NSE & BSE / 2023-24 / 209

January 20, 2024

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

Ref: Symbol: PERSISTENT

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

Ref: Scrip Code: 533179

Dear Sir/Madam,

Sub: Audited Financial Statements for the quarter and nine months ended December 31, 2023

We wish to inform you that the Board of Directors at its meeting held on January 20, 2024, has approved the Audited Financial Statements for the quarter and nine months ended December 31, 2023.

Accordingly, please find enclosed the following documents:

1. Audited Consolidated Financial Statements for the quarter and nine months ended December 31, 2023;

2. Audited Standalone Financial Statements the quarter and nine months ended December 31, 2023.

Please acknowledge the receipt.

Thanking you,

Yours Sincerely,

For **Persistent Systems Limited**

Amit Murari Atre
Digitally signed by Amit Murari Atre
Date: 2024.01.20 17:17:23 +05'30'

Amit Atre
Company Secretary
ICSI Membership No.: A20507

Encl: As above

Walker Chandiok & Co LLP
3rd floor, Unit No. 310 to 312,
West Wing, Nyati Unitree
Nagar Road, Yerwada,
Pune - 411 006
Maharashtra, India

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To the Members of Persistent Systems Limited

Independent Auditor's Report on the Audit of the Condensed Interim Consolidated Financial Statements for the quarter and nine months ended 31 December 2023

Opinion

1. We have audited the accompanying condensed interim 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 1, which comprise the Condensed Consolidated Balance Sheet as at 31 December 2023, the Condensed Interim Consolidated Statement of Profit and Loss (including Other Comprehensive Income) for the quarter and nine months ended on that date, the Condensed Consolidated Statement of Cash Flows and the Condensed Consolidated Statement of Changes in Equity for the nine months ended on that date 31 December 2023, and a summary of the material accounting policies 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 condensed interim financial statements of the subsidiaries and controlled trust, the aforesaid condensed interim 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 accordance with Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other generally accepted accounting principles in India, of the consolidated state of affairs of the Group and as at 31 December 2023, and its consolidated profit (including other comprehensive income) for the quarter and nine months then ended, its consolidated cash flows and the consolidated changes in equity for the nine months ended 31 December 2023.

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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the condensed interim 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters section below is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Condensed Interim Consolidated Financial Statements

4. The accompanying condensed interim consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors is responsible for the matters

stated in Section 134(5) of the Act with respect to the preparation and presentation of these condensed interim consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with Ind AS 34 specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other generally accepted accounting principles in India. 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, which have been used for the purpose of preparation of the condensed interim consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

5. In preparing the condensed interim 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 to cease operations, or has no realistic alternative but to do so.

6. 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 Condensed Interim Consolidated Financial Statements

7. 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 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 condensed interim consolidated financial statements.

8. 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 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, but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls with reference to financial statements 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 management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern.

If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities 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 the 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 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. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Other Matter

10. We did not audit the condensed interim financial statements of twenty nine subsidiaries and one controlled trust, whose condensed interim financial statements (before eliminating intercompany balances/transactions) reflect total assets of ₹ 12,128.32 million and net assets of ₹ 2,339.24 million as at 31 December 2023, total revenues of ₹ 2,092.26 million and ₹ 5,810.72 million for quarter and nine months ended on that date and cash outflows (net) amounting to ₹ 141.42 million for the nine months ended 31 December 2023, as considered in the condensed interim consolidated financial statements whose financial statements have not been audited by us. These 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 above 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 by and 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: 2024.01.20 16:29:19 +05'30'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 24101797BKCOYV4181

Place: Pune
Date: 20 January 2024

Annexure 1

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)	Wholly owned subsidiary of AGL
10	Youperience GmbH (YGmbH) (Dissolved w.e.f. 21 August 2023)	Wholly owned subsidiary of PSGG
11	Youperience Limited (Dissolved w.e.f. 27 June 2023)	Wholly owned subsidiary of YGmbH
12	Persistent Systems Lanka (Private) Limited	Wholly owned subsidiary of AGL
13	Persistent Systems Mexico, S.A. de C.V.	Wholly owned subsidiary of PSI
14	Persistent Systems Israel Ltd.	Wholly owned subsidiary of PSI
15	Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	Wholly owned subsidiary of PSGG
16	PARX Consulting GmbH (Dissolved w.e.f. 25 August 2023)	Wholly owned subsidiary of Persistent Systems Switzerland AG
17	CAPIOT Software Private Limited	Wholly owned subsidiary of PSL
18	CAPIOT Software Inc. (CAPIOT US) (Dissolved w.e.f. 29 December 2023)	Wholly owned subsidiary of PSI
19	Persistent Systems Australia Pty Ltd (Formerly known as CAPIOT Software Pty Ltd)	Wholly owned subsidiary of CAPIOT US
20	CAPIOT Software Pte Limited (Dissolved w.e.f. 06 April 2023)	Wholly owned subsidiary of CAPIOT US
21	Persistent Systems S.R.L. Romania (Formed w.e.f. June 17 2022)	Wholly owned subsidiary of PSI
22	Software Corporation International	Wholly owned subsidiary of PSI
23	SCI Fusion360 LLC (Dissolved w.e.f. 31 May 2023)	Wholly owned subsidiary of PSI
24	Persistent Systems Costa Rica Limitada (Formerly known as "Data Glove IT Solutions Limitada")	Wholly owned subsidiary of PSGG
25	Persistent Systems S.R.L. Romania (Formed w.e.f. June 17,2022)	Wholly owned subsidiary of PSGG
26	MediaAgility Inc.(MAI) (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of Persistent Systems Inc.

Sr. No.	Name of entity	Relationship
27	MediaAgility Pte. Ltd. (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
28	MediaAgility UK Ltd. (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
29	Digitalagility S de RL de CV (Acquired w.e.f. May 4,2022)	Wholly owned subsidiary of MAI
30	MediaAgility India Private Limited (Acquired w.e.f. April 29,2022)	Wholly owned subsidiary of PSL
31	PSPL ESOP Management Trust (Controlled w.e.f. April 1,2022)	Controlled ESOP Trust
32	Persistent Systems Poland spolkaz.o.o (Formed w.e.f. April 05,2023)	Wholly owned subsidiary of PSI

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2023

	Notes	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
ASSETS				
Non-current assets				
Property, plant and equipment	5.1	4,489.40	3,246.88	4,859.95
Capital work-in-progress		410.80	1,254.59	161.38
Right of use assets	5.2	2,349.82	2,328.58	2,198.21
Goodwill	5.3	10,888.77	7,230.28	7,183.71
Other Intangible assets	5.4	4,822.95	8,886.00	9,171.42
		22,961.74	**22,946.33**	**23,574.67**
Financial assets				
- Trade receivables	12	703.49	896.91	709.45
- Investments	6	4,495.84	4,679.07	4,516.00
- Loans	7	-	-	-
- Other non-current financial assets	8	558.92	932.45	919.60
Deferred tax assets (net)	9	1,389.50	1,111.83	1,129.29
Other non-current assets	10	957.77	954.89	959.29
		31,067.26	**31,521.48**	**31,808.30**
Current assets				
Financial assets				
- Investments	11	6,246.20	2,081.17	1,879.66
- Trade receivables (net)	12	16,522.49	15,391.87	15,253.22
- Cash and cash equivalents	13	4,190.23	4,879.46	4,670.12
- Bank balances other than cash and cash equivalents	14	3,384.98	4,550.94	4,362.68
- Other current financial assets	16	6,223.12	4,283.94	4,882.17
Current tax assets (net)		363.34	355.00	451.71
Other current assets	17	4,140.79	3,109.07	3,418.26
		41,071.15	**34,651.45**	**34,917.82**
TOTAL		**72,138.41**	**66,172.93**	**66,726.12**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	18	769.25	764.25	764.25
Other equity		47,561.95	37,594.33	38,886.53
		48,331.20	**38,358.58**	**39,650.78**
LIABILITIES				
Non- current liabilities				
Financial liabilities				
- Borrowings	19	487.19	2,633.11	2,057.59
- Lease liabilities	20	1,689.67	1,730.61	1,592.20
- Other financial liabilities	23	-	2,910.94	2,888.92
Other non-current liabilities	24	28.16	37.54	34.83
Provisions	21	532.97	372.09	373.03
		2,737.99	**7,684.29**	**6,946.57**
Current liabilities				
Financial liabilities				
-Borrowings	19	2,130.85	2,243.06	2,227.51
- Lease liabilities	20	769.54	672.94	676.39
- Trade payables	22			
- Total outstanding dues of micro and small enterprises		27.08	14.68	34.04
- Total outstanding dues of creditors other than micro and small enterprises		7,017.70	6,211.20	5,655.04
- Other financial liabilities	23	4,536.83	3,878.08	3,944.70
Other current liabilities	24	2,650.84	2,783.49	2,647.71
Provisions	25	3,165.86	4,059.54	4,649.24
Current tax liabilities (net)		770.52	267.07	294.14
		21,069.22	**20,130.06**	**20,128.77**
TOTAL		**72,138.41**	**66,172.93**	**66,726.12**
Summary of material accounting policies	4			

The accompanying notes are an integral part of the condensed interim 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: 2024.01.20 16:29:40 +05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797

Place : Pune
Date : January 20, 2024

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

Anand Deshpande (Jan 20, 2024 13:30 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 14:39 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.01.20 15:44:25 +05'30'

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:13 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Place : Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:31 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507

Place : Pune
Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

	Notes	For the quarter ended		For the nine months ended		For the year ended
		December 31, 2023 In ₹ Million	December 31, 2022 In ₹ Million	December 31, 2023 In ₹ Million	December 31, 2022 In ₹ Million	March 31, 2023 In ₹ Million
Income						
Revenue from operations (net)	26	24,982.16	21,693.68	72,310.61	60,961.20	83,505.92
Other income	27	383.10	327.57	972.37	617.90	706.17
Total income (A)		**25,365.26**	**22,021.25**	**73,282.98**	**61,579.10**	**84,212.09**
Expenses						
Employee benefits expense	28.1	15,035.70	12,754.19	44,319.64	36,232.08	49,695.65
Cost of professionals	28.2	3,059.90	2,861.93	7,847.19	8,102.75	10,426.01
Finance costs (refer note 38)		121.12	135.18	369.92	325.09	473.40
Depreciation and amortisation expense	5.5	787.31	683.51	2,294.56	2,021.70	2,718.95
Other expenses	29	2,468.22	2,062.01	7,930.53	5,598.26	8,193.01
Total expenses (B)		**21,472.25**	**18,496.82**	**62,761.84**	**52,279.88**	**71,507.02**
Profit before exceptional item and tax (A - B)		**3,893.01**	**3,524.43**	**10,521.14**	**9,299.22**	**12,705.07**
Exceptional item						
Provision for export incentives (refer note 42)		-	296.55	-	296.55	296.55
Profit before tax		**3,893.01**	**3,227.88**	**10,521.14**	**9,002.67**	**12,408.52**
Tax expense						
Current tax		1,022.81	701.14	2,915.13	2,121.87	3,115.31
Tax (credit) / charge in respect of earlier period / year		86.95	4.57	79.92	11.88	(3.54)
Deferred tax (credit) / charge		(78.09)	142.63	(255.61)	173.12	85.82
Total tax expense		**1,031.67**	**848.34**	**2,739.44**	**2,306.87**	**3,197.59**
Net profit for the period / year (C)		**2,861.34**	**2,379.54**	**7,781.70**	**6,695.80**	**9,210.93**
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities / asset		(15.73)	(45.68)	(34.06)	(1.32)	(17.69)
- Income tax effect on above		1.05	11.44	5.66	1.08	5.31
		(14.68)	**(34.24)**	**(28.40)**	**(0.24)**	**(12.38)**
Items that may be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		27.62	111.54	32.86	(351.30)	(63.55)
- Income tax effect on above		(6.55)	(28.08)	(6.82)	88.41	15.99
- Exchange differences in translating the financial statements of foreign operations		(1,250.84)	193.43	129.99	657.93	798.19
		(1,229.77)	**276.89**	**156.03**	**395.04**	**750.63**
Total other comprehensive income for the period / year (D) + (E)		**(1,244.45)**	**242.65**	**127.63**	**394.80**	**738.25**
Total comprehensive income for the period / year (C) + (D) + (E)		**1,616.89**	**2,622.19**	**7,909.33**	**7,090.60**	**9,949.18**
Earnings per equity share [Nominal value of share ₹10 (Corresponding period / Previous year: ₹10)]	30					
Basic (In ₹)		37.83	31.90	103.37	90.08	123.73
Diluted (In ₹)		37.20	31.14	101.17	87.61	120.52
Summary of material accounting policies	4					

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

As per our report of even date

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

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

SHASHI TADWALKAR Digitally signed by SHASHI TADWALKAR Date: 2024.01.20 16:30:01 +05'30'

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:30 GMT+5.5)

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 14:39 GMT+5.5)

PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.01.20 15:45:31 +05'30'

Shashi Tadwalkar

Partner
Membership No. : 101797

Place : Pune
Date : January 20, 2024

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : Pune
Date : January 20, 2024

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : Pune
Date : January 20, 2024

Praveen Kadle
Independent Director
DIN: 00016814

Place: Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:13 GMT+5.5)

Amit Atre
Amit Atre (Jan 20, 2024 14:31 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Place : Pune
Date : January 20, 2024

