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time, or the Securities and Futures Act, pursuant to Section 274 of the Securities and Futures Act; or (ii) to an accredited investor (as defined in Section 4A of the Securities and Futures Act) pursuant to and in accordance with the conditions specified in Section 275 of the Securities and Futures Act.

Sultanate of Oman

This Placement Document and the Equity Shares to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority ("**CMA**") and then only in accordance with any terms and conditions of such consent. In connection with the offering of Equity Shares, no prospectus has been filed with the CMA. The offering and sale of Equity Shares described in this Placement Document will not take place inside Oman. This Placement Document is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

South Africa

Due to restrictions under the securities laws of South Africa, the Equity Shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions applies:

i. the offer, transfer, sale, renunciation or delivery is to:

   (a) persons whose ordinary business is to deal in securities, as principal or agent;

   (b) the South African Public Investment Corporation;

   (c) persons or entities regulated by the Reserve Bank of South Africa;

   (d) authorised financial service providers under South African law;

   (e) financial institutions recognised as such under South African law;

   (f) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorised portfolio manager for a pension fund or collective investment scheme (in each case duly registered as such under South African law); or

   (g) any combination of the person in (a) to (f); or

ii. the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000.

No "offer to the public" (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (the "**South African Companies Act**")) in South Africa is being made in connection with the issue of the Equity Shares. Accordingly, this Placement Document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. Any issue or offering of the Equity Shares in South Africa constitutes an offer of the Equity Shares in South Africa for subscription or sale in South Africa only to persons who fall within the exemption from "offers to the public" set out in section 96(1)(a) of the South African Companies Act. Accordingly, this Placement Document must not be acted on or relied on by persons in South Africa who do not fall within section 96(1)(a) of the South African Companies Act (such persons being referred to as "**SA Relevant Persons**"). Any investment or investment activity to which this Placement Document relates is available in South Africa only to SA Relevant Persons and will be engaged in South Africa only with SA relevant persons.

Switzerland

The Equity Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Placement Document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Equity Shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this Placement Document nor any other offering or marketing material relating to the offering, the Company, the Equity Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of Equity Shares will not be supervised by, the Swiss Financial Market Supervisory Authority and the offer of Equity Shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("**CISA**"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of Equity Shares.

Taiwan

The Equity Shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Equity Shares in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Placement Document is strictly private and confidential and is being distributed to a limited number of Professional Investors, within the meaning of the United Arab Emirates (the "UAE") Securities and Commodities Authority's (the "SCA") Board of Directors Decision No. (13/Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms Rule Book (as amended), and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. If you are in any doubt about the contents of this Placement Document, you should consult an authorized financial adviser.

By receiving this Placement Document, the person or entity to whom it has been issued understands, acknowledges and agrees that this Placement Document has not been approved by or filed with the UAE Central Bank, the SCA or any other authorities in the UAE, nor has the Lead Managers received authorization or licensing from the UAE Central Bank, the SCA or any other authorities in the UAE to market or sell securities or other investments within the UAE. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. It should not be assumed that the Lead Manager is a licensed broker, dealer or investment adviser under the laws applicable in the UAE, or that any of them advise individuals resident in the UAE as to the appropriateness of investing in or purchasing or selling securities or other

financial products. The Equity Shares offered pursuant to this Placement Document may not be offered or sold directly or indirectly to the public in the UAE and do not constitute a public offer of securities in the UAE in accordance with Federal Decree No. 32 of 2021 on Commercial Companies (as amended) or otherwise.

United Kingdom

No Equity Shares have been offered or will be offered pursuant to the Issue to the public in the United Kingdom except that the Equity Shares may be offered to the public in the United Kingdom at any time:

(a) where the offer is conditional on the admission of the Shares to trading on the London Stock Exchange plc's main market (in reliance on the exception in paragraph 6(a) of Schedule 1 of the POATR);
(b) to any qualified investor as defined under paragraph 15 of Schedule 1 of the POATR;
(c) to fewer than 150 persons (other than qualified investors as defined under paragraph 15 of Schedule 1 of he POATR), subject to obtaining the prior consent of the BRLMs for any such offer; or
(d) in any other circumstances falling within Part 1 of Schedule 1 of the POATR.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in the United Kingdom means the communication to any person which presents sufficient information on: (a) the Equity Shares to be offered; and (b) the terms on which they are to be offered, to enable an investor to decide to buy or subscribe for the Equity Shares and the expressions "POATR" means the Public Offers and Admissions to Trading Regulations 2024.

In the United Kingdom, this Placement Document is only addressed to and directed to persons (i) who have professional experience in matters relating to investments falling within Article 19 paragraph 5 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (ii) who are high net worth entities falling within Article 49 paragraph 2(a) through (d) of the Order, or (iii) other persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "Relevant Persons"). The securities described herein are only available in the United Kingdom to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such securities in the United Kingdom will be engaged in only with, Relevant Persons. Any person in the United Kingdom who is not a Relevant Person should not act or rely on this Placement Document or any of its contents.

United States

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

Other Jurisdictions

The distribution of this Placement Document and the offer and sale of the Equity Shares may be restricted by law in certain jurisdictions. Persons into whose possession this Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

PURCHASER REPRESENTATIONS AND TRANSFER RESTRICTIONS

Due to the following restrictions, investors are advised to consult their legal counsel prior to subscribing for Equity Shares or making any resale, pledge or transfer of the Equity Shares.

Pursuant to Chapter VI of the SEBI ICDR Regulations, the Equity Shares Allotted in the Issue are not permitted to be sold for a period of one year from the date of Allotment, except on floor of the Stock Exchanges. Due to the following restrictions, investors are advised to consult their respective legal counsels prior to Bidding for the Equity Shares or making any offer, resale, pledge or transfer of the Equity Shares, except if the resale of the Equity Shares is by way of a regular sale on the Stock Exchanges. In addition to the above, Allotments made to Eligible QIBs, including VCFs and AIFs, in the Issue may be subject to lock-in requirements, if any, under the rules and regulations that are applicable to them. For more information, see "*Selling Restrictions*" on page 865.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The Equity Shares are only being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, and to purchasers who are deemed to have made the representations set forth immediately below.