Amit Atre
Company Secretary

Membership No. A20507

Place : Pune
Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

		For the nine months ended		For the year ended
		December 31, 2023	December 31, 2022	March 31, 2023
		In ₹ Million	In ₹ Million	In ₹ Million
Cash flow from operating activities				
Profit before tax		**10,521.14**	**9,002.67**	**12,408.52**
Adjustments for:				
Interest income		(448.73)	(359.06)	(512.63)
Finance costs		369.92	325.09	473.40
Depreciation and amortisation expense		2,294.56	2,021.70	2,718.95
Unrealised exchange loss (net)		28.18	63.20	190.68
Change in foreign currency translation reserve		230.01	485.09	491.89
Exchange (gain) / loss on derivative contracts		(80.14)	176.10	88.69
Exchange (gain) on translation of foreign currency cash and cash equivalents		(2.63)	(69.52)	(10.54)
Bad debts		-	-	82.33
Allowance for expected credit loss (net)		151.44	48.99	3.03
Employee stock compensation expenses		1,032.34	999.15	1,357.14
Loss / Impairment of non-current investments		20.58	-	-
Changes in contingent consideration payable on business combination		(271.73)	-	-
Remeasurements of the defined benefit liabilities / asset (before tax effects)		(34.06)	(1.32)	(17.69)
Excess provision in respect of earlier period / year written back		(5.54)	(14.55)	(32.44)
Profit on sale / fair valuation of financial assets designated as FVTPL		(169.47)	(112.63)	(196.52)
Profit on sale of Property, plant and equipment (net)		(7.78)	(1.48)	(1.69)
Provision for export incentives (refer note 42)		-	296.55	296.55
Operating profit before working capital changes		**13,628.09**	**12,859.98**	**17,339.67**
Movements in working capital :				
Decrease in non-current and current loans		-	1.83	1.83
Decrease / (Increase) in other non-current assets		55.43	110.64	435.75
Increase in other financial assets		(1,341.48)	(963.63)	(1,541.68)
Increase in other current assets		(722.53)	(1,137.88)	(1,233.36)
Increase in trade receivables		(1,537.52)	(8,194.60)	(5,554.83)
Increase in trade payables, current liabilities and non-current liabilities		2,386.22	6,111.76	2,687.81
(Decrease) / Increase in provisions		(1,323.44)	236.43	827.07
Operating profit after working capital changes		**11,144.77**	**9,024.53**	**12,962.26**
Direct taxes paid (net of refunds)		(2,424.64)	(2,361.21)	(3,404.64)
Net cash generated from operating activities	**(A)**	**8,720.13**	**6,663.32**	**9,557.62**
Cash flows from investing activities				
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(2,255.85)	(3,974.51)	(4,332.99)
Proceeds from sale of property, plant and equipment		13.16	10.94	11.98
Acquisition of step-down subsidiaries / businesses including cash and cash equivalents		-	(3,969.71)	(4,310.57)
Consideration paid to the selling shareholders		(1,711.40)	-	-
Purchase of bonds		-	(237.41)	(237.41)
Proceeds from sale / maturity of bonds		50.00	31.49	31.49
Investments in mutual funds		(37,393.83)	(26,329.89)	(37,285.09)
Proceeds from sale / maturity of mutual funds		33,163.19	28,615.82	40,054.82
Proceeds from maturity of bank deposits having original maturity over three months		918.12	1,502.30	1,715.51
Proceeds from maturity of / (Investments) in deposits with financial institutions		400.00	(400.00)	(400.00)
Interest received		500.97	402.60	539.16
Net cash used in investing activities	**(B)**	**(6,315.64)**	**(4,348.37)**	**(4,213.10)**
Cash flows from financing activities				
Repayment of long term borrowings in Indian rupee		(1.84)	(1.86)	(1.86)
Proceeds from issuance of share capital		1,394.50	-	-
Net proceeds from foreign currency long term borrowings		(1,665.17)	552.73	(38.37)
Payment of lease liabilities		(551.38)	(370.70)	(545.22)
Interest paid		(369.97)	(325.14)	(473.42)
Dividends paid		(1,652.12)	(840.68)	(2,980.58)
Net cash used in financing activities	**(C)**	**(2,845.98)**	**(985.65)**	**(4,039.45)**

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

	For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	(441.49)	1,329.30	1,305.07
Cash and cash equivalents at the beginning of the period / year	4,670.12	2,977.99	2,977.99
Cash and cash equivalents acquired on acquisition	-	642.81	642.81
Effect of exchange difference on translation of foreign currency cash and cash equivalents	2.63	69.52	10.54
Impact of ESOP Trust consolidation	(41.03)	(140.16)	(266.29)
Cash and cash equivalents at the end of the period / year	**4,190.23**	**4,879.46**	**4,670.12**
Components of cash and cash equivalents			
Cash on hand (refer note 13)	0.16	0.32	0.25
Balances with banks			
On current accounts # (refer note 13)	2,879.77	3,512.95	3,303.76
On saving accounts (refer note 13)	28.84	34.34	33.21
On exchange earner's foreign currency accounts (refer note 13)	1,031.74	721.90	638.90
On deposit accounts with original maturity less than three months (refer note 13)	249.72	194.48	279.68
On other accounts (refer note 13)	-	415.47	414.32
Cash and cash equivalents	**4,190.23**	**4,879.46**	**4,670.12**

Of the cash and cash equivalent balance as at December 31, 2023, the Group can utilise ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million / Previous year : ₹ 125.39 Million) only towards certain predefined activities specified in the 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 material accounting policies - 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 Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.01.20 16:30:25 +05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797

Place : Pune
Date : January 20, 2024

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

Anand Deshpande (Jan 20, 2024 13:30 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place : Pune
Date : January 20, 2024

Sandeep Kalra (Jan 20, 2024 14:39 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place : Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.01.20 15:46:02 +05'30'

Praveen Kadle
Independent Director
DIN: 00016814
Place: Pune
Date : January 20, 2024

Sunil Sapre (Jan 20, 2024 14:13 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949
Place : Pune
Date : January 20, 2024

Amit Atre (Jan 20, 2024 14:31 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507
Place : Pune
Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

A. Share capital

(refer note 18)

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
764.25	5.00	769.25

(In ₹ Million)

Balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at December 31, 2022
764.25	-	764.25

(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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

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 period	1,389.50	-	-	-	-	-	-	-	-	-	1,389.50
Profit for the period	-	-	-	-	-	7,781.70	-	-	-	-	7,781.70
Items recognised in / from other comprehensive income for the period	-	-	-	-	-	(28.40)	-	-	26.04	129.99	127.63
Dividend	-	-	-	-	-	(1,692.35)	-	-	-	-	(1,692.35)
Dividend Paid to ESOP trust	-	-	-	-	-	-	-	40.23	-	-	40.23
Employee stock compensation expenses	-	-	1,032.34	-	-	-	-	-	-	-	1,032.34
Other changes during the period	-	(34.25)	0.56	0.78	-	-	-	-	-	-	(32.91)
Shares held by ESOP trust	-	-	-	-	-	-	29.28	-	-	-	29.28
Balance at December 31, 2023	**1,389.50**	**20,790.20**	**3,254.92**	**63.45**	**35.75**	**22,668.31**	**(2,406.39)**	**110.54**	**20.28**	**1,635.39**	**47,561.95**

(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
Net profit for the period	-	-	-	-	6,695.80	-	-	-	-	6,695.80
Items recognised in / from other comprehensive income for the period	-	-	-	-	(0.24)	-	-	(262.89)	657.93	394.80
Dividend	-	-	-	-	(840.68)	-	-	-	-	(840.68)
Dividend paid to ESOP Trust	-	-	-	-	-	-	23.44	-	-	23.44
Employee stock compensation expenses	-	999.15	-	-	-	-	-	-	-	999.15
Other changes during the period	0.19	2.28	5.30	-	-	-	-	-	-	7.77
Shares held by ESOP trust	-	-	-	-	-	(2,603.90)	-	-	-	(2,603.90)
Balance at December 31, 2022	**17,376.84**	**2,146.27**	**63.10**	**35.75**	**19,408.78**	**(2,603.90)**	**23.44**	**(221.09)**	**1,365.14**	**37,594.33**

(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	-	-	-	-	(12.38)	-	-	(47.56)	798.19	738.25
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 material accounting policies - 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 Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.01.20 16:31:09 +05'30'

Shashi Tadwalkar
Partner

Membership No. : 101797
Place : Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:30 GMT+5.5)
Dr. Anand Deshpande
Chairman and
Managing Director

DIN: 00005721
Place : Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 14:39 GMT+5.5)
Sandeep Kalra
Executive Director and
Chief Executive Officer

DIN: 02506494
Place : Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.01.20 15:47:04 +05'30'
Praveen Kadle
Independent Director

DIN: 00016814
Place : Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:13 GMT+5.5)
Sunil Sapre
Executive Director and
Chief Financial Officer

DIN: 06475949
Place : Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:31 GMT+5.5)
Amit Atre
Company Secretary

Membership No. A20507
Place : Pune
Date : January 20, 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) PSPL ESOP Trust reserve and Treasury shares

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 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.

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 quarter and nine months ended December 31, 2023 and authorised for issue on January 20, 2023.

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.

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 dissolved 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 dissolved 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 is a subsidiary of Persistent Systems Inc. and is incorporated on March 23, 2021.

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 spolkaz.o.o. is a subsidiary of Persistent Systems Inc. and is incorporated on April 5, 2023.

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 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 period 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 34), the provisions of the Companies Act, 2013 (“the Act”) (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). 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. These condensed interim consolidated financial statements do not include all the information required for a complete set of financial statements under the applicable financial reporting framework. 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 and its subsidiaries (“the Group”) for the period ended September 30, 2023 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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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
	December 31, 2023	December 31, 2022	March 31, 2023	
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
PARX Consulting GmbH (Dissolved w.e.f. August 25, 2023)	-	100%	100%	Germany
Youperience GmbH (Dissolved w.e.f. August 21, 2023)	-	100%	100%	Germany
Youperience Limited (Dissolved w.e.f. June 27, 2023)	-	100%	100%	United Kingdom
CAPIOT Software Private Limited (Acquired w.e.f. October 29, 2020)	100%	100%	100%	India
CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023)	100%	100%	100%	USA
Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd)	100%	100%	100%	Australia
CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023) (Refer note 1)	-	100%	100%	Singapore
Persistent Systems S.R.L. (Incorporated on March 23, 2021)	100%	100%	100%	Italy
Software Corporation International (Acquired w.e.f October 5, 2021)	100%	100%	100%	USA
SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023)	100%	100%	100%	USA
Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada)	100%	100%	100%	Costa Rica
MediaAgility India Private Limited (Acquired w.e.f. April 29, 2022)	100%	100%	100%	India
MediaAgility Inc. (Acquired w.e.f. May 4, 2022)	100%	100%	100%	USA
DIGITALAGILITY S DE RL DE CV (Acquired w.e.f. May 4, 2022)	100%	100%	100%	Mexico
MediaAgility UK Limited (Acquired w.e.f. May 4, 2022)	100%	100%	100%	UK
Media Agility Pte Ltd (Acquired w.e.f. May 4, 2022)	100%	100%	100%	Singapore
Persistent Systems S.R.L. Romania (Incorporated on Jun 17, 2022)	100%	100%	100%	Romania
Persistent Systems Poland spolkaz.o.o. (Incorporated on April 5, 2023)	100%	-	-	Poland
PSPL ESOP Management Trust	100%	100%	100%	India

Note 1: 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.

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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. 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 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

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 maintenance type contract is recognised ratably 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.

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 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 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	3 years
Office equipments	5 years
Plant and equipment*	5 years
Plant and equipment	20 years
Plant and equipment	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.

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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 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 financial 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 financial statement of profit and loss on a straight line basis.

Group as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Group recognises lease payments received under operating leases as income over the lease term 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 condensed interim consolidated financial 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 financial 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 condensed interim consolidated financial 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 condensed interim consolidated financial 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 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.

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 recognised in statement of profit and loss. Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognised in other comprehensive income. All other changes in fair value of liabilities designated as FVTPL are recognised in the condensed interim consolidated financial 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 condensed interim consolidated financial statement of profit and loss.

Amounts accumulated in equity are reclassified to condensed interim consolidated financial 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. 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 financial statement of profit and loss, except in case of equity instruments classified as FVOCI, where such cumulative gain or loss is not recycled to condensed interim consolidated financial 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 financial 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 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 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 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 condensed interim consolidated financial 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) Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to condensed interim consolidated financial statement of profit and loss over the useful lives of the related assets while grants relating to incurrance of revenue expenses are deducted while reporting the related expenses in condensed interim consolidated financial statement profit and loss.

k) 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 financial 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 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.

l) 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 financial 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 condensed interim consolidated financial 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 condensed interim consolidated financial statement of profit and loss, except for the remeasurements, comprising of actuarial gains and losses which are recognised in full in the statement of other comprehensive income in the reporting period in which they occur. Remeasurements are not reclassified to profit and loss subsequently.

Compensated absences and long service awards

Leave encashment

Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The 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.

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 financial 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 condensed interim consolidated financial statement of profit and loss during the period when the employee renders the service.

m) 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 financial 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 condensed interim consolidated financial statement of profit and loss is recognised in co-relation to the underlying transaction either in OCI or directly in equity.

Notes forming part of condensed interim consolidated financial statements

n) Segment reporting

(i) Identification of segment

The Group's operations predominantly relate to providing software products, services and technology innovation covering

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.

o) 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.

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.

p) Provisions

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.

q) 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.

Notes forming part of condensed interim consolidated financial statements

r) 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 best 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 financial statement of profit and loss with a corresponding adjustment to equity.

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

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

s) 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

t) Treasury

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.

u) 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.

v) Business combination

The acquisition method of accounting is used to account for all business combinations, 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.

Notes forming part of condensed interim consolidated financial statements

w) 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.

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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	253.17	52.63	112.93	10.65	71.59	0.05	516.15
Acquisition through merger (Refer note 40 and 41)	-	-	28.24	-	5.28	-	8.66	-	42.18
Disposals	-	-	124.64	2.86	9.90	-	7.52	1.26	146.18
Disposal on account of merger (Refer note 40 and 41)	-	-	28.24	-	5.28	-	8.66	-	42.18
Effect of foreign currency translation from functional currency to reporting currency	0.50	2.18	22.70	1.14	0.64	2.26	4.75	-	34.17
As at December 31, 2023	**1,007.64**	**2,898.20**	**4,925.06**	**181.70**	**2,064.58**	**80.09**	**1,168.32**	**14.67**	**12,340.26**
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
Additions through merger (refer note 40 and 41)	-	-	24.15	-	4.92	-	7.88	-	36.95
Charge for the period	-	93.26	593.92	8.44	125.43	2.48	62.64	1.69	887.86
Disposals	-	-	117.71	2.76	9.90	-	6.63	1.26	138.26
Disposal on account of merger (Refer note 40 and 41)	-	-	24.15	-	4.92	-	7.88	-	36.95
Effect of foreign currency translation from functional currency to reporting currency	-	1.08	17.94	0.43	0.44	2.02	3.18	-	25.09
As at December 31, 2023	**-**	**1,487.63**	**3,988.04**	**107.75**	**1,401.79**	**57.05**	**800.89**	**7.71**	**7,850.86**
Net block as at December 31, 2023	**1,007.64**	**1,410.57**	**937.02**	**73.95**	**662.79**	**23.04**	**367.43**	**6.96**	**4,489.40**

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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	-	4.87	559.69	20.70	278.63	11.27	144.36	2.66	1,022.18
Additions through business combinations (refer note 35)	-	-	30.51	2.69	-	4.40	6.02	-	43.62
Disposals	-	-	48.21	0.74	1.91	3.73	4.72	-	59.31
Effect of foreign currency translation from functional currency to reporting currency	0.74	3.30	53.63	4.43	0.91	3.20	16.15	-	82.36
As at December 31, 2022	**222.36**	**2,463.33**	**4,599.55**	**127.46**	**1,677.52**	**62.83**	**895.99**	**9.93**	**10,058.97**
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 (refer note 35)	-	-	21.01	2.32	-	4.18	4.47	-	31.98
Charge for the period	-	75.06	534.32	4.21	64.98	1.65	34.68	0.81	715.71
Disposals	-	-	45.53	0.31	1.91	3.55	4.01	-	55.31
Effect of foreign currency translation from functional currency to reporting currency	-	1.54	42.96	2.91	1.55	2.62	15.68	-	67.26
As at December 31, 2022	**-**	**1,358.58**	**3,320.68**	**99.65**	**1,253.43**	**49.91**	**723.08**	**6.76**	**6,812.09**
Net block as at December 31, 2022	**222.36**	**1,104.75**	**1,278.87**	**27.81**	**424.09**	**12.92**	**172.91**	**3.17**	**3,246.88**

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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 (refer note 35)	-	-	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 (refer note 35)	-	-	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 December 31, 2023 ₹ 1,460.40 Million (Corresponding period / Previous year : ₹ 1,455.94 Million)

b) Depreciation charge for the period ₹ 44.53 Million (Corresponding period ₹ 44.51 Million / Previous year ₹ 59.08 Million)

c) Accumulated depreciation as on December 31, 2023 ₹ 720.76 Million (Corresponding period ₹ 661.65 Million / Previous year ₹ 676.22 Million)

d) Net block value as on December 31, 2023 ₹ 739.64 Million (Corresponding period ₹ 794.29 Million / Previous year ₹ 779.72 Million)

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5.2 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 period	-	582.25	582.25
Acquisition through merger (Refer note 40 and 41)	-	374.81	374.81
Disposals	-	52.71	52.71
Disposal on account of merger (Refer note 40 and 41)	-	374.81	374.81
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	57.12	57.12
As at December 31, 2023	**131.97**	**3,580.96**	**3,712.93**
Accumulated depreciation			
As at April 1, 2023	3.22	924.84	928.06
Acquisition through merger (Refer note 40 and 41)	-	112.12	112.12
Charge for the period	1.18	467.57	468.75
Disposals	-	52.70	52.70
Disposal on account of merger (Refer note 40 and 41)	-	112.12	112.12
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	-	19.00	19.00
As at December 31, 2023	**4.40**	**1,358.71**	**1,363.11**
Net block as at December 31, 2023	**127.57**	**2,222.25**	**2,349.82**

(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 period	94.47	1,239.83	1,334.30
Disposals	-	86.75	86.75
Effect of foreign currency translation of foreign operations from functional currency to	-	(12.06)	(12.06)
As at December 31, 2022	**131.97**	**2,982.77**	**3,114.74**
Accumulated depreciation			
As at April 1, 2022	1.76	519.28	521.04
Charge for the period	1.09	359.29	360.38
Disposals	-	79.81	79.81
Effect of foreign currency translation of foreign operations from functional currency to	-	(15.45)	(15.45)
As at December 31, 2022	**2.85**	**783.31**	**786.16**
Net block as at December 31, 2022	**129.12**	**2,199.46**	**2,328.58**

(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**

5.3 Goodwill

(In ₹ Million)

	As at December 31, 2023	As at December 31, 2022	As at March 31, 2023
Cost			
Balance at beginning of period / year	7,183.71	2,790.22	2,790.22
Addition on purchase price allocation of business combination (refer note 35)	3,322.19	4,077.38	4,051.66
Effect of foreign currency translation of foreign operations from functional currency to reporting currency	382.87	362.68	341.83
Balance at end of period / year	**10,888.77**	**7,230.28**	**7,183.71**

5.4 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	14.42	-	-	14.42
Reclassification on purchase price allocation of business combination (refer note 35)	-	1,548.49	(4,870.68)	(3,322.19)
Effect of foreign currency translation from functional currency to reporting currency	31.46	639.39	(368.51)	302.34
As at December 31, 2023	**3,358.02**	**12,281.21**	**-**	**15,639.23**
Accumulated amortisation				
As at April 1, 2023	2,744.90	6,506.21	222.13	9,473.24
Charge for the period	171.13	766.82	-	937.95
Reclassification on purchase price allocation of business combination	-	523.67	(523.67)	-
Effect of foreign currency translation from functional currency to reporting currency	27.93	75.62	301.54	405.09
As at December 31, 2023	**2,943.96**	**7,872.32**	**-**	**10,816.28**
Net block as at December 31, 2023	**414.06**	**4,408.89**	**-**	**4,822.95**

(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	80.83	-	-	80.83
Additions through business combination (refer note 35)	10.58	-	4,688.95	4,699.53
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination	-	2,786.79	(6,722.39)	(3,935.60)
Effect of foreign currency translation from functional currency to reporting currency	166.12	666.39	413.08	1,245.59
As at December 31, 2022	**2,898.28**	**10,266.71**	**5,075.94**	**18,240.93**
Accumulated amortisation				
As at April 1, 2022	2,864.32	5,352.04	55.29	8,271.65
Charge for the period	72.95	370.41	502.25	945.61
Additions through business combination (refer note 35)	9.45	-	-	9.45
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination	-	376.76	(374.82)	1.94
Effect of foreign currency translation from functional currency to reporting currency	163.35	337.24	16.39	516.98
As at December 31, 2022	**2,719.37**	**6,436.45**	**199.11**	**9,354.93**
Net block as at December 31, 2022	**178.91**	**3,830.26**	**4,876.83**	**8,886.00**

(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 (refer note 35)	10.63	-	4,870.68	4,881.31
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination (refer note 35)	-	2,771.88	(6,823.54)	(4,051.66)
Adjustment due to change in purchase consideration	-	-	-	-
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 amortisation				
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 (refer note 35)	9.43	-	-	9.43
Disposals	390.70	-	-	390.70
Reclassification on purchase price allocation of business combination	-	374.82	(374.82)	-
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**

5.5 Depreciation and amortisation

(In ₹ Million)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
On Property, plant and equipment	303.98	249.68	887.86	715.71	1,008.93
On Right of Use assets	170.69	148.74	468.75	360.38	484.08
On Other Intangible assets	312.64	285.09	937.95	945.61	1,225.94
	787.31	**683.51**	**2,294.56**	**2,021.70**	**2,718.95**

6. Non-current financial assets : Investments

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Investments carried at amortised cost			
Quoted Investments			
In bonds	2,951.14	3,005.16	3,005.16
[Market value ₹ 2,796.16 Million (Corresponding period: ₹ 2,770.69 Million / Previous year ₹ 2,852.78 Million)]			
Add: Interest accrued on bonds	95.39	95.71	80.43
Total investments carried at amortised cost (A)	**3,046.53**	**3,100.87**	**3,085.59**
Designated as fair value through profit and loss			
Unquoted Investments			
- Investments in mutual funds			
Fair value of long term mutual funds (refer Note 6a)	1,292.85	1,401.91	1,255.28
	1,292.85	**1,401.91**	**1,255.28**
Others*			
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	17.08	16.71	16.73
Less : Change in fair value of investment	(17.08)	(16.71)	(16.73)
	-	-	-
Altizon Systems Private Limited	6.00	6.00	6.00
3,766 equity shares (Corresponding period / Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up			
	6.00	**6.00**	**6.00**
Hygenx Inc.	16.64	16.55	16.43
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	(16.64)	(16.55)	(16.43)
	-	-	-
Trunomi Inc.	20.80	20.68	20.54
0.28 Million (Corresponding period / Previous year : 0.28 Million) Preferred stock of $ 0.0002 each, fully paid up			
Less : Change in fair value of investment	(20.80)	-	-
	-	**20.68**	**20.54**
Monument Bank	135.69	134.93	134.01
0.024 Million (Corresponding period / Previous year: 0.024 Million) Stock of GBP 50 each), fully paid up			
	141.69	**161.61**	**160.55**
DxNow	10.40	10.34	10.27
0.17 Million Preferred Shares fully paid up (Corresponding period / Previous year: 0.17 Million Preferred Shares fully paid up)			
Less : Change in fair value of investment	(10.40)	(10.34)	(10.27)
	-	-	-
Akumina Inc.	14.77	14.68	14.58
0.40 Million Preference shares of $ 0.443 each (Corresponding period / Previous year: 0.40 Million Preference shares of $ 0.443 each)			
	14.77	**14.68**	**14.58**
Total Investments carried at Fair Value (B)	**1,449.31**	**1,578.20**	**1,430.41**
Total investments (A) + (B)	**4,495.84**	**4,679.07**	**4,516.00**
Aggregate amount of impairment in value / change in fair value of investments	64.92	43.60	43.43
Aggregate amount of quoted investments	3,046.53	3,100.87	3,085.59
Aggregate amount of unquoted investments	1,514.23	1,621.80	1,473.84

* 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 December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	638.65	483.35	733.59
Axis Mutual Fund	516.61	888.49	491.04
DSP mutual fund	52.63	-	-
HSBC Mutual Fund	52.62	-	-
HDFC Mutual Fund	32.34	30.07	30.65
	1,292.85	**1,401.91**	**1,255.28**

7. Non-current financial assets : Loans

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Carried at amortised cost			
Other loans and advances			
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 December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Considered good			
Carried at amortised cost			
Deposits with banks (refer note 14)*	42.98	41.16	41.60
Add: Interest accrued but not due on bank deposits (refer note 14)	2.31	0.23	0.98
Deposits with banks	**45.29**	**41.39**	**42.58**
Deposit with financial institutions	100.00	500.00	500.00
Add: Interest accrued but not due on deposit with financial institutions	9.03	14.08	20.22
Deposits with financial institutions	**109.03**	**514.08**	**520.22**
Security deposits	404.60	376.98	356.80
Credit impaired			
Deposit with financial institutions	430.00	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions	0.98	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)	(430.98)
Deposits with financial institutions	-	-	-
	558.92	**932.45**	**919.60**

* Out of the balance, fixed deposits of ₹ 3.60 Million (Corresponding period : ₹ 1.61 Million/ Previous year : ₹ 2.05 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

9. Deferred tax asset (net) *

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Deferred tax assets			
Provision for leave encashment	309.01	232.86	270.80
Provision for long service awards	202.84	196.10	222.45
Allowance for expected credit loss	86.96	50.37	36.85
Provision for gratuity	38.31	-	-
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	213.36	183.92	176.31
Brought forward and current period/year losses	264.55	171.15	161.70
Tax credits	78.45	148.94	135.40
ROU asset and lease liability	56.10	40.49	42.68
Provision for shared based payments to employees	139.75	42.51	68.94
Cashflow on Hedges	-	-	1.94
Others	125.99	210.09	121.16
	1,515.32	**1,276.43**	**1,238.23**
Deferred tax liabilities			
Differences in book values and tax base values of block of property, plant and equipment and intangible assets	-	67.39	75.28
Cashflow on Hedges	6.82	-	-
ROU asset and lease liability	2.03	-	-
Brought forward and current year losses	65.00	-	-
Capital gains	36.59	41.02	22.82
Others	15.38	56.19	10.84
	125.82	**164.60**	**108.94**
Deferred tax assets after set off	**1,389.50**	**1,111.83**	**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.

10. Other non-current assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital advances (Unsecured, considered good)	683.06	834.70	629.15
Prepayments	274.71	120.19	330.14
	957.77	**954.89**	**959.29**

11. Current financial assets : Investments

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Designated as fair value through profit and loss			
- Unquoted investments			
Investments in mutual funds			
Fair value of current mutual funds (refer Note 11a)	6,246.20	2,081.17	1,879.66
	6,246.20	**2,081.17**	**1,879.66**
Total carrying amount of investments	**6,246.20**	**2,081.17**	**1,879.66**
Aggregate amount of unquoted investments	**6,246.20**	**2,081.17**	**1,879.66**

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

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Axis Mutual Fund	882.88	76.54	195.74
UTI Mutual Fund	700.66	848.69	246.52
Aditya Birla Sun Life Mutual Fund	536.14	453.92	195.72
Mirae Asset Mutual Fund	455.02	40.02	100.10
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	444.92	130.68	200.17
Kotak Mutual Fund	421.56	85.51	50.03
DSP Mutual Fund	393.43	40.02	50.03
SBI Mutual Fund	390.16	40.02	245.54
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	390.09	-	115.64
Invesco Mutual Fund	375.51	-	100.02
Tata Mutual Fund	310.75	40.02	200.12
HSBC Mutual Fund	308.68	230.56	50.00
ICICI Prudential Mutual Fund	225.34	95.19	50.00
HDFC Mutual Fund	215.91	-	50.02
Sundaram Mutual Fund	195.15	-	30.01
	6,246.20	**2,081.17**	**1,879.66**

12. Trade receivables

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
- Current			
Unsecured, considered good	16,522.49	15,391.87	15,253.22
Unsecured, credit impaired	426.21	224.84	188.96
	16,948.70	**15,616.71**	**15,442.18**
Less : Allowance for expected credit loss	(426.21)	(224.84)	(188.96)
	16,522.49	**15,391.87**	**15,253.22**
- Non-current			
Unsecured, considered good	703.49	896.91	709.45
	703.49	**896.91**	**709.45**
Less : Allowance for expected credit loss	-	-	-
	703.49	**896.91**	**709.45**
	17,225.98	**16,288.78**	**15,962.67**

13. Cash and cash equivalents

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Cash and cash equivalents as presented in cash flow statement			
Cash in hand	0.16	0.32	0.25
Balances with banks			
On current accounts #	2,879.77	3,512.95	3,303.76
On saving accounts	28.84	34.34	33.21
On exchange earner's foreign currency accounts	1,031.74	721.90	638.90
On deposit accounts with original maturity less than three months	249.72	194.48	279.68
On other accounts	-	415.47	414.32
	4,190.23	**4,879.46**	**4,670.12**

Of the cash and cash equivalent balance as at December 31, 2023, the Group can utilise ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million / Previous year : ₹ 125.39 Million) only towards certain predefined activities specified in the agreement.