Each purchaser that is acquiring the Equity Shares offered pursuant to this Issue outside the United States, by its acceptance of this Placement Document and of the Equity Shares offered pursuant to this Issue, will be deemed to have acknowledged, represented to and agreed with the Company and the Lead Managers that it has received a copy of this Placement Document and such other information as it deems necessary to make an informed investment decision and that:

(a) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Issue in compliance with all applicable laws and regulations;

(b) the purchaser acknowledges that the Equity Shares offered pursuant to this Issue have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(c) the purchaser is purchasing the Equity Shares offered pursuant to this Issue from outside the United States in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

(d) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Issue, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(e) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;

(f) the purchaser is not acquiring the Equity Shares as a result of any form of "directed selling efforts" (as that term is defined in Regulation S);

(g) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, it will only do so pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act, and in each case in accordance with any applicable securities laws of any state of the United States or other applicable jurisdiction;

(h) the purchaser acknowledges that the Company, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the

Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account;

(i) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(j) the purchaser agreed, that on behalf of itself and on behalf of any accounts for which it is acting, that it will not reoffer, resell, pledge or otherwise transfer the Equity Shares, except in an offshore transaction on a recognized Indian stock exchange in compliance with Regulation S, or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act.

PROPOSED ALLOTTEES IN THE ISSUE

In compliance with the requirements of Chapter VI of the SEBI ICDR Regulations, Allotment of Equity Shares pursuant to the Issue shall be made by our Company, in consultation with the Lead Managers, to Eligible QIBs only, on a discretionary basis. The names of the proposed Allottees and the percentage of post-Issue capital that may be held by them is set forth below:

S. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (including existing shareholding) (%)^**
1.	HDFC TRUSTEE COMPANY LIMITED-HDFC FLEXI CAP FUND	1.73
2.	BHARTI AXA LIFE INSURANCE COMPANY LTD	0.03
3.	GOVERNMENT PENSION FUND GLOBAL	1.45
4.	GUIDESTONE FUNDS EMERGING MARKETS EQUITY FUND	Negligible
5.	INDIA ACORN FUND LTD	0.03
6.	OP-INDIA FUND	0.02
7.	ALLIANZ GLOBAL INVESTORS FUND - ALLIANZ INDIA EQUITY	0.03
8.	GHISALLO MASTER FUND LP	0.01
9.	OP-EMERGING MARKETS EQUITY FUND	0.02
10.	THE PUBLIC INSTITUTION FOR SOCIAL SECURITY - INVESTMENT MANAGER GOLDMAN SACHS ASSET MANAGEMENT INTERNATIONAL	0.02
11.	BORDER TO COAST EMERGING MARKETS EQUITY ALPHA FUND	0.01
12.	DENDANA INVESTMENTS (MAURITIUS) LIMITED MANAGED BY ASHOKA WHITE OAK CAPITAL PTE. LTD	Negligible
13.	JM FINANCIAL MUTUAL FUND- JM FOCUSED FUND	0.01
14.	WHITE OAK INDIA EQUITY FUND VI	0.01
15.	JM FINANCIAL MUTUAL FUND - JM MID CAP FUND	0.01
16.	QUANT MUTUAL FUND - QSIF EQUITY LONG SHORT FUND	0.06
17.	QUANT MUTUAL FUND - QSIF EQUITY EX TOP 100 LONG-SHORT FUND	0.04
18.	HSBC MUTUAL FUND - HSBC AGGRESSIVE HYBRID FUND	0.04
19.	HSBC MUTUAL FUND - HSBC SMALL CAP FUND	0.04
20.	HSBC MUTUAL FUND - HSBC MULTI ASSET ALLOCATION FUND	0.01
21.	HSBC MUTUAL FUND - HSBC MIDCAP FUND	0.28
22.	HSBC MUTUAL FUND - HSBC LARGE & MID CAP FUND	0.07
23.	HSBC MUTUAL FUND - HSBC INDIA EXPORT OPPORTUNITIES FUND	0.01
24.	HSBC MUTUAL FUND - HSBC FLEXI CAP FUND	0.04
25.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE AGGRESSIVE HYBRID FUND	0.08
26.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE MULTI ASSET ALLOCATION FUND	0.09
27.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE FLEXI CAP FUND	0.52
28.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE SPECIAL OPPORTUNITIES FUND	0.02
29.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE DIGITAL INDIA FUND	0.20
30.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE ELSS TAX SAVER FUND	0.28
31.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE MNC FUND	0.03
32.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE VALUE FUND	0.05
33.	ADITYA BIRLA SUN LIFE MUTUAL FUND - APEX HYBRID LONG-SHORT FUND	0.02
34.	ADITYA BIRLA SUN LIFE MUTUAL FUND - ADITYA BIRLA SUN LIFE EQUITY SAVINGS FUND	0.01
35.	ADITYA BIRLA SUN LIFE MUTUAL FUND - APEX EQUITY EX-TOP 100 LONG-SHORT FUND	0.02
36.	ADITYA BIRLA SUN LIFE MUTUAL FUND - APEX EQUITY LONG-SHORT FUND	0.01

S. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (including existing shareholding) (%)^**
37.	AXIS MAX LIFE INSURANCE LIMITED A/c - ULIF00125/06/04LIFEGROWTH104 - Growth Fund	0.02
38.	AXIS MAX LIFE INSURANCE LIMITED A/c - ULIF01311/02/08LIFEHIGHGR104 - High Growth Fund	0.12
39.	TATA AIA LIFE INSURANCE CO LTD UNIT LINKED MULTI CAP FUND	0.11
40.	KOTAK FUNDS - INDIA MIDCAP FUND	0.46
41.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK INDIA OPPORTUNITIES FUND	0.15
42.	DSP GLOBAL FUNDS ICAV - DSP INDIA EQUITY FUND	Negligible
43.	AXIS MAX LIFE INSURANCE LIMITED A/C DIVERSIFIED EQUITY FUND (ULIF02201/01/20LIFEDIVEQF104)	0.03
44.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK INDIA LEADERS FUND	Negligible
45.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK EMERGING MARKETS EQUITY FUND	0.05
46.	HDFC MUTUAL FUND - HDFC MNC FUND	0.01
47.	ASHOKA WHITEOAK EMERGING MARKETS TRUST PLC	Negligible
48.	ICICI PRUDENTIAL TECHNOLOGY FUND	0.59
49.	DSP INDIA FUND IFSC	0.02
50.	SOCIAL PROTECTION FUND	0.04
51.	HDFC MUTUAL FUND - HDFC INNOVATION FUND	0.04
52.	ASHOKA WHITEOAK ICAV - ASHOKA WHITEOAK EMERGING MARKETS EQUITY EX CHINA FUND	0.01
53.	DSP LARGE & MID CAP FUND	0.07
54.	DSP MID CAP FUND	0.02
55.	BAJAJ LIFE INSURANCE LIMITED	0.28
56.	MIRAE ASSET LARGE & MIDCAP FUND	0.54
57.	HDFC LIFE INSURANCE COMPANY LIMITED	1.32
58.	MAHINDRA MANULIFE FOCUSED FUND	0.03
59.	GOLDMAN SACHS TRUST-GOLDMAN SACHS EMERGING MARKETS EQUITY FUND	0.06
60.	NPS TRUST- A/C SBI PENSION FUND SCHEME - CENTRAL GOVT	0.04
61.	NPS TRUST- A/C SBI PENSION FUND SCHEME E - TIER I	0.10
62.	NPS TRUST-A/C SBI PENSION FUND SCHEME TAX SAVER-TIER 2	Negligible
63.	NPS TRUST- A/C SBI PENSION FUND SCHEME - STATE GOVT	0.07
64.	NPS TRUST- A/C SBI PENSION FUND SCHEME E - TIER II	Negligible
65.	NPS TRUST- A/C SBI PENSION FUND SCHEME - Atal Pension Yojana (APY)	0.02
66.	NPS TRUST - A/C SBI PENSION FUND SCHEME - CORPORATE CG	0.03
67.	NPS TRUST A/C - SBI PENSION FUNDS PVT. LTD. - NPS LITE SCHEME - GOVT. PATTERN	Negligible
68.	WHITEOAK CAPITAL FLEXI CAP FUND	0.08
69.	WHITEOAK CAPITAL MID CAP FUND	0.12
70.	WHITEOAK CAPITAL ELSS TAX SAVER FUND	0.01
71.	WHITEOAK CAPITAL LARGE CAP FUND	0.02
72.	WHITEOAK CAPITAL BALANCED ADVANTAGE FUND	0.04
73.	MIRAE ASSET FLEXI CAP FUND	0.02
74.	WHITEOAK CAPITAL SPECIAL OPPORTUNITIES FUND	0.02
75.	NPS TRUST- A/C SBI PENSION FUND PVT LTD APY FUND SCHEME	Negligible
76.	WHITEOAK CAPITAL MULTI ASSET ALLOCATION FUND	0.04
77.	MIRAE ASSET MULTICAP FUND	0.11
78.	WHITEOAK CAPITAL MULTI CAP FUND	0.06
79.	GOLDMAN SACHS COLLECTIVE TRUST - EMERGING MARKETS EQUITY EX. CHINA FUND	0.03
80.	GOLDMAN SACHS COLLECTIVE TRUST - EMERGING MARKETS EQUITY FUND	0.01

S. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (including existing shareholding) (%)^**
81.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EQUITY ESG PORTFOLIO	0.02
82.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EQUITY PORTFOLIO	0.08
83.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS EMERGING MARKETS EX-CHINA EQUITY PORTFOLIO	Negligible
84.	GOLDMAN SACHS FUNDS - GOLDMAN SACHS INDIA EQUITY PORTFOLIO	0.53
85.	WHITEOAK CAPITAL BALANCED HYBRID FUND	Negligible
86.	WHITEOAK CAPITAL LARGE AND MID CAP FUND	0.02
87.	IKIGAI EMERGING EQUITY FUND	0.09
88.	WHITEOAK CAPITAL ARBITRAGE FUND	0.04
89.	WHITEOAK CAPITAL QUALITY EQUITY FUND	0.01
90.	GOLDMAN SACHS ETF TRUST - GOLDMAN SACHS INDIA EQUITY ETF	0.02
91.	WHITEOAK CAPITAL EQUITY SAVINGS FUND	Negligible
92.	TCW WHITE OAK EMERGING MARKETS EQUITY FUND	Negligible
93.	NPS TRUST A/C - SBI PF NPS JEEVAN SWARNA RETIREMENT YOJANA-LIFE'S GOLDEN PLAN TIER I	Negligible
94.	NPS TRUST A/C - SBI PF NPS AKSHAY DHARA RETIREMENT YOJANA-HAPPY RETIREMENT PLAN TIER I	Negligible
95.	NPS TRUST A/C - SBI PENSION FUND - NPS VATSALYA SCHEME	Negligible
96.	PLATINUM HYBRID LONG-SHORT FUND SIF	Negligible
97.	WHITEOAK CAPITAL AGGRESSIVE HYBRID FUND	0.01
98.	WHITEOAK CAPITAL DIVIDEND YIELD FUND	0.01
99.	UTI-MID CAP FUND	0.21
100.	UTI MULTI ASSET ALLOCATION FUND	0.07
101.	TATA BALANCED ADVANTAGE FUND	0.03
102.	EDELWEISS TRUSTEESHIP CO LTD AC- EDELWEISS MF AC- EDELWEISS FLEXI CAP FUND	0.05
103.	TATA DIGITAL INDIA FUND	0.46
104.	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED	0.49
105.	KOTAK BALANCED ADVANTAGE FUND	0.08
106.	TATA FLEXI CAP FUND	0.02
107.	KOTAK FOCUSED FUND	0.12
108.	EMPOWER EMERGING MARKETS EQUITY FUND	0.01
109.	TATA INDIA INNOVATION FUND	0.02
110.	GOLDMAN SACHS BANK EUROPE SE - ODI	0.01
111.	ALTIVA HYBRID LONG-SHORT FUND	0.23
112.	KOTAK MAHINDRA TRUSTEE CO LTD A/C KOTAK SERVICES FUND	0.02
113.	KOTAK MAHINDRA TRUSTEE CO LTD A/C INFINITY HYBRID LONG-SHORT FUND	0.25
114.	BNP PARIBAS FINANCIAL MARKETS - ODI	0.12
115.	BAYERNINVEST KAPITALVERWALTUNGSGESELLSCHAFT MBH ON BEHALF OF ERI-BAYERNINVEST-FONDS AKTIEN ASIEN	0.01
116.	ASHOKA INDIA EQUITY INVESTMENT TRUST PLC	0.06
117.	AXIS MAX LIFE INSURANCE LIMITED AC REVERSIONARY BONUS PARTICIPATING EQUITY	0.10
118.	ABU DHABI INVESTMENT AUTHORITY - WAY	0.16
119.	FACTORY MUTUAL INSURANCE COMPANY	0.01
120.	CARNELIAN CAPITAL COMPOUNDER FUND-1 .	0.02
121.	CARNELIAN BHARAT AMRITKAAL FUND .	0.07
122.	SBI LARGE & MIDCAP FUND	0.11
123.	SBI MNC FUND	0.03
124.	SBI MIDCAP FUND	0.11
125.	SBI EQUITY SAVINGS FUND	0.07
126.	SOCIETE GENERALE - ODI	0.07