14. Bank balances other than cash and cash equivalents

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Deposits with banks*	3,352.92	4,484.25	4,271.04
Add: Interest accrued but not due on deposits with banks	74.19	105.02	131.17
Deposits with banks (carried at amortised cost)	**3,427.11**	**4,589.27**	**4,402.21**
Less: Deposits with maturity more than twelve months from the balance sheet date disclosed under other non-current financial	(42.98)	(41.16)	(41.60)
Less: Interest accrued but not due on non-current deposits with banks (refer note 8)	(2.31)	(0.23)	(0.98)
	3,381.82	**4,547.88**	**4,359.63**
Balances with banks on unpaid dividend accounts**	3.16	3.06	3.05
	3,384.98	**4,550.94**	**4,362.68**

* Out of the balance, fixed deposits of ₹ 2,364.78 Million (Corresponding period: ₹ 631.77 Million/ Previous year : ₹ 1,216.85 Million) have been earmarked against credit facilities and bank guarantees availed by the Group.

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

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15. Current financial assets : Loans

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Loan to others (Unsecured, credit impaired)			
LHS Solution Inc.	24.94	24.80	24.60
Interest accrued but not due at amortised cost	1.96	1.95	1.97
Less: Impairment	(26.90)	(26.75)	(26.57)
	-	-	-

16. Other current financial assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	47.27	-	-
Security deposits	28.48	-	26.56
Other receivables	16.10	120.42	184.38
Unbilled revenue	6,131.27	4,163.52	4,671.23
	6,223.12	**4,283.94**	**4,882.17**

17. Other current assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 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	1,254.86	863.16	900.09
Prepayments	777.19	1,043.94	999.27
Deferred finance costs	84.80	-	-
Excess fund balance with Life Insurance Corporation	-	73.69	53.32
Other advances			
VAT receivable (net)	12.67	22.41	22.10
Service tax and GST receivable (net)	2,011.27	1,105.87	1,443.48
	2,023.94	**1,128.28**	**1,465.58**
	4,140.79	**3,109.07**	**3,418.26**

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18 **Share capital**

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Authorized shares (No. in million)			
200 (Corresponding period / Previous year: 200) equity shares of ₹ 10 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)			
76.925 (Corresponding period / Previous year: 76.425) equity shares of ₹ 10 each	769.25	764.25	764.25
Issued, subscribed and fully paid-up share capital	**769.25**	**764.25**	**764.25**

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

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

(In Million)

	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No of shares	Amount ₹	No of shares	Amount ₹	No of shares	Amount ₹
Number of shares at the beginning of the period / year	76.425	764.25	76.425	764.25	76.425	764.25
Add/ Less: Changes during the period / year	0.500	5.00	-	-	-	-
Number of shares at the beginning of the period / year	**76.925**	**769.25**	**76.425**	**764.25**	**76.425**	**764.25**

b) **Terms / rights attached to equity shares**

The Group has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the 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 prefrential amounts exist currently.

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

	For the period of five years ended December 31, 2023 No in Million	For the period of five years ended December 31, 2022 No in Million	For the period of five years ended March 31, 2023 No in Million
Equity shares bought back	3.575	3.575	3.575

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

Name of the shareholder*	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No. in Million	% Holding	No. in Million	% Holding	No. in Million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	22.98	29.88	22.98	30.07	22.98	30.07

* 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.

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19. Non-current financial liabilities : Borrowings

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Borrowings carried at amortised cost			
Indian rupee loan from others	1.85	3.69	3.69
Interest accrued but not due on above loan	0.01	0.03	0.06
Foreign currency loan from bank	2,616.18	4,872.45	4,281.35
	2,618.04	**4,876.17**	**4,285.10**
Less: Current maturity of long-term borrowings	(2,130.84)	(2,243.03)	(2,227.45)
Less: Current maturity of interest accrued but not due on term loan	(0.01)	(0.03)	(0.06)
	(2,130.85)	**(2,243.06)**	**(2,227.51)**
	487.19	**2,633.11**	**2,057.59**

Indian rupee loan from Government department ₹ 1.85 million (Corresponding period / 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 (Corresponding period ₹ 37.30 million / 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 ₹ 2,616.18 million (Corresponding period: ₹ 4,835.15 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 instalments commencing from November 2021	577.78	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from April 2022	1,213.33	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal instalments commencing from May 2022	825.07	SOFR + 155 bps
	2,616.18	

20. Non-current financial liabilities : Lease liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Lease liabilities	2,459.21	2,403.55	2,268.59
Less: Current portion of lease liabilities	(769.54)	(672.94)	(676.39)
	1,689.67	**1,730.61**	**1,592.20**

Movement of lease liabilities

	For the nine months ended		For the year ended
	December 31, 2023 In ₹ Million	December 31, 2022 In ₹ Million	March 31, 2023 In ₹ Million
Opening balance	2,268.59	1,456.87	1,456.87
Additions	582.25	1,239.83	1,230.91
Deletions	-	(166.56)	(260.50)
Add: Interest recognised during the period / year	132.91	90.33	137.86
Less: Payments made during the period / year	(551.38)	(370.70)	(545.22)
Translation differences	26.84	153.78	248.67
Closing balance	**2,459.21**	**2,403.55**	**2,268.59**

21. Non-current liabilities : Provisions

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits			
- Gratuity	89.47	27.20	3.52
- Long service awards	443.50	344.89	369.51
	532.97	**372.09**	**373.03**

22. Trade payables

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Trade payables			
- Total outstanding dues of small enterprises and micro enterprises	27.08	14.68	34.04
- Total outstanding dues of creditors other than small enterprises and micro enterprises	7,017.70	6,211.20	5,655.04
	7,044.78	**6,225.88**	**5,689.08**

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the 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.

23. Other current financial liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital creditors	82.66	125.96	583.07
Accrued employee liabilities	1,056.28	708.82	840.04
Accrued interest on borrowings	15.03	22.73	21.85
Unpaid dividend*	3.16	3.06	3.05
Other liabilities	86.52	18.83	12.11
Contingent consideration payable for acquisition of business	3,293.18	5,466.80	5,305.83
Less: Non-current portion of Contingent consideration payable for acquisition of business	-	(2,910.94)	(2,888.92)
	3,293.18	**2,555.86**	**2,416.91**
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	-	442.82	67.67
	4,536.83	**3,878.08**	**3,944.70**

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

24.Other liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
- Current			
Unearned revenue	1,161.33	1,507.36	1,043.75
Advance from customers	124.34	133.54	175.48
Other payables			
- Statutory liabilities	1,057.34	1,090.23	1,183.11
- Others*	307.83	52.36	245.37
	2,650.84	2,783.49	2,647.71
- Non-current			
Unearned revenue	24.42	37.54	22.96
Others	3.74	-	11.87
	2,679.00	**2,821.03**	**2,682.54**

*Includes balance of ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million / Previous year: ₹ 125.39 Million) to be utilised against certain predefined activities specified in the agreement. There are no unfulfilled conditions or contingencies attached to these grants.

25. Current liabilities : Provisions

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits			
- Gratuity	0.11	0.08	0.09
- Leave encashment	1,441.93	1,020.25	1,167.97
- Long service awards	28.75	33.29	34.18
- Other employee benefits	1,695.07	3,005.92	3,447.00
	3,165.86	**4,059.54**	**4,649.24**

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26. Revenue from operations (net)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software services	23,843.81	20,591.43	69,564.06	58,310.96	79,993.40
Software licenses	1,138.35	1,102.25	2,746.55	2,650.24	3,512.52
	24,982.16	**21,693.68**	**72,310.61**	**60,961.20**	**83,505.92**

27. Other income

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
- On deposits carried at amortised cost	65.82	85.56	226.48	212.85	296.25
- On Others	82.58	50.77	222.25	146.21	216.38
Other non operating income					
Foreign exchange loss / (gain) (net)	80.90	105.37	100.51	55.85	(133.24)
Profit on sale of property, plant and equipment (net)	2.50	1.37	7.78	1.48	1.69
Net profit on sale/ fair valuation of financial assets designated as FVTPL	94.30	56.45	169.47	112.63	196.52
Excess provision in respect of earlier period / year written back	1.55	5.20	5.54	14.55	32.44
Miscellaneous income	55.45	22.85	240.34	74.33	96.13
	383.10	**327.57**	**972.37**	**617.90**	**706.17**

28. Personnel expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
28.1 Employee benefits expense					
Salaries, wages and bonus	13,464.06	11,485.26	39,329.74	32,432.59	44,367.70
Contribution to provident and other funds	909.39	742.44	2,774.60	2,182.62	3,022.40
Staff welfare expenses	335.76	223.15	1,182.96	617.72	948.41
Share based payments to employees	326.49	303.34	1,032.34	999.15	1,357.14
	15,035.70	**12,754.19**	**44,319.64**	**36,232.08**	**49,695.65**
28.2 Cost of professionals	3,059.90	2,861.93	7,847.19	8,102.75	10,426.01
	18,095.60	**15,616.12**	**52,166.83**	**44,334.83**	**60,121.66**

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29. Other expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	269.78	338.48	1,092.84	921.07	1,260.25
Electricity expenses (net)	31.19	32.49	107.91	87.65	120.28
Internet link expenses	37.94	15.60	99.03	53.76	82.59
Communication expenses	16.48	25.89	66.61	72.61	96.25
Recruitment expenses	59.07	67.64	180.32	297.46	414.85
Training and seminars	37.13	25.35	120.83	96.55	123.30
Royalty expenses	28.73	16.19	60.54	48.99	65.19
Purchase of software licenses	1,304.23	841.96	4,098.60	2,049.66	3,411.70
Bad debts	-	-	-	-	82.33
Allowance for expected credit loss (net)	50.54	17.98	151.44	48.99	3.03
Rent	39.16	39.48	117.74	112.83	147.45
Insurance	28.18	8.50	72.78	38.51	52.89
Rates and taxes	35.54	44.67	109.96	109.64	145.39
Legal and professional fees	177.26	230.59	803.76	746.78	926.27
Repairs and maintenance					
- Plant and Machinery	62.24	32.75	143.87	96.95	140.13
- Buildings	6.75	7.16	21.27	26.42	33.63
- Others	8.73	6.37	22.31	20.46	28.10
Selling and marketing expenses	2.59	52.00	6.63	55.35	57.38
Changes in contingent consideration payable on business combination	-	-	(271.73)	-	-
Advertisement, conference and sponsorship fees	55.68	35.79	161.48	126.82	159.78
Computer consumables	5.52	4.61	14.84	11.92	18.37
Auditors' remuneration	9.16	4.73	13.21	11.94	11.84
Corporate social responsibility expenditure	50.00	22.50	105.00	72.90	120.12
Books, memberships, subscriptions	4.75	16.89	27.68	53.83	83.12
Directors' sitting fees	1.32	1.40	5.35	5.55	8.00
Directors' commission	8.76	6.64	25.36	21.86	27.95
Loss / Impairment of non current investments	-	-	20.58	-	-
Miscellaneous expenses	137.49	166.35	552.32	409.76	572.82
	2,468.22	**2,062.01**	**7,930.53**	**5,598.26**	**8,193.01**

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30. Earnings per share

		For the quarter ended		For the nine months ended		For the year ended
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
Numerator for Basic and Diluted EPS						
Net Profit after tax (In ₹ Million)	(A)	2,861.34	2,379.54	7,781.70	6,695.80	9,210.93
Denominator for basic EPS						
Weighted average number of equity shares	(B)	75,638,557	74,596,519	75,279,035	74,331,164	74,443,693
Denominator for diluted EPS						
Number of equity shares	(C)	76,925,000	76,425,000	76,915,842	76,425,000	76,425,000
Basic earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	**37.83**	**31.90**	**103.37**	**90.08**	**123.73**
Diluted earnings per share of face value of ₹ 10 each (In ₹)	(A/C)	**37.20**	**31.14**	**101.17**	**87.61**	**120.52**

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
Outstanding weighted average number of equity shares considered for diluted EPS	76,925,000	76,425,000	76,915,842	76,425,000	76,425,000
Less: Weighted average number of treasury shares	1,286,443	1,828,481	1,636,807	2,093,836	1,981,307
Outstanding weighted average number of equity shares considered for basic EPS	**75,638,557**	**74,596,519**	**75,279,035**	**74,331,164**	**74,443,693**