S. No.	Name of the proposed Allottees*	Percentage of the post-Issue share capital held (including existing shareholding) (%)^**
127.	SBI MULTICAP FUND	0.23
128.	MAGNUM HYBRID LONG SHORT FUND	0.02
129.	SBI BALANCED HYBRID FUND	0.03
130.	MIRAE ASSET ELSS TAX SAVER FUND MIRAATSFD	0.08
131.	MIRAE ASSET MIDCAP FUND MIRAEAMF	0.49

^Based on beneficiary position as on October 23, 2026.

**The post-Issue shareholding pattern (in percentage terms) of the proposed Allottees have been disclosed on the basis of their respective PAN, except in case of Mutual Funds, Insurance Companies, and FPIs (investing through different sub accounts having common PAN across such sub accounts) wherein their respective DP ID and Client ID has been considered.*

***Subject to Allotment in the Issue.*

DECLARATION

Our Company certifies that all relevant provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations have been complied with and no statement made in this Placement Document is contrary to the provisions of Chapter VI and Schedule VII of the SEBI ICDR Regulations and that all approvals and permissions required to carry on our Company's business have been obtained, are currently valid and have been complied with. Our Company further certifies that all the statements in this Placement Document are true and correct.

Signed on behalf of the Board of Directors:

_____

Dr. Anand Suresh Deshpande
Chairman and Managing Director
DIN: 00005721

Place: Pune
Date: October 26, 2026

DECLARATION

We, the Directors of the Company certify that:

(i) the Company has complied with the provisions of the Companies Act, 2013 and the rules made thereunder;

(ii) the compliance with the Companies Act, 2013 and the rules thereunder, does not imply that payment of dividend or interest or repayment of preference shares or debentures, if applicable, is guaranteed by the Central Government; and

(iii) the monies received under the Issue shall be used only for the purposes and objects indicated in this Placement Document (which includes disclosures prescribed under Form PAS-4).

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

Signed by:

_____

Dr. Anand Suresh Deshpande
Chairman and Managing Director
DIN: 00005721

Place: Pune
Date: October 26, 2026

I am authorized by the Special Committee, *vide* resolution dated October 26, 2026 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and the Articles of Association.

It is further declared and verified that all the required attachments have been completely, correctly and legibly attached to this form.

Signed by:

_____

Dr. Anand Suresh Deshpande
Chairman and Managing Director
DIN: 00005721

Place: Pune
Date: October 26, 2026

PERSISTENT SYSTEMS LIMITED

Registered and Corporate Office
Bhageerath, 402, Senapati Bapat Road
Pune – 411 016
Maharashtra, India

Telephone: +91 20 6703 3000
Email: investors@persistent.com | **Website**: www.persistent.com
CIN: L72300PN1990PLC056696

Contact Person:
Amit Atre
Designation: Company Secretary and Compliance Officer
Telephone: +91 20 6703 3000
Address: Bhageerath, 402, Senapati Bapat Road
Pune – 411 016
Maharashtra, India

LEAD MANAGERS

J.P. Morgan India Private Limited
J.P. Morgan Tower, Off C.S.T Road, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India

IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*)
24th Floor, One Lodha Place, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013, Maharashtra, India

HSBC Securities and Capital Markets (India) Private Limited
52/60 Mahatma Gandhi Road, Fort, Mumbai – 400 001, Maharashtra, India

STATUTORY AUDITORS TO OUR COMPANY

B S R & Co. LLP, Chartered Accountants
8th Floor, Unit 802
Godrej Koregaon Park, North Main Road
Mundhwa Pune – 411 001
Maharashtra, India

LEGAL COUNSEL TO OUR COMPANY

As to Indian law

Khaitan & Co
6th, 7th & 8th Floors
Max Towers, Sector 16B, Noida,
Gautam Budh Nagar Noida – 201
301 Uttar Pradesh, India

Khaitan & Co
One World Centre, 10th, 13th and
14th Floors, Tower 1C
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Maharashtra, India

As to International law

Latham & Watkins LLP
9 Raffles Place
#42-02 Republic Plaza
Singapore 048619

LEGAL COUNSEL TO THE LEAD MANAGERS

As to Indian law

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As to International law

Linklaters Singapore Pte. Ltd
2 Central Boulevard
#28-01 West Tower, IOI Central
Boulevard Towers
Singapore 018916

SAMPLE APPLICATION FORM

An indicative format of the Application Form is set forth below:

PERSISTENT SYSTEMS LIMITED	**APPLICATION FORM** **Name of the Bidder:** **Form No.:**
(Incorporated in the Republic of India under the provisions of the Companies Act, 1956) **Registered and Corporate Office**: Bhageerath, 402, Senapati Bapat Road, Pune – 411 016, Maharashtra, India; **CIN**: L72300PN1990PLC056696; **Website**: www.persistent.com; **Tel**: +91 20 6703 3000; **Email**: investors@persistent.com**; Company LEI Number**: **3358006QYD77Z66S1J89; ISIN: INE262H01021**	**Date: October _____, 2026**

QUALIFIED INSTITUTIONS PLACEMENT OF [•] EQUITY SHARES OF FACE VALUE OF ₹5.00 EACH (THE "EQUITY SHARES") FOR CASH, AT A PRICE OF ₹[•] PER EQUITY SHARE (THE "ISSUE PRICE"), INCLUDING A PREMIUM OF ₹[•] PER EQUITY SHARE, AGGREGATING TO ₹[•] MILLION IN RELIANCE UPON SECTIONS 42 AND 62 OF THE COMPANIES ACT, 2013 AND THE RULES MADE THERUNDER, EACH AS AMENDED, (THE "COMPANIES ACT"), AND CHAPTER VI OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED (THE "SEBI ICDR REGULATIONS") BY PERSISTENT SYSTEMS LIMITED (THE "ISSUER" OR THE "COMPANY", AND SUCH ISSUE OF EQUITY SHARES, THE "ISSUE"). THE APPLICABLE FLOOR PRICE OF THE EQUITY SHARES IS ₹5,761.00 PER EQUITY SHARE AND OUR COMPANY MAY OFFER A DISCOUNT OF UPTO 5% OR SUCH PERCENTAGE AS PERMITTED UNDER THE SEBI ICDR REGULATIONS ON THE FLOOR PRICE.

Only Qualified Institutional Buyers ("QIBs") as defined in Regulation 2(1)(ss) of the SEBI ICDR Regulations and which: (a) are not excluded pursuant to Regulation 179(2)(b) of the SEBI ICDR Regulations; (b) hold a valid and existing registration under the applicable laws in India (as applicable); (c) are not prohibited or debarred by any regulatory authority from buying or selling or dealing in securities or restricted from participating in the Issue under SEBI ICDR Regulations and other applicable laws ("Eligible QIBs"); are eligible to submit this Application Form. In addition to the above, with respect to the Issue, Eligible QIBs shall consist of (i) QIBs which are resident in India; and (ii) Foreign portfolio investors participating through Schedule II of the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended ("FEMA Rules"), the SEBI FPI Regulations and any other applicable law (other than individuals, corporate bodies and family offices), that are eligible to participate in the Issue ("Eligible FPIs"). However, except as provided in (ii) above, other non-resident QIBs, in terms of the FEMA Rules, are not permitted to participate in the Issue. Further, in terms of the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended, foreign venture capital investors ("FVCIs") are not permitted to participate in the Issue. The Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any applicable U.S. state securities laws. The Equity Shares offered in the Issue are being offered and sold only outside the United States in "offshore transactions", as defined in, and in reliance on, Regulation S under the U.S. Securities Act ("Regulation S") and in accordance with the applicable laws of the jurisdictions where those offers and sales are made. For the selling restrictions in certain other jurisdictions, see "*Selling Restrictions*" on page 865. The Equity Shares sold in the Issue are transferable only in accordance with the restrictions described in the sections "Selling Restrictions" and "*Purchaser Representations and Transfer Restrictions*" on pages 865 and 872, respectively of the preliminary placement document dated October 21, 2026 (the "PPD").

ONLY ELIGIBLE QIBs ARE PERMITTED TO PARTICIPATE IN THE ISSUE. ELIGIBLE FPIs ARE PERMITTED TO PARTICIPATE THROUGH THE PORTFOLIO INVESTMENT SCHEME UNDER SCHEDULE II OF THE FEMA RULES READ WITH THE RESTRICTION SPECIFIED IN THE "ISSUE PROCEDURE" SECTION OF THE PRELIMINARY PLACEMENT DOCUMENT, IN THE ISSUE, SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS, AND SUCH THAT THE SHAREHOLDING OF ELIGIBLE FPIs IN THE COMPANY DOES NOT EXCEED SPECIFIED LIMITS AS PRESCRIBED UNDER APPLICABLE LAWS AND THE PRELIMINARY PLACEMENT DOCUMENT IN THIS REGARD. PURSUANT TO PRESS NOTE NO. 3 (2020 SERIES) DATED APRIL 17, 2020, AS AMENDED BY PRESS NOTE NO. 2 (2026 SERIES) DATED MARCH 15, 2026, ISSUED BY THE DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE, GOVERNMENT OF INDIA, READ WITH RULE 6 OF THE FEMA RULES, INVESTMENTS BY AN ENTITY OR A CITIZEN OF A COUNTRY WHICH SHARES LAND BORDER WITH INDIA OR WHERE THE BENEFICIAL OWNER OF SUCH INVESTMENT IS A CITIZEN OF ANY SUCH COUNTRY, MAY ONLY BE MADE THROUGH THE GOVERNMENT APPROVAL ROUTE, AS PRESCRIBED IN THE FEMA RULES AND SHALL HAVE TO BE IN CONFORMITY WITH THE APPLICABLE PROVISIONS OF THE FEMA RULES. ALLOTMENTS MADE TO AIFs AND VCFs IN THE ISSUE SHALL REMAIN SUBJECT TO THE RULES AND REGULATIONS APPLICABLE TO EACH OF THEM RESPECTIVELY. AIFs AND VCFs WHOSE SPONSOR AND MANAGER ARE NOT INDIAN OWNED AND CONTROLLED IN TERMS OF THE FEMA RULES, OR FVCIs, FOREIGN MULTILATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS AND ANY OTHER NON-RESIDENT INVESTORS ARE NOT PERMITTED TO PARTICIPATE IN THE ISSUE.