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Persistent Systems Limited

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	December 31, 2023	7,786.31	5,447.97	11,747.88	24,982.16
	Quarter ended	December 31, 2022	6,960.39	4,139.74	10,593.55	21,693.68
	Nine months ended	December 31, 2023	23,314.76	14,414.36	34,581.49	72,310.61
	Nine months ended	December 31, 2022	19,940.93	11,722.83	29,297.44	60,961.20
	Year ended	March 31, 2023	27,231.45	16,161.07	40,113.40	83,505.92
Identifiable expense						
	Quarter ended	December 31, 2023	5,128.47	3,468.68	8,250.08	16,847.23
	Quarter ended	December 31, 2022	4,365.72	2,059.45	7,027.43	13,452.60
	Nine months ended	December 31, 2023	14,671.37	8,189.54	25,560.96	48,421.87
	Nine months ended	December 31, 2022	12,749.34	5,881.46	20,065.00	38,695.80
	Year ended	March 31, 2023	17,226.98	8,147.53	27,830.90	53,205.41
Segmental result						
	Quarter ended	December 31, 2023	2,657.84	1,979.29	3,497.80	8,134.93
	Quarter ended	December 31, 2022	2,594.67	2,080.29	3,566.12	8,241.08
	Nine months ended	December 31, 2023	8,643.39	6,224.82	9,020.53	23,888.74
	Nine months ended	December 31, 2022	7,191.58	5,841.37	9,232.45	22,265.40
	Year ended	March 31, 2023	10,004.47	8,013.54	12,282.50	30,300.51
Unallocable expenses						
	Quarter ended	December 31, 2023				4,625.02
	Quarter ended	December 31, 2022				5,340.77
	Nine months ended	December 31, 2023				14,339.97
	Nine months ended	December 31, 2022				13,880.63
	Year ended	March 31, 2023				18,598.16
Operating income						
	Quarter ended	December 31, 2023				3,509.91
	Quarter ended	December 31, 2022				2,900.31
	Nine months ended	December 31, 2023				9,548.77
	Nine months ended	December 31, 2022				8,384.77
	Year ended	March 31, 2023				11,702.35
Other income (net of expenses)						
	Quarter ended	December 31, 2023				383.10
	Quarter ended	December 31, 2022				327.57
	Nine months ended	December 31, 2023				972.37
	Nine months ended	December 31, 2022				617.90
	Year ended	March 31, 2023				706.17
Profit before taxes						
	Quarter ended	December 31, 2023				3,893.01
	Quarter ended	December 31, 2022				3,227.88
	Nine months ended	December 31, 2023				10,521.14
	Nine months ended	December 31, 2022				9,002.67
	Year ended	March 31, 2023				12,408.52
Tax expense						
	Quarter ended	December 31, 2023				1,031.67
	Quarter ended	December 31, 2022				848.34
	Nine months ended	December 31, 2023				2,739.44
	Nine months ended	December 31, 2022				2,306.87
	Year ended	March 31, 2023				3,197.59
Profit after tax						
	Quarter ended	December 31, 2023				2,861.34
	Quarter ended	December 31, 2022				2,379.54
	Nine months ended	December 31, 2023				7,781.70
	Nine months ended	December 31, 2022				6,695.80
	Year ended	March 31, 2023				9,210.93

(In ₹ Million)

Particulars			BFSI	Healthcare & Life Sciences	Software, Hi-Tech and Emerging Industries	Total
Segmental trade receivables (net)						
	As at	December 31, 2023	4,157.12	3,522.17	9,546.69	17,225.98
	As at	December 31, 2022	3,104.87	2,823.76	10,360.15	16,288.78
	As at	March 31, 2023	4,074.64	2,579.81	9,308.22	15,962.67
Segmental Unbilled revenue						
	As at	December 31, 2023	1,479.65	1,169.78	3,481.84	6,131.27
	As at	December 31, 2022	1,158.54	626.26	2,378.72	4,163.52
	As at	March 31, 2023	1,170.86	802.11	2,698.26	4,671.23
Unallocated assets						
	As at	December 31, 2023	-	-	-	48,781.16
	As at	December 31, 2022	-	-	-	45,720.63
	As at	March 31, 2023	-	-	-	46,092.22
Unallocated liabilities						
	As at	December 31, 2023	-	-	-	23,807.21
	As at	December 31, 2022	-	-	-	27,814.35
	As at	March 31, 2023	-	-	-	27,075.34

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	December 31, 2023	2,493.61	19,500.24	2,988.31	24,982.16
	Quarter ended	December 31, 2022	2,367.21	16,103.91	3,222.56	21,693.68
	Nine months ended	December 31, 2023	7,135.46	56,595.40	8,579.75	72,310.61
	Nine months ended	December 31, 2022	7,171.32	47,346.05	6,443.83	60,961.20
	Year ended	March 31, 2023	9,432.51	65,107.83	8,965.58	83,505.92

The revenue from individual customers in excess of ten percent of total revenue of the Group is ₹ 7,171.82 Million for the nine months ended December 31, 2023 (Corresponding period:₹ 5,606.72 Million / Previous year : ₹ 7,691.87 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	December 31, 2023				December 31, 2022			March 31, 2023			Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	
Financial Assets:											
Investments in equity instruments, preferred stock and convertible notes	162.46	-	-	-	176.29	-	-	181.13	-	-	Level 3
Investments in bonds	-	-	-	-	-	-	3,100.87	-	-	3,085.59	
Investments in mutual funds	7,539.05	-	-	-	3,483.08	-	-	3,134.94	-	-	Level 2
Loans	-	-	-	-	-	-	-	-	-	-	
Deposit with banks and financial institutions (net)	-	-	-	-	-	-	5,103.35	-	-	4,922.43	
Cash and cash equivalents (including unpaid dividend)	-	-	4,193.39	-	-	-	4,882.52	-	-	4,673.17	
Trade receivables (net)	-	-	16,522.49	-	-	-	17,746.97	-	-	15,704.64	
Foreign exchange forward contracts	-	47.27	-	-	-	-	-	-	-	-	Level 2
Unbilled revenue	-	-	6,131.27	-	-	-	4,163.52	-	-	4,671.23	
Other non current financial assets	-	-	404.60	-	-	-	376.98	-	-	383.36	
Other current financial assets	-	-	-	-	-	-	-	-	-	-	
Total Financial Assets	**7,701.51**	**47.27**	**27,251.75**	**-**	**3,659.37**	**-**	**35,374.21**	**3,316.07**	**-**	**33,440.42**	
Financial Liabilities:											
Borrowings (including accrued interest)	-	-	2,618.04	-	-	-	4,876.17	-	-	4,285.10	
Trade payables	-	-	7,044.78	-	-	-	6,225.88	-	-	5,689.08	
Lease liabilities	-	-	2,459.21	-	-	-	2,403.55	-	-	2,268.59	
Other financial liabilities (excluding borrowings)	-	-	4,536.83	-	-	-	6,346.20	-	-	6,765.95	
Foreign exchange forward contracts	-	-	-		-	442.82	-	-	67.67	-	
Total Financial Liabilities	**-**	**-**	**16,658.86**	**-**	**-**	**442.82**	**19,851.80**	**-**	**67.67**	**19,008.72**	

***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	December 31, 2023			December 31, 2022			March 31, 2023		
	Face Value	Face Value	Cost	Face Value	No. of Units	Cost	Face Value	No. of Units	Cost
Bonds carried at amortised cost	1,000	1,355,898	1,627.80	1,000	1,405,898	1,681.82	1,000	1,405,898	1,681.82
	5,000	53,000	361.87	5,000	53,000	361.87	5,000	53,000	361.87
	1,000,000	906	961.47	1,000,000	906	961.47	1,000,000	906	961.47
Total Cost			2,951.14			3,005.16			3,005.16
Designated as fair value through profit and loss			95.39			95.71			80.43
Total investments carried at amortised cost			**3,046.53**			**3,100.87**			**3,085.59**

33 Related party transactions

Refer to the Group's annual financial statements for the year ended March 31, 2023 for the full names and other details of the Group's related parties.

The Parent Company's significant related party transactions during the period ended and outstanding balances as at December 31, 2023, December 31, 2022 and March 31, 2023 are with its subsidiaries and controlled trust with whom the Parent Company generally enters into transactions which are at arms length and in the ordinary course of business.

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34. Contingent liabilities

(In ₹ Million)

Sr. No		As at December 31, 2023	As at December 31, 2022	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.	173.78	173.78	173.78
	(ii) Other Pending litigations in respect of Indirect taxes.	7.77	8.20	8.20
2	**Income tax demands disputed in appellate proceedings**	1,102.72	1,023.34	1,023.34
b)	**Guarantees and Letter of Comfort on behalf of Subsidiaries**			
1	Guarantees given on behalf of subsidiaries	1,095.74	3,740.22	3,762.98
2	Letters of comfort on behalf of subsidiary USD 31.44 Million (Corresponding period : USD 58.40 Million / Previous year : USD 51.69 Million)	2,615.81	4,831.43	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.

35 Business Combination

MediaAgility India Private 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 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 ₹ 1,809.34 Million for the period ended December 31, 2023 is included in the financial statements. The profit included for the period ended December 31, 2023 is ₹ 310.48 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 financing 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 December 31, 2023, 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 December 31, 2023 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:

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36 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.

37 Finance costs include interest on lease liability of ₹ 132.91 Million under finance costs (Corresponding period: ₹ 90.33 Million / Previous year ₹ 137.86 Million) and notional interest on amounts due to selling shareholders ₹ 46.35 Million (Corresponding period: ₹ 31.46 Million / Previous year ₹ 112.76 Million).

38 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.

39 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.

40 During the period 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.

41 During the period Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branchhas 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.

42 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.

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

44 Previous period's / 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 condensed interim financial statements.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.01.20 16:32:47 +05'30'

Shashi Tadwalkar

Partner
Membership No. : 101797

Place : Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:30 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721

Place : Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 14:39 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494

Place : Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.01.20 15:48:06 +05'30'

Praveen Kadle
Independent Director
DIN: 00016814

Place : Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:13 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949

Place : Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:31 GMT+5.5)

Amit Atre
Company Secretary

Membership No. A20507

Place : Pune
Date : January 20, 2024

Walker Chandiok & Co LLP
3rd floor, Unit No. 310 to 312,
West Wing, Nyati Unitree
Nagar Road, Yerwada,
Pune - 411 006
Maharashtra, India

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To the Members of Persistent Systems Limited

Independent Auditor's Report on the Audit of the Condensed Interim Standalone Financial Statements for the quarter and nine months ended 31 December 2023

Opinion

1. We have audited the accompanying condensed interim standalone financial statements of **Persistent Systems Limited** ('the Company'), which comprise the Condensed Standalone Balance Sheet as at 31 December 2023, the Condensed Interim Standalone Statement of Profit and Loss (including Other Comprehensive Income) for the quarter and nine months ended 31 December 2023, the Condensed Standalone Statement of Cash Flows and the Condensed Standalone Statement of Changes in Equity for the nine months ended on that date, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as the "condensed interim standalone financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid condensed interim standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in accordance with Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other generally accepted accounting principles in India, of the state of affairs of the Company as at 31 December 2023, and its profit (including other comprehensive income) for the quarter and nine months then ended, its cash flows and the changes in equity for the nine months 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 Condensed Interim Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the condensed interim standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Condensed Interim Standalone Financial Statements

4. The accompanying condensed interim standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these condensed interim standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows, and changes in equity of the Company in accordance with the accounting principles generally accepted in India, in accordance with Ind AS 34 specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the condensed interim financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

5. In preparing the condensed interim standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

6. Those Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

7. Our objectives are to obtain reasonable assurance about whether the condensed interim standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 condensed interim standalone financial statements.

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place 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 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the condensed interim standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; evaluate the overall presentation, structure and content of the condensed interim standalone financial statements, including the disclosures, and whether the condensed interim standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

9. 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.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

SHASHI TADWALKAR
Digitally signed by SHASHI TADWALKAR
Date: 2024.01.20 16:25:44 +05'30'

Shashi Tadwalkar
Partner
Membership No.: 101797

UDIN: 24101797BKCOYT6662

Place: Pune
Date: 20 January 2024

Persistent Systems Limited

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2023

	Notes	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
ASSETS				
Non-current assets				
Property, plant and equipment	4.1	4,006.41	2,978.31	4,563.45
Capital work-in-progress		391.98	1,252.89	156.31
Right of use assets	4.2	1,530.84	1,594.17	1,509.11
Goodwill	4.3	236.00	236.00	236.00
Other intangible assets	4.4	456.16	517.99	573.34
		6,621.39	6,579.36	7,038.21
Financial assets				
- Investments	5	12,260.62	11,691.80	12,145.56
- Trade receivables	11	62.67	-	107.71
- Loans	6	3,060.00	3,716.27	2,870.00
- Other non-current financial assets	7	474.66	826.15	837.09
Deferred tax assets (net)	8	529.38	433.95	397.77
Other non-current assets	9	756.03	954.89	718.02
		23,764.75	**24,202.42**	**24,114.36**
Current assets				
Financial assets				
- Investments	10	6,144.76	2,081.17	1,879.66
- Trade receivables	11	14,454.84	9,478.59	10,498.27
- Cash and cash equivalents	12	1,673.46	1,173.34	1,236.45
- Bank balances other than cash and cash equivalents	13	3,066.78	4,455.14	4,173.35
- Other current financial assets	14	5,920.76	3,373.84	4,340.49
Current tax assets (net)		-	59.26	-
Other current assets	15	3,788.56	2,114.62	2,745.38
		35,049.16	**22,735.96**	**24,873.60**
TOTAL		**58,813.91**	**46,938.38**	**48,987.96**
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	16	769.25	764.25	764.25
Other equity		47,408.55	37,645.15	38,652.25
		48,177.80	**38,409.40**	**39,416.50**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
- Borrowings	17	-	1.84	1.84
- Lease liabilities	18	1,062.43	1,179.15	1,086.87
Other non-current liabilities	22	3.74	-	9.93
Provisions	19	518.72	344.89	369.51
		1,584.89	**1,525.88**	**1,468.15**
Current liabilities				
Financial liabilities				
- Borrowings	17	1.86	1.88	1.91
- Lease liabilities	18	543.40	461.75	468.72
- Trade payables	20			
-total outstanding dues of micro enterprises and small enterprises		27.08	14.68	38.04
-total outstanding dues of creditors other than micro enterprises and small enterprises		1,462.78	1,112.46	1,327.52
- Other financial liabilities	21	386.70	644.41	668.46
Other current liabilities	22	4,131.09	2,415.69	2,980.12
Provisions	23	1,970.58	2,352.23	2,597.94
Current tax liabilities (net)		527.73	-	20.60
		9,051.22	**7,003.10**	**8,103.31**
TOTAL		**58,813.91**	**46,938.38**	**48,987.96**
Summary of material accounting policies	3			

The accompanying notes are an integral part of the special purpose condensed interim 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: 2024.01.20 16:26:10 +05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:29 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place: Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 13:28 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer

DIN: 02506494

Place: Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE
Digitally signed by PRAVEEN PURUSHOTTAM KADLE
Date: 2024.01.20 15:52:57 +05'30'

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:12 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer

DIN: 06475949

Place: Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:32 GMT+5.5)

Amit Atre
Company Secretary

Membership No. A20507

Place: Pune
Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2023

	Notes	For the quarter ended		For nine months ended		For the year ended
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
		In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Income						
Revenue from operations (net)	24	16,694.13	13,072.29	48,833.15	36,340.71	51,175.53
Other income	25	396.31	283.03	1,293.04	627.96	738.71
Total income (A)		**17,090.44**	**13,355.32**	**50,126.19**	**36,968.67**	**51,914.24**
Expenses						
Employee benefits expense	26.1	9,799.13	8,229.98	28,426.17	22,943.85	31,417.30
Cost of professionals	26.2	1,630.70	609.06	4,341.98	1,638.51	2,517.83
Finance costs (refer note 34)		43.87	35.34	129.27	84.52	130.97
Depreciation and amortisation expense	4.5	412.78	341.65	1,209.67	958.42	1,344.87
Other expenses	27	1,722.63	1,425.62	5,417.96	3,986.16	5,704.00
Total expenses (B)		**13,609.11**	**10,641.65**	**39,525.05**	**29,611.46**	**41,114.97**
Profit before exceptional item and tax (A - B)		**3,481.33**	**2,713.67**	**10,601.14**	**7,357.21**	**10,799.27**
Exceptional item						
Provision for export incentives (refer note 37)		-	296.55	-	296.55	296.55
Profit before tax		**3,481.33**	**2,417.12**	**10,601.14**	**7,060.66**	**10,502.72**
Tax expense						
Current tax		991.34	596.20	2,724.42	1,812.16	2,706.50
Deferred tax credit		(107.66)	(6.54)	(140.36)	(78.80)	(115.06)
Total tax expense		**883.68**	**589.66**	**2,584.06**	**1,733.36**	**2,591.44**
Profit for the period / year (C)		**2,597.65**	**1,827.46**	**8,017.08**	**5,327.30**	**7,911.28**
Other comprehensive income						
Items that will not be reclassified to profit or loss (D)						
- Remeasurements of the defined benefit liabilities		(4.20)	(29.93)	(22.53)	(5.69)	(21.08)
- Income tax effect on above		1.05	6.83	5.66	1.08	5.31
		(3.15)	**(23.10)**	**(16.87)**	**(4.61)**	**(15.77)**
Items that will be reclassified to profit or loss (E)						
- Effective portion of cash flow hedge		27.62	172.49	32.86	(351.30)	(63.55)
- Income tax effect on above		(6.55)	(43.40)	(6.82)	88.41	15.99
		21.07	**129.09**	**26.04**	**(262.89)**	**(47.56)**
Total other comprehensive income for the period / year (D) + (E)		**17.92**	**105.99**	**9.17**	**(267.50)**	**(63.33)**
Total comprehensive income for the period / year (C) + (D) + (E)		**2,615.57**	**1,933.45**	**8,026.25**	**5,059.80**	**7,847.95**
Earnings per equity share						
[Nominal value of share ₹10 (Corresponding period / Previous year: ₹10)]	28					
Basic (In ₹)		33.77	23.91	104.23	69.71	103.52
Diluted (In ₹)		33.77	23.91	104.23	69.71	103.52
Summary of material accounting policies	3					

The accompanying notes are an integral part of the special purpose condensed interim 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: 2024.01.20 16:26:24 +05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 20, 2024

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

PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.01.20 15:53:17 +05'30'

Anand Deshpande (Jan 20, 2024 13:29 GMT+5.5)
Sandeep Kalra (Jan 20, 2024 13:28 GMT+5.5)

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: Pune	Place: Pune	Place: Pune
Date : January 20, 2024	Date : January 20, 2024	Date : January 20, 2024

Sunil Sapre (Jan 20, 2024 14:12 GMT+5.5)
Amit Atre (Jan 20, 2024 14:32 GMT+5.5)

Sunil Sapre	**Amit Atre**
Executive Director and Chief Financial Officer	Company Secretary
DIN: 06475949	Membership No. A20507
Place: Pune	Place: Pune
Date : January 20, 2024	Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

		For nine months ended		For the year ended
		December 31, 2023	December 31, 2022	March 31, 2023
		In ₹ Million	In ₹ Million	In ₹ Million
Cash flows from operating activities				
Profit before tax		**10,601.14**	**7,060.66**	**10,502.72**
Adjustments for:				
Interest income		(554.81)	(506.97)	(674.79)
Finance cost		129.27	84.52	130.97
Dividend income		(249.99)	-	-
Depreciation and amortisation expense		1,209.67	958.42	1,344.87
Unrealised exchange loss gain (net)		(169.88)	(325.49)	(226.38)
Exchange (gain) / loss on derivative contracts		(80.14)	(88.43)	88.69
Exchange gain on translation of foreign currency cash and cash equivalents		(11.50)	(67.43)	(31.66)
Bad debts		-	-	46.11
Change in provision for expected credit loss / (gain) (net)		46.11	12.03	(4.46)
Employee stock compensation expenses		557.50	809.31	1,066.31
Remeasurements of the defined benefit liabilities (before tax effects)		(22.53)	(272.11)	(21.08)
Excess provision in respect of earlier years written back		-	(0.95)	(0.95)
Profit on sale / fair valuation of financial assets designated as FVTPL		(180.58)	(99.72)	(145.23)
Profit on sale of investments (net)		(36.45)	-	-
Profit on sale of Property, plant and equipment (net)		(7.74)	(2.66)	(2.99)
Provision for export incentives (refer note 37)		-	296.55	296.55
Operating profit before working capital changes		**11,230.07**	**7,857.73**	**12,368.68**
Movements in working capital :				
Decrease in other non-current assets		5.98	4.73	33.29
Increase in other non-current financial assets		(46.83)	(268.10)	(151.38)
(Increase) / Decrease in other current financial assets		(1,089.03)	642.83	(406.28)
Increase in other current assets		(1,047.47)	(743.36)	(1,302.05)
Increase in trade receivables		(3,890.46)	(4,764.07)	(6,007.16)
Increase in trade payables, current liabilities and non-current liabilities		1,863.39	2,628.07	3,149.56
(Decrease) / Increase in provisions		(469.13)	181.85	437.60
Operating profit after working capital changes		**6,556.52**	**5,539.68**	**8,122.26**
Direct taxes paid (net of refunds)		(2,211.63)	(2,110.19)	(2,923.97)
Net cash generated from operating activities	(A)	**4,344.89**	**3,429.49**	**5,198.29**
Cash flows from investing activities				
Payment towards capital expenditure (including intangible assets, capital advances and capital creditors)		(1,129.17)	(3,057.50)	(3,482.56)
Proceeds from sale of Property, plant and equipment		6.33	2.66	3.77
Investment in wholly owned subsidiaries		-	(2,753.64)	(2,663.61)
Proceeds from transfer of business undertaking		116.25	-	-
Disbursement of Loan to ESOP trust		(1,390.00)	(0.55)	(0.55)
Recovery of Loan to ESOP trust		1,200.00	302.55	652.55
Purchase of bonds		-	(234.84)	(237.41)
Proceeds from sale of bonds		50.00	31.49	31.49
Investments in mutual funds		(37,191.14)	(26,287.39)	(37,249.34)
Proceeds from sale / maturity of mutual funds		32,958.26	28,572.94	39,766.37
Proceeds from maturity of bank deposits having original maturity over three months		1,040.82	1,582.88	1,776.36
Disposal / (Investment) in deposit with financial institutions		400.00	(400.00)	(400.00)
Interest received		614.19	506.97	702.24
Dividend received		249.99	-	-
Net cash flows used in investing activities	(B)	**(3,074.47)**	**(1,734.43)**	**(1,100.69)**
Cash flows from financing activities				
Proceeds from issuance of share capital		1,394.50	-	-
Repayment of long term borrowings		(1.84)	(1.86)	(1.86)
Payment of lease liabilities		(381.77)	(225.71)	(343.05)
Dividend paid		(1,692.35)	(840.68)	(2,980.58)
Interest paid		(129.32)	(84.57)	(130.99)
Net cash flows used in financing activities	(C)	**(810.78)**	**(1,152.82)**	**(3,456.48)**

Persistent Systems Limited

CONDENSED INTERIM CASH FLOW STATEMENT FOR THE NINE MONTHS ENDED DECEMBER 31, 2023

	For nine months ended		For the year ended
	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million
Net increase in cash and cash equivalents (A + B + C)	459.64	542.24	641.12
Cash and cash equivalents at the beginning of the period / year	1,236.45	563.67	563.67
Movement in cash and cash equivalent on account of transfer of business undertaking	(34.13)	-	-
Effect of exchange differences on translation of foreign currency cash and cash equivalents	11.50	67.43	31.66
Cash and cash equivalents at the end of the period / year	**1,673.46**	**1,173.34**	**1,236.45**
Components of cash and cash equivalents			
Cash on hand (refer note 12)	0.13	0.18	0.14
Balances with banks			
On current accounts # (refer note 12)	568.75	363.92	485.20
On saving accounts (refer note 12)	28.84	34.34	33.21
On deposit account with maturity of less than three months (Refer note 12)	44.00	53.00	79.00
On exchange earner's foreign currency accounts (refer note 12)	1,031.74	721.90	638.90
Cash and cash equivalents	**1,673.46**	**1,173.34**	**1,236.45**

Of the cash and cash equivalent balance as at December 31, 2023, the Company can utilise ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million, Previous year: ₹ 125.39 Million) only towards certain predefined activities specified in the 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 material accounting policies - Refer note 3

The accompanying notes are an integral part of the special purpose condensed interim 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: 2024.01.20 16:26:45 +05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:29 GMT+5.5)

Dr. Anand Deshpande
Chairman and
Managing Director
DIN: 00005721

Place: Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 13:28 GMT+5.5)

Sandeep Kalra
Executive Director and
Chief Executive Officer
DIN: 02506494

Place: Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.01.20 15:53:49 +05'30'

Praveen Kadle
Independent Director

DIN: 00016814

Place: Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:12 GMT+5.5)

Sunil Sapre
Executive Director and
Chief Financial Officer
DIN: 06475949

Place: Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:32 GMT+5.5)

Amit Atre
Company Secretary

Membership No. A20507

Place: Pune
Date : January 20, 2024

Persistent Systems Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2023

A. Equity share capital

(Refer note 16)

(In ₹ Million)

Balance as at April 1, 2023	Changes in equity share capital during the period	Balance as at December 31, 2023
764.25	5.00	769.25

(In ₹ Million)

Balance as at April 1, 2022	Changes in equity share capital during the period	Balance as at December 31, 2022
764.25	-	764.25

(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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED DECEMBER 31, 2023

B. Other equity

(In ₹ Million)

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Securities premium	Effective portion of cash flow hedges	
Balance as at April 1, 2023	20,824.26	2,222.02	35.75	15,575.98	-	(5.76)	38,652.25
Profit for the period	-	-	-	8,017.08	-	-	8,017.08
Items recognised in / from other comprehensive income for the period	-	-	-	(16.87)	-	26.04	9.17
Dividend	-	-	-	(1,692.35)	-	-	(1,692.35)
Employee stock compensation expenses	-	557.50	-	-	-	-	557.50
Employee stock compensation expenses of subsidiaries	-	475.40	-	-	-	-	475.40
Premium on fresh issue of equity shares	-	-	-	-	1,389.50	-	1,389.50
Balance as at December 31, 2023	**20,824.26**	**3,254.92**	**35.75**	**21,883.84**	**1,389.50**	**20.28**	**47,408.55**

(In ₹ Million)

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedges	
Balance as at April 1, 2022	17,376.65	1,144.84	35.75	13,825.56	41.80	32,424.60
Profit for the period	-	-	-	5,327.30	-	5,327.30
Items recognised in / from other comprehensive income for the period	-	-	-	(4.61)	(262.89)	(267.50)
Dividend	-	-	-	(840.68)	-	(840.68)
Employee stock compensation expenses	-	809.31	-	-	-	809.31
Employee stock compensation expenses of subsidiaries	-	192.12	-	-	-	192.12
Balance as at December 31, 2022	**17,376.65**	**2,146.27**	**35.75**	**18,307.57**	**(221.09)**	**37,645.15**

(In ₹ Million)

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Share options outstanding reserve	Capital redemption reserve	Retained earnings	Effective portion of cash flow hedges	
Balance as at April 1, 2022	17,376.65	1,144.84	35.75	13,825.56	41.80	32,424.60
Profit for the year	-	-	-	7,911.28	-	7,911.28
Items recognised in / from other comprehensive income for the period	-	-	-	(15.77)	(47.56)	(63.33)
Dividend	-	-	-	(2,980.58)	-	(2,980.58)
Transfer to general reserve	3,164.51	-	-	(3,164.51)	-	-
Adjustments towards employees stock options	283.10	(283.10)	-	-	-	-
Employee stock compensation expenses	-	1,066.31	-	-	-	1,066.31
Employee stock compensation expenses of subsidiaries	-	293.97	-	-	-	293.97
Balance as at March 31, 2023	**20,824.26**	**2,222.02**	**35.75**	**15,575.98**	**(5.76)**	**38,652.25**

Summary of material accounting policies - Refer note 3

The accompanying notes are an integral part of the special purpose condensed interim 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: 2024.01.20 16:27:05 +05'30'

Shashi Tadwalkar
Partner

Membership No.: 101797

Place: Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:29 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director

DIN: 00005721

Place: Pune
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Executive Director and Chief Executive Officer

DIN: 02506494

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Independent Director

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Place: Pune
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Amit Atre
Amit Atre (Jan 20, 2024 14:32 GMT+5.5)

Amit Atre
Company Secretary

Membership No. A20507

Place: Pune
Date : January 20, 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 on which such amount is transferred to General reserve.

c) Capital redemption reserve

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

d) Retained earnings

This reserve represents undistributed accumulated earnings of the Company as on the balance sheet date.