To,
The Board of Directors
Persistent Systems Limited
Bhageerath, 402
Senapati Bapat Road
Pune – 411 016
Maharashtra, India

Dear Sir/Madam,

On the basis of the serially numbered PPD of the Company and subject to the terms and conditions contained in the other sections of the PPD, and in this Application Form, we hereby submit our Bid for the Allotment of the Equity Shares in the Issue on the terms and price indicated below. We confirm that we are an Eligible QIB in terms of Regulation 2(1)(ss) of the SEBI ICDR Regulations and are not: (a) excluded from making an application in the Issue pursuant to Regulation 179(2)(b) of the SEBI

STATUS (Please ✓)			
FI	Scheduled Commercial Banks and Public Financial Institutions	**IC**	Insurance Companies
MF	Mutual Funds	**VCF**	Venture Capital Funds**
NIF	National Investment Fund	**FPI**	Eligible Foreign Portfolio Investor*
IF	Insurance Funds	**AIF**	Alternative Investment Fund **
SI-NBFC	Systemically Important Non-Banking Financial Companies	**PEN**	Pension Funds
PF	Provident Funds	**OTH**	Others _____ (Please specify)

Total shares currently held by QIB or QIBs belonging to the same group or those who are under common control. For details of what constitutes "same group" or "common control", see "Application Form" under Issue Procedure section of the PPD

ICDR Regulations, (b) hold a valid and existing registration under the applicable laws in India (as applicable) and (c) restricted from participating

[*] Foreign portfolio investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended, other than individuals, corporate bodies and family offices who are not allowed to participate in the Issue.
[**] Sponsor and Manager should be Indian owned and controlled

in the Issue under the SEBI ICDR Regulations and other applicable laws, including foreign exchange related laws and that we are not a promoter of the Company, or any person related to the Promoters of the Company, directly or indirectly, as defined in the SEBI ICDR Regulations and the Bid does not directly or indirectly represent the Promoters or Promoter Group or persons related to the Promoters. Further, we confirm that we do not have any right under a shareholders' agreement or voting agreement entered into with the Promoters or Promoter Group, veto rights or right to appoint any nominee director on the Board of directors of the Issuer. We confirm that we are either a QIB which is resident in India, or an Eligible FPI.

We confirm that we are not an FVCI. We confirm that the bid size / aggregate number of the Equity Shares applied for by us, and which may be Allocated to us thereon will not exceed the relevant regulatory or approved limits and further confirm that our Bid does not result in triggering an open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended ("**Takeover Regulations**"). We further understand and agree that (i) our names, address, contact details, PAN number and bank account details will be recorded by the Company in the format prescribed in terms of the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended ("**PAS Rules**"); (ii) in the event that any Equity Shares are Allocated to us in the Issue, our names (as proposed Allottees) and the percentage of our post-Issue shareholding in the Company will be disclosed in the Placement Document pursuant to the requirements under Form PAS-4 of the PAS Rules; and (iii) in the event that Equity Shares are Allotted to us in the Issue, the Company will place our name in the register of members of the Company as a holder of such Equity Shares that may be Allotted to us and in the Form PAS-3 filed by the Company with the Registrar of Companies, Maharashtra at Pune (the "**RoC**") as required in terms of the PAS Rules. Further, we are aware and agree that if we, together with any other Eligible QIBs belonging to the same group or under common control, are Allotted more than 5% of the Equity Shares in the Issue, the Company will disclose our name, along with the name of such other Allottees and the number of Equity Shares Allotted to us and to such other Allottees, on the website of National Stock Exchange of India Limited and BSE Limited (together referred to as the "**Stock Exchanges**"), and we consent to such disclosure. In addition, we confirm that we are eligible to invest in Equity Shares under the SEBI ICDR Regulations, Reserve Bank of India circulars and other applicable laws. We specifically confirm that our Bid for the Allotment of the Equity Shares is not in violation to the amendment made to Rule 6(a) of the FEMA Rules by the Central Government on April 22, 2020.

We confirm, that we have a valid and existing registration under applicable laws and regulations of India, and undertake to acquire, hold, manage or dispose of any Equity Shares that are Allotted to us in accordance with Chapter VI of the SEBI ICDR Regulations and undertake to comply with the SEBI ICDR Regulations, and all other applicable laws, including any reporting obligations and the terms and conditions mentioned in the Preliminary Placement Document and this Application Form. We confirm that, in relation to our application, each foreign portfolio investor ("**FPI**") as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended (other than individuals, corporate bodies and family offices), and including persons who have been registered under these regulations (such FPIs, "**Eligible FPIs**"), has submitted separate Application Forms and asset management companies or custodians of mutual funds have specified the details of each scheme for which the application is being made along with the price and number of Equity Shares Bid for under each such scheme. We undertake that we will sign and/or submit all such documents, provide such documents and do all such acts, if any, necessary on our part to enable us to be registered as the holder(s) of the Equity Shares that may be Allotted to us. We confirm that the signatory is authorized to apply on behalf of the Bidder and the Bidder has all the necessary approvals for applying in the Issue. We note that the Board of Directors of the Company, or any duly authorized committee thereof, is entitled, in consultation with J.P. Morgan India Private Limited, IIFL Capital Services Limited (*formerly known as IIFL Securities Limited*) and HSBC Securities and Capital Markets (India) Private Limited (the "**LMs"**), in their sole discretion, to accept or reject this Application Form without assigning any reason thereof. We hereby agree to accept the Equity Shares that may be Allocated to us pursuant to the Confirmation of Allocation Note ("**CAN**") and request you to credit the same to our beneficiary account as per the details given below, subject to receipt of this Application Form and Bid Amount towards the Equity Shares that may be Allocated to us. The Bid Amount payable by us for the Equity Shares applied for in the Issue has been/will be remitted to the designated bank account set out in this Application Form only through electronic mode, along with this duly completed Application Form prior to or on the Issue Closing Date and such Bid Amount has been/will be transferred from a bank account maintained in our name. We acknowledge and agree that we shall not make any payment in cash, demand draft or cheque. We are aware that Allocation and Allotment in the Issue shall be at the sole discretion of the Company, in consultation with the LMs; and in the event that (i) Equity Shares that we have applied for are not Allotted to us in full or at all, and/or (ii) the Bid Amount is in excess of the amount equivalent to the product of the Equity Shares that will be Allocated to us and the Issue Price, or (iii) the Company is unable to issue and Allot the Equity Shares offered in the Issue or (iv) if we withdraw the Bid before Issue Closing Date, or (v) if there is a cancellation of the Issue, the Bid Amount or a portion thereof, as applicable, will be refunded to the same bank account from which the Bid Amount has been paid by us. Further, we agree to comply with the rules and regulations that are applicable to us, including in relation to the lock-in and transferability requirements. In this regard, we authorize the Company to issue instructions to the depositories for such lock-in and transferability requirements, as may be applicable to us.

By signing and/or submitting this Application Form, we hereby confirm and agree that (i) the representation, warranties, acknowledgments and agreements as set forth in the sections of the PPD titled "*Notice to Investors*", "*Representations by Investors*", "*Issue Procedure*", "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" and (ii) the terms, conditions and agreements mentioned herein are true and correct and acknowledge and agree that these representations and warranties are given by us for the benefit of the Company and the LMs, each of which are entitled to rely on and are relying on these representations and warranties in consummating the Issue.

By signing and/or submitting this Application Form, we hereby further represent, warrant, acknowledge and agree as follows: (1) we have been provided a serially numbered copy of the PPD and the Application Form and have read it in its entirety including in particular, the '*Risk Factors*' therein and we have relied only on the information contained in the PPD and not on any other information obtained by us either from the Company, the LMs or from any other source, including publicly available information; (2) we will abide by the PPD and the Placement Document (when provided), this Application Form, the CAN, when issued, and the terms, conditions and agreements contained therein; (3) that if Equity Shares are Allotted to us pursuant to the Issue, we shall not sell such Equity Shares, otherwise than on the floor of a recognised stock exchange in India for a period of one year from the date of Allotment; (4) we will not have the right to withdraw our Bid or revise our Bid downwards after the Issue Closing Date; (5) we will not trade in the Equity Shares credited to our beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Equity Shares are issued by the Stock Exchanges; (6) Equity Shares shall be Allocated and Allotted at the sole and absolute discretion of the Company in consultation with the LMs and the submission of this Application Form and payment of the corresponding Bid Amount by us does not guarantee any Allocation or Allotment of Equity Shares to us in full or in part; (7) in terms of the requirements of the Companies Act, upon Allocation, the Company will be required to disclose our names and the percentage of our post-Issue shareholding of the proposed Allottees in the Placement Document; however, disclosure of such details in relation to us in the Placement Document will not guarantee Allotment to us, as Allotment in the Issue shall continue to be at the sole discretion of the Company, in consultation with the LMs; (8) the number of Equity Shares Allotted to us pursuant to the Issue, together with other Allottees that belong to the same group or are under common control as us, shall not exceed 50% of the Issue. For the purposes of this representation and warranty: The expression 'belong to the same group' shall derive meaning from Regulation 180(2) of the SEBI ICDR Regulations i.e. entities where (i) any of them controls, directly or indirectly, through its subsidiary or holding company, not less than 15% of the voting rights in the other; (ii) any of them, directly or indirectly, by itself, or in combination with other persons, exercise control over the others; or (iii) there is a common director, excluding nominee and independent directors, amongst the Eligible QIBs, its subsidiary or holding company and any other Eligible QIB; and 'control' shall have the same meaning as is assigned to it under Regulation 2(1)(e) of the Takeover Regulations; (9) We agree to accept the Equity Shares applied for, or such lesser number of Equity Shares as may be Allocated to us, subject to the provisions of the memorandum of association and articles of association of the Company, applicable laws and regulations, the terms of the PPD and the Placement Document, this Application Form, the CAN upon its issuance and the terms, conditions and agreements mentioned therein and request you to credit the same to our beneficiary account with the Depository Participant as per the details given below.

We acknowledge that the Equity Shares offered in the Issue have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. **By signing this Application Form and checking the applicable box above, we hereby represent, warrant, acknowledge and agree that we are located outside the United States and purchasing the Equity Shares in an "offshore transaction" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made.**

We confirm that we have read and agree with the representations, warranties and agreements contained in "*Selling Restrictions*" and "*Purchaser Representations and Transfer Restrictions*" of the PPD.

By signing and/or submitting this Application Form, we further represent, warrant and agree that we have such knowledge and experience in financial and business matters that we are capable of evaluating the merits and risks of the prospective investment in the Equity Shares and we understand the risks involved in making an investment in the Equity Shares. No action has been taken by us or any of our affiliates or representatives to permit a public offering of the Equity Shares in any jurisdiction. We satisfy any and all relevant suitability standards for investors in Equity Shares, have the ability to bear the economic risk of our investment in the Equity Shares, have adequate means of providing for our current and contingent needs, have no need for liquidity with respect to our investment in Equity Shares and are able to sustain a complete loss of our investment in the Equity Shares. We acknowledge that once a duly filled Application Form, whether signed or not is submitted by an Eligible QIB, and the Bid Amount has been transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and cannot be withdrawn or revised downwards after the Issue Closing Date. In case Bids are being made on behalf of the Eligible QIB and this Application Form is unsigned, we confirm that we are authorized to submit this Application Form and provide necessary instructions for transfer of the Bid Amount to the Escrow Account, on behalf of such Eligible QIB.

BIDDER DETAILS (In Block Letters)			
NAME OF BIDDER*			
NATIONALITY			
REGISTERED ADDRESS			
CITY AND CODE			
COUNTRY			
PHONE NO.		**FAX NO.**	
EMAIL ID		**MOBILE NO.**	
FOR FPIs**	SEBI FPI REGISTRATION NO. _____		
FOR MF	SEBI MF REGISTRATION NO. _____		
FOR AIFs***	SEBI AIF REGISTRATION NO. _____		
FOR VCFs***	SEBI VCF REGISTRATION NO. _____		
FOR SI-NBFC	RBI REGISTRATION DETAILS _____		
FOR INSURANCE COMPANIES	IRDAI REGISTRATION DETAILS _____		
FOR PENSION FUNDS	PFRDA REGISTRATION DETAILS _____		