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) 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.

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NOTES FORMING PART OF CONDENSED INTERIM FINANCIAL STATEMENTS

1 Nature of operations

Persistent Systems Limited ("the Company" or “PSL”) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 ("the 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. The company offers complete product life cycle services.

The Board of Directors approved the condensed interim standalone financial statements for the nine months ended December 31, 2023 and authorised for issue on January 20, 2024.

2 Basis of preparation

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

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

3 Material accounting policy information

3.1 Use of estimates and judgements

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

3.2 Critical accounting estimates

a) Revenue recognition

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

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

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

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

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

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

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

b) Income taxes

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

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

c) Business combination

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

d) Property, plant and equipment

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

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e) Leases

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

f) Provisions and contingent liabilities

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

g) Defined benefits and compensated absences

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

h) Share based payments

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

i) Impairment of assets

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

3.3 Summary of significant accounting policies

a) Current versus non-current classification

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

b) Property, plant and equipment

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

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

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

c) Intangible assets

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

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

Research and development cost

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

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

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

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

d) Depreciation and amortisation

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

The management estimates the useful lives for the Property, plant and equipment 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.

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.

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

f) Leases

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

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

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

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

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

Where the Company is a lessee

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

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

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

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

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

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

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

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

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. The Company recognises lease payments received under operating leases as income over the lease term on a straight-line basis.

g) Impairment of non-financial assets

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

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

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

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

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

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

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

h) Financial instruments

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

Initial recognition and measurement

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

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

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

Subsequent measurement

Non-derivative financial instruments

Financial assets

Financial assets at amortised cost

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

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

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

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

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

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

Investments in subsidiaries

Investment in subsidiaries are carried at cost.

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 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.

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 recognised in statement of profit and loss.

Fair value gains or losses on liabilities designated as FVTPL attributable to changes in own credit risk are recognised in OCI. All other changes in fair value of liabilities designated as FVTPL are recognised in the statement of profit and loss. The Company has not designated any financial liability as FVTPL.

Derivative financial instruments

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

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

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

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

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

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

Derecognition

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

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

Financial guarantee contracts

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

Fair value of financial instruments

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

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

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

Impairment of financial assets

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

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

i) Revenue recognition

Revenues from customer contracts are considered for recognition and measurement when the contract has been approved by the parties to the contract, the parties to the contract are committed to perform their respective obligations under the contract, and the contract is legally enforceable. Revenue is recognised upon transfer of control of promised products or services (“performance obligations”) to customers in an amount that reflects the consideration the Company has received or expects to receive in exchange for these products or services (“transaction price”). When there is uncertainty as to collectability, revenue recognition is postponed until such uncertainty is resolved. The Company assesses the services promised in a contract and identifies distinct performance obligations in the contract. The Company allocates the transaction price to each distinct performance obligation based on the relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In the absence of such evidence, the primary method used to estimate standalone selling price is the expected cost plus a margin, under which the Company estimates the cost of satisfying the performance obligation and then adds an appropriate margin based on similar services. The Company’s contracts may include variable consideration including rebates, volume discounts and penalties. The Company includes variable consideration as part of transaction price when there is a basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved.

Income from software services and products

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

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

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

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

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

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

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

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

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

Interest

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

Dividend

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

Contract balances

Contract assets

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

Contract liabilities

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

j) Government grants

Government grants are recognised at fair value when there is reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received. Grants related to purchase of assets are treated as deferred income and allocated to statement of profit and loss over the useful lives of the related assets while grants relating to incurrence of revenue expenses are deducted while reporting the related expenses in statement of profit and loss.

k) Foreign currency translation

Foreign currency transactions and balances

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

Initial recognition

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

Conversion

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

Exchange differences

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

Translation of foreign operations

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

l) Employee benefits

Defined contribution plan

Provident fund

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

Superannuation

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

Defined benefit plan

Gratuity

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

Compensated absences and long service awards

Leave encashment

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

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

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

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

Long service awards

Long service awards are other long term benefits to all eligible employees, as per the Company’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 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.

m) Income taxes

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

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

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

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

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

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

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

n) Segment reporting

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

o) Earnings per share (EPS)

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

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

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

p) Provisions

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

q) Contingent liabilities and commitments

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

r) Share based payments

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

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

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

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

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

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

s) 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.

t) Dividend

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

u) Business Combination

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

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

Acquisition-related costs are expensed as incurred.

The excess of the:

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

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

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

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

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

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

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

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

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4.1 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	991.53	2,810.72	3,813.34	64.99	1,946.07	20.79	889.44	15.88	10,552.76
Additions	-	15.13	90.70	4.22	112.72	-	0.81	0.02	223.60
Disposals	-	-	93.27	2.16	9.64	-	7.17	1.26	113.50
Disposal on account of merger (Refer Note 34)	-	-	3.96	-	-	-	-	-	3.96
As at December 31, 2023	**991.53**	**2,825.85**	**3,806.81**	**67.05**	**2,049.15**	**20.79**	**883.08**	**14.64**	**10,658.90**
Accumulated depreciation									
As at April 1, 2023	-	1,360.64	2,724.48	53.95	1,273.79	20.79	548.38	7.28	5,989.31
Charge for the period	-	91.15	501.56	3.26	124.12	-	56.92	1.69	778.70
Disposals	-	-	93.04	2.16	9.64	-	7.17	1.26	113.27
Disposal on account of merger (Refer Note 34)	-	-	2.25	-	-	-	-	-	2.25
As at December 31, 2023	**-**	**1,451.79**	**3,130.75**	**55.05**	**1,388.27**	**20.79**	**598.13**	**7.71**	**6,652.49**
Net block									
As at December 31, 2023	**991.53**	**1,374.06**	**676.06**	**12.00**	**660.88**	**-**	**284.95**	**6.93**	**4,006.41**

4.2 Right of use assets

(In ₹ Million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2023	1,828.92	131.97	1,960.89
Additions	321.27	-	321.27
As at December 31, 2023	**2,150.19**	**131.97**	**2,282.16**
Accumulated depreciation			
As at April 1, 2023	448.56	3.22	451.78
Charge for the period	298.39	1.15	299.54
As at December 31, 2023	**746.95**	**4.37**	**751.32**
Net block			
As at December 31, 2023	**1,403.24**	**127.60**	**1,530.84**

* Note: Building includes those constructed on leasehold land:

a) Gross block as on December 31, 2023 ₹ 1,460.40 Million (Corresponding period / Previous year : ₹ 1,455.94 Million)

b) Depreciation charge for the year ₹ 44.53 Million (Corresponding period : ₹ 44.51 Million / Previous year : ₹ 59.08 Million)

c) Accumulated depreciation as on December 31, 2023 ₹ 720.75 Million (Corresponding period : ₹ 661.65 Million / Previous year : ₹ 676.22 Million)

d) Net block value as on December 31, 2023 ₹ 739.65 Million (Corresponding period : ₹ 794.29 Million / Previous year : ₹ 779.72 Million)

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4.1 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, 2022	206.92	2,389.08	3,273.91	58.00	1,389.40	20.79	557.84	7.27	7,903.21
Additions	-	4.87	456.50	5.10	275.99	-	143.12	2.66	888.24
Disposals	-	-	43.80	0.02	1.91	-	1.83	0.03	47.59
As at December 31, 2022	**206.92**	**2,393.95**	**3,686.61**	**63.08**	**1,663.48**	**20.79**	**699.13**	**9.90**	**8,743.86**
Accumulated depreciation									
As at April 1, 2022	-	1,253.87	2,156.39	50.81	1,180.30	20.79	501.49	5.95	5,169.60
Charge for the period	-	73.12	470.64	2.41	63.80	-	32.20	0.81	642.98
Disposals	-	-	43.24	0.02	1.91	-	1.83	0.03	47.03
As at December 31, 2022	**-**	**1,326.99**	**2,583.79**	**53.20**	**1,242.19**	**20.79**	**531.86**	**6.73**	**5,765.55**
Net block									
As at December 31, 2022	**206.92**	**1,066.96**	**1,102.82**	**9.88**	**421.29**	**-**	**167.27**	**3.17**	**2,978.31**

4.2 Right of use assets

(In ₹ Million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2022	808.27	37.50	845.77
Additions	1,040.30	94.47	1,134.77
Disposals	8.90	-	8.90
As at December 31, 2022	**1,839.67**	**131.97**	**1,971.64**
Accumulated depreciation			
As at April 1, 2022	172.38	1.76	174.14
Charge for the period	205.09	1.08	206.17
Disposals	2.84	-	2.84
As at December 31, 2022	**374.63**	**2.84**	**377.47**
Net block			
As at December 31, 2022	**1,465.04**	**129.13**	**1,594.17**

4.1 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, 2022	206.92	2,389.08	3,273.91	58.00	1,389.40	20.79	557.84	7.27	7,903.21
Additions	784.61	421.84	613.26	7.24	565.57	-	334.45	8.64	2,735.61
Disposals	-	0.20	73.83	0.25	8.90	-	2.85	0.03	86.06
As at March 31, 2023	**991.53**	**2,810.72**	**3,813.34**	**64.99**	**1,946.07**	**20.79**	**889.44**	**15.88**	**10,552.76**
Accumulated depreciation									
As at April 1, 2022	-	1,253.87	2,156.39	50.81	1,180.30	20.79	501.49	5.95	5,169.60
Charge for the year	-	106.95	641.16	3.39	102.39	-	49.74	1.36	904.99
Disposals	-	0.18	73.07	0.25	8.90	-	2.85	0.03	85.28
As at March 31, 2023	**-**	**1,360.64**	**2,724.48**	**53.95**	**1,273.79**	**20.79**	**548.38**	**7.28**	**5,989.31**
Net block									
As at March 31, 2023	**991.53**	**1,450.08**	**1,088.86**	**11.04**	**672.28**	**-**	**341.06**	**8.60**	**4,563.45**

4.2 Right of use assets

(In ₹ Million)

	Office premises	Leasehold land	Total
Gross block (at cost)			
As at April 1, 2022	808.27	37.50	845.77
Additions	1,029.55	94.47	1,124.02
Disposals	8.90	-	8.90
As at March 31, 2023	**1,828.92**	**131.97**	**1,960.89**
Accumulated depreciation			
As at April 1, 2022	172.38	1.76	174.14
Charge for the year	279.02	1.46	280.48
Disposals	2.84	-	2.84
As at March 31, 2023	**448.56**	**3.22**	**451.78**
Net block			
As at March 31, 2023	**1,380.36**	**128.75**	**1,509.11**

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4.3 Goodwill

(In ₹ Million)

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Balance at beginning of period / year	236.00	-	-
Addition on purchase price allocation of business combination	-	236.00	236.00
Balance at end of period / year	**236.00**	**236.00**	**236.00**

4.4 Other intangible assets

(In ₹ Million)

	Software	Acquired contractual rights	Total
Gross block			
As at April 1, 2023	784.41	652.64	1,437.05
Additions	14.25	-	14.25
As at December 31, 2023	**798.66**	**652.64**	**1,451.30**
Accumulated amortisation			
As at April 1, 2023	538.59	325.12	863.71
Charge for the period	89.56	41.87	131.43
As at December 31, 2023	**628.15**	**366.99**	**995.14**
Net block			
As at December 31, 2023	**170.51**	**285.65**	**456.16**

(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2022	987.10	261.74	626.90	1,875.74
Additions	82.54	-	-	82.54
Adjustment due to purchase price allocation				
- Goodwill	-	-	(236.00)	(236.00)
- Acquired Contractual Rights	-	390.90	(390.90)	-
Disposals	390.70	-	-	390.70
As at December 31, 2022	**678.94**	**652.64**	**-**	**1,331.58**
Accumulated amortisation				
As at April 1, 2022	821.98	261.74	11.29	1,095.01
Charge for the period	71.12	11.54	26.62	109.28
Reclassification on purchase price allocation of business combination	-	37.91	(37.91)	-
Disposals	390.70	-	-	390.70
As at December 31, 2022	**502.40**	**311.19**	**-**	**813.59**
Net block				
As at December 31, 2022	**176.54**	**341.45**	**-**	**517.99**

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(In ₹ Million)

	Software	Acquired contractual rights	Provisional intangible assets	Total
Gross block				
As at April 1, 2022	987.10	261.74	626.90	1,875.74
Additions	188.01	-	-	188.01
Adjustment due to purchase price allocation				
- Goodwill	-	-	(236.00)	(236.00)
- Acquired contractual rights	-	390.90	(390.90)	-
Disposals	390.70	-	-	390.70
As at March 31, 2023	**784.41**	**652.64**	**-**	**1,437.05**
Accumulated amortisation				
As at April 1, 2022	821.98	261.74	11.29	1,095.01
Charge for the year	107.31	25.47	26.62	159.40
Adjustment due to change in purchase consideration	-	37.91	(37.91)	-
Disposals	390.70	-	-	390.70
As at March 31, 2023	**538.59**	**325.12**	**-**	**863.71**
Net block				
As at March 31, 2023	**245.82**	**327.52**	**-**	**573.34**

4.5 Depreciation and amortisation expense

(In ₹ Million)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
On Property, plant and equipment	262.29	222.45	778.70	642.97	904.99
On Right of use assets	106.55	92.01	299.54	206.17	280.48
On Other intangible assets	43.94	27.19	131.43	109.28	159.40
	412.78	**341.65**	**1,209.67**	**958.42**	**1,344.87**

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5. Non-current financial assets : Investments