**Name should exactly match with the name in which the beneficiary account is held. Bid Amount payable on Equity Shares applied for by joint holders shall be paid from the bank account of the person whose name appears first in the application. Mutual Fund bidders are required to provide details of the bids made by each scheme of the Mutual Fund. Further, any discrepancy in the name as mentioned in this Application Form with the depository records would render the application invalid and liable to be rejected at the sole discretion of the Issuer and the LMs.*

*** In case you are an FPI holding a valid certificate of registration and eligible to invest in the Issue, please mention your SEBI FPI Registration Number. Each Eligible FPI is required to fill a separate Application Form.*

**** Allotments made to AIFs and VCFs in the Issue are subject to the rules and regulations that are applicable to each of them respectively, including in relation to lock-in requirement. AIFs and VCFs should independently consult their own counsel and advisors as to investment in and related matters concerning the Issue.*

We are aware that the number of Equity Shares in the Company held by us, together with the number of Equity Shares, if any, Allotted to us in the Issue will be aggregated to disclose our percentage of post-Issue shareholding in the Company in the Placement Document in line with the requirements under the form PAS-4 of the PAS Rules, as amended. For such information, the LMs have relied on the information provided by the Registrar for obtaining details of our shareholding and we consent and authorize such disclosure in the Placement Document.

DEPOSITORY ACCOUNT DETAILS																																	
Depository Name	National Securities Depository Limited										Central Depository Services (India) Limited																						
Depository Participant Name																																	
DP – ID	I	N																															
Beneficiary Account Number											(16-digit beneficiary A/c. No. to be mentioned above)																						

The demographic details like address, bank account details etc., will be obtained from the Depositories as per the beneficiary account given above. **However, for the purposes of refund, if any, only the bank details as mentioned below, from which Bid Amount has been remitted for the Equity Shares applied for in the issue will be considered.**

PAYMENT DETAILS
REMITTANCE BY WAY OF ELECTRONIC FUND TRANSFER
By 2:00 p.m. (IST), October [●], 2026

BANK ACCOUNT DETAILS FOR PAYMENT OF BID AMOUNT THROUGH ELECTRONIC FUND TRANSFER			
Name of the Account	Persistent Systems Limited – QIP Escrow Account	**Account Type**	Current Account
Name of Bank	Kotak Mahindra Bank Limited	**Address of the Branch of the Bank**	Kotak Mahindra Bank, Mittal Court, Nariman Point, Mumbai
Account No.	2054360321	**IFSC**	KKBK0000958
Company LEI Number	3358006QYD77Z66S1J89		

The Bid Amount should be transferred pursuant to the Application Form within the Issue Period. Payment of the entire Bid Amount must be made along with the Application Form, only by way of electronic fund transfers in favour of "**Persistent Systems Limited – QIP Escrow Account**", on or before the closure of the Issue Period i.e. within the Issue Closing Date. The payment for subscription to the Equity Shares to be allotted in the Issue shall be made only from the bank account of the person subscribing to the Equity Shares and in case of joint holders, from the bank account of the person whose name appears first in the Application Form. You are responsible for the accuracy of the bank details mentioned below. You are aware that the successful proceeding of refunds, if any, shall be dependent on the accuracy of the bank details provided by you. The Company and the LMs shall not be liable in any manner for refunds that are not processed due to incorrect bank details.

RUPEE BANK ACCOUNT DETAILS (FOR REMITTANCE)			
Bank Account Number		IFSC Code	
Bank Name		Bank Branch Address	

NO. OF EQUITY SHARES BID FOR		**PRICE PER EQUITY SHARE (RUPEES)**	
(In **Figures**)	(In **Words**)	(In **Figures**)	(In **Words**)
TOTAL BID AMOUNT (RUPEES)			
(In Figures)		(In Words)	

DETAILS OF CONTACT PERSON

Name:			
Address:			
Tel. No:		**Fax No:**	
Email:		**Mobile No.**	

OTHER DETAILS	
PAN*	
Legal Entity Identifier Code	
Date of Application	
Signature of Authorized Signatory	

ENCLOSURES ATTACHED (attached/certified true copy of the following)

- ☐ Copy of the PAN Card or PAN Allotment letter*
- ☐ FIRC
- ☐ Copy of the SEBI registration certificate as Eligible FPI
- ☐ Copy of the SEBI registration certificate as an AIF
- ☐ Copy of the SEBI registration certificate as a VCF
- ☐ Copy of the SEBI registration certificate as a Mutual Fund
- ☐ Copy of notification as a public financial institution
- ☐ Intimation of being part of the same group
- ☐ Copy of the IRDAI registration certificate
- ☐ Certified true copy of power of attorney
- ☐ Certified copy of the certificate of registration issued by the RBI as an SI-NBFC/ a scheduled commercial bank/public financial institution
- ☐ Copy of the PFRDA registration certificate
- ☐ Others, please specify_____

**Please note that the Bidder should not submit the GIR number or any other identification number instead of the PAN, unless the Bidder is exempted from requirement of obtaining a PAN under the Income-tax Act, 2025 (or the Income-tax Act, 1961, as applicable), as the application is liable to be rejected on this ground.*

Note 1: Capitalized terms used but not defined herein shall have the same meaning as ascribed to them in the PPD and Placement Document, unless specifically defined herein.

Note 2: The Application Form is liable to be rejected if any information provided is incomplete or inadequate, at the discretion of the Company in consultation with the LMs.

Note 3: The duly filled Application Form along with all enclosures shall be submitted to the LMs either through electronic form at the email mentioned in the PPD or through physical delivery at the address mentioned in the PPD.

The Application Form, the PPD sent to you and the Placement Document which will be sent to you, either in physical form or in electronic form or both, are specific to you and you may not distribute or forward the same and are subject to disclaimers and restrictions contained in or accompanying these documents.

(Note: The format of the Application Form included herein above is indicative and for the illustrative purposes only and no Bids in this Issue can be made through the sample Application Form. The Company, in consultation with the LMs, shall identify Eligible QIBs and circulate serially numbered copies of the Preliminary Placement Document and the Application Form, specifically addressed to such Eligible QIBs. Any application to be made in the Issue should be made only upon receipt of serially numbered copies of the Preliminary Placement Document and the Application Form and not on the basis of the indicative format above.)