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Investments carried at cost			
Unquoted investments			
Investments in equity instruments			
- In wholly owned subsidiary companies (Refer note 30)			
Persistent Systems, Inc. 702 Million (Corresponding period / Previous year : 702 Million) shares of USD 0.10 each, fully paid up	4,729.74	4,729.74	4,729.74
Persistent Systems Pte Ltd. 0.50 Million (Corresponding period / Previous year : 0.50 Million) shares of SGD 1 each, fully paid up	15.50	15.50	15.50
Persistent Systems France SAS 1.50 Million (Corresponding period / Previous year : 1.50 Million) shares of EUR 1 each, fully paid up	97.47	97.47	97.47
Persistent Systems Malaysia Sdn. Bhd. 5.45 Million (Corresponding period / Previous year : 5.45 Million) shares of MYR 1 each, fully paid up	102.25	102.25	102.25
Persistent Systems Germany GmbH 16.73 Million (Corresponding period : 11.65 Million, Previous year : 16.73 Million) shares of EUR 1 each, fully paid up	1,719.40	1,265.91	1,719.40
CAPIOT Software Private Limited 0.19 Million (Corresponding period / Previous year : 0.19 Million) shares of Rs. 10 each, fully paid up	483.71	483.71	483.71
MediaAgility India Private Limited 3.21 Million (Corresponding period / Previous year : 3.21 Million) shares of Rs. 10 each, fully paid up.	971.45	971.45	971.45
Total investments carried at cost (A)	**8,119.52**	**7,666.03**	**8,119.52**
Investments carried at amortised cost			
Quoted investments			
In bonds (Refer note 29) [Market value ₹ 2,796.16 Million (Corresponding period : ₹ 2,770.69 Million / Previous year : ₹ 2,852.78 Million)]	2,951.14	3,005.16	3,005.16
Add: Interest accrued on bonds	95.39	95.71	80.43
Total investments carried at amortised cost (B)	**3,046.53**	**3,100.87**	**3,085.59**
Designated as fair value through profit and loss			
Unquoted investments			
- Investments in mutual funds			
Fair value of long term mutual funds (Refer Note 5 (a))	1,088.57	918.90	934.45
	1,088.57	**918.90**	**934.45**
- Others*			
Altizon Systems Private Limited 3,766 equity shares (Corresponding period / Previous year : 3,766 equity shares) of ₹ 10 each, fully paid up	6.00	6.00	6.00
	6.00	**6.00**	**6.00**
Total investments carried at fair value (C)	**1,094.57**	**924.90**	**940.45**
Total investments (A) + (B) + (C)	**12,260.62**	**11,691.80**	**12,145.56**
Aggregate provision for diminution in value of investments	-	-	-
Aggregate amount of quoted investments	3,046.53	3,100.87	3,085.59
Aggregate amount of unquoted investments	9,214.09	8,590.93	9,059.97

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

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

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Axis Mutual Fund	516.61	483.35	491.04
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	434.37	405.48	412.76
DSP Mutual Fund	52.63	-	-
HSBC Mutual Fund	52.62	-	-
HDFC Mutual Fund	32.34	30.07	30.65
	1,088.57	**918.90**	**934.45**

6. Non-current financial assets : Loans

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Carried at amortised cost			
Loan to related parties			
- Persistent Systems Germany GmbH	-	441.78	-
Add: Interest accrued but not due on loan	-	11.25	-
	-	**453.03**	**-**
Other loans and advances			
Unsecured, considered good			
Loan to ESOP trust	3,060.00	3,220.00	2,870.00
Add: Interest accrued	-	43.24	-
	3,060.00	**3,263.24**	**2,870.00**
Unsecured, credit impaired			
Inter-corporate deposit	0.58	0.58	0.58
Less: Impairment	(0.58)	(0.58)	(0.58)
	-	-	-
	3,060.00	**3,716.27**	**2,870.00**

7. Other non-current financial assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Considered good			
Carried at amortised cost			
Deposits with bank (refer note 13)*	42.98	41.16	41.60
Add: Interest accrued but not due on deposits with bank (refer note 13)	2.31	0.23	0.98
	45.29	**41.39**	**42.58**
Deposit with financial institutions	100.00	500.00	500.00
Add: Interest accrued but not due on deposit with financial institutions	9.03	14.08	20.22
	109.03	**514.08**	**520.22**
Security deposits	320.34	270.68	274.29
Considered good (A)	**474.66**	**826.15**	**837.09**
Credit impaired			
Deposit with financial institutions	430.00	430.00	430.00
Add: Interest accrued but not due on deposit with financial institutions	0.98	0.98	0.98
Less: Credit impaired	(430.98)	(430.98)	(430.98)
Credit impaired (B)	-	-	-
Total (A+B)	**474.66**	**826.15**	**837.09**

* Out of the balance, fixed deposits of ₹ 3.60 Million (Corresponding period : ₹ 1.61 Million / Previous year : ₹ 2.05 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

8. Deferred tax assets (net)

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Deferred tax assets			
Provision for leave encashment	188.99	127.23	147.86
Provision for long service awards	118.86	95.18	101.60
Allowance for expected credit loss	31.29	23.84	19.83
Tax credit	-	58.41	57.95
Provision for Gratuity	18.93	-	-
Right of use asset and lease liability	55.85	40.71	42.66
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	40.67	-	-
Cash flow hedges	-	74.36	1.94
Others	118.20	117.29	117.28
	572.79	**537.02**	**489.12**
Deferred tax liabilities			
Differences in book values and tax base values of block of Property, plant and equipment and other intangible assets	-	62.05	68.53
Cash flow hedges	6.82	-	-
Capital gains (net)	36.59	41.02	22.82
	43.41	**103.07**	**91.35**
Deferred tax assets (net)	**529.38**	**433.95**	**397.77**

9. Other non-current assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital advances (unsecured, considered good)	670.37	834.70	626.39
Prepayments	85.66	120.19	91.63
	756.03	**954.89**	**718.02**

10. Current financial assets : Investments

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Designated as fair value through profit and loss			
- Unquoted investments			
Investments in mutual funds			
Fair value of current mutual funds (refer note 10(a) below)	6,144.76	2,081.17	1,879.66
Total carrying amount of investments	**6,144.76**	**2,081.17**	**1,879.66**
Aggregate amount of quoted investments	**-**	**-**	**-**
Aggregate amount of unquoted investments	**6,144.76**	**2,081.17**	**1,879.66**

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

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
UTI Mutual Fund	700.66	76.54	195.74
Aditya Birla Sun Life Mutual Fund	536.14	848.69	246.52
Axis Mutual Fund	882.88	453.92	195.72
HDFC Mutual Fund	215.91	130.68	200.17
Bandhan Mutual Fund (formerly known as IDFC Mutual Fund)	343.48	40.02	100.10
Invesco Mutual Fund	375.51	85.51	50.03
Mirae Asset Mutual Fund	455.02	40.02	50.03
ICICI Prudential Mutual Fund	225.34	40.02	245.54
SBI Mutual Fund	390.16	-	115.64
Nippon India Mutual Fund (formerly known as Reliance Mutual Fund)	390.09	-	100.02
Kotak Mutual Fund	421.56	40.02	200.12
HSBC Mutual Fund	308.68	230.56	50.00
DSP Mutual Fund	393.43	95.19	50.00
Tata Mutual Fund	310.75	-	50.02
Sundaram Mutual Fund	195.15	-	30.01
	6,144.76	**2,081.17**	**1,879.66**

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11. Trade receivables

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
- Current			
Unsecured, considered good*	14,454.84	9,478.59	10,498.27
Unsecured, credit impaired	124.33	94.73	78.79
	14,579.17	**9,573.32**	**10,577.06**
Less : Allowance for expected credit loss	(124.33)	(94.73)	(78.79)
	14,454.84	**9,478.59**	**10,498.27**
- Non current			
Unsecured, considered good	62.67	-	107.71
	62.67	**-**	**107.71**
	14,517.51	**9,478.59**	**10,605.98**

*Includes dues from related parties (refer note 30)

12. Cash and cash equivalents

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Cash and cash equivalents as presented in statement of cash flow			
Cash on hand	0.13	0.18	0.14
Balances with banks			
On current accounts#	568.75	363.92	485.20
On saving accounts	28.84	34.34	33.21
On exchange earner's foreign currency accounts	1,031.74	721.90	638.90
On deposit accounts with original maturity less than three months	44.00	53.00	79.00
	1,673.46	**1,173.34**	**1,236.45**

Of the cash and cash equivalent balance as at December 31, 2023, the Company can utilise ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million, Previous year: ₹ 125.39 Million) only towards certain predefined activities specified in the agreement.

13. Bank balances other than cash and cash equivalents

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Deposits with banks*	3,041.48	4,388.40	4,082.30
Add: Interest accrued but not due on deposits with banks	67.43	105.07	130.58
Deposits with banks (carried at amortised cost)	**3,108.91**	**4,493.47**	**4,212.88**
Less: Deposit with maturity more than twelve months from the balance sheet date disclosed under non-current financial assets (refer note 7)	(42.98)	(41.16)	(41.60)
Less: Interest accrued but not due on non-current deposits with banks (refer note 7)	(2.31)	(0.23)	(0.98)
	3,063.62	**4,452.08**	**4,170.30**
Balances with banks on unpaid dividend accounts**	3.16	3.06	3.05
	3,066.78	**4,455.14**	**4,173.35**

* Out of the balance, fixed deposits of ₹ 2,364.78 Million (Corresponding period: ₹ 631.77 Million / Previous year : ₹ 1,216.85 Million) have been earmarked against credit facilities and bank guarantees availed by the Company.

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

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14. Other current financial assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	47.27	-	-
Carried at amortised cost			
Advances to related parties (Unsecured, considered good) (refer note 30)			
Persistent Systems, Inc.	801.87	56.66	123.10
Persistent Systems France SAS	0.69	0.69	0.69
Persistent Telecom Solutions Inc.	0.19	0.15	0.17
Persistent Systems Malaysia Sdn. Bhd.	0.07	0.07	0.07
Persistent Systems Lanka (Private) Limited	0.29	0.21	0.24
Persistent Systems UK Limited (Formerly known as Aepona Limited)	2.60	6.41	6.40
Aepona Group Limited	0.12	0.04	0.08
PARX Consulting GmbH	-	0.06	0.09
Youperience Limited	-	0.04	0.04
Persistent Systems Mexico, S.A. de C.V	1.39	1.00	1.38
Youperience GmbH	-	0.04	0.04
Persistent Systems Pte. Ltd.	0.41	0.41	0.41
Persistent Systems Germany GmbH	0.87	0.55	0.54
Persistent Systems Switzerland AG (Formerly known as PARX Werk AG)	0.13	0.09	0.09
Persistent Systems Australia Pty Limited	2.38	-	-
CAPIOT Software Private Limited	0.02	-	-
MediaAgility India Private Limited	-	-	49.33
MediaAgility UK Limited	6.86	-	0.76
Persistent Systems S.R.L. Romania	-	-	1.91
Persistent Systems Costa Rica Limitada (Formerly known as Data Glove IT Solutions Limitada	0.42	-	-
	818.31	**66.42**	**185.34**
Unbilled revenue	5,038.98	3,291.22	4,138.95
Security deposits	0.10	0.10	0.10
Other receivables (Unsecured, considered good)	16.10	16.10	16.10
	5,920.76	**3,373.84**	**4,340.49**

15. Other current assets

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Advances to suppliers (Unsecured, considered good)			
Advances recoverable in cash or kind or for value to be received	816.09	553.86	801.31
Prepayments	658.60	564.18	780.75
Excess fund balance with Life Insurance Corporation of India	-	73.69	53.31
Deferred finance cost	84.80	-	-
Other advances (Unsecured, considered good)			
VAT receivable (net)	21.44	22.41	22.10
Service Tax and GST receivable (net) (refer note 31(a))	2,207.63	900.48	1,087.91
	2,229.07	**922.89**	**1,110.01**
	3,788.56	**2,114.62**	**2,745.38**

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16. Share Capital

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Authorized shares (No. in Million)			
200 (Corresponding period/ Previous year:200) equity shares of ₹10 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)			
76.925 (Corresponding period / Previous year: 76.425) equity shares of ₹10 each	769.25	764.25	764.25
Issued, subscribed and fully paid-up share capital	**769.25**	**764.25**	**764.25**

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

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

(In Million)

	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No of Shares	Amount ₹	No of Shares	Amount ₹	No of Shares	Amount ₹
Number of shares at the beginning of the period / year	76.425	764.25	76.425	764.25	76.425	764.25
Add / less: Changes during the period / year	0.500	5.00	-	-	-	-
Number of shares at the end of the period / year	**76.925**	**769.25**	**76.425**	**764.25**	**76.425**	**764.25**

b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	For the period of five years ended December 31, 2023 No in Million	For the period of five years ended December 31, 2022 No in Million	For the period of five years ended March 31, 2023 No in Million
Equity shares bought back	3.575	3.575	3.575

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

Name of the shareholder*	As at December 31, 2023		As at December 31, 2022		As at March 31, 2023	
	No. in million	% Holding	No. in million	% Holding	No. in million	% Holding
Dr. Anand Deshpande and Mrs. Sonali Anand Deshpande	22.98	29.88	22.98	30.07	22.98	30.07

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

17. Non-current financial liabilities : Borrowings

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Unsecured borrowings carried at amortised cost			
Term loans			
Indian rupee loan from others	1.85	3.69	3.69
Interest accrued but not due on term loans	0.01	0.03	0.06
	1.86	**3.72**	**3.75**
Less: Current maturity of long-term borrowings	(1.85)	(1.85)	(1.85)
Less: Current maturity of interest accrued but not due on term loan	(0.01)	(0.03)	(0.06)
	(1.86)	**(1.88)**	**(1.91)**
	-	**1.84**	**1.84**

The term loans from Government departments have the following terms and conditions:

Loan amounting to ₹ 1.85 Million (Corresponding period / Previous year : ₹ 3.69 Million) with Interest payable @ 3% per annum repayable in ten equal annual installments over a period of ten years commencing from October 2015.

18. Lease liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Lease liabilities	1,605.83	1,640.90	1,555.59
Less: Current portion of lease liabilities	(543.40)	(461.75)	(468.72)
	1,062.43	**1,179.15**	**1,086.87**

Movement of lease liabilities

	For the nine months ended		For the year ended
	December 31, 2023 In ₹ Million	**December 31, 2022 In ₹ Million**	**March 31, 2023 In ₹ Million**
Opening balance	1,555.59	758.26	758.26
Additions	321.27	1,040.30	1,029.55
Deletions	-	(8.90)	(8.90)
Add: Interest recognised during the period / year	110.74	76.95	119.73
Less: Payments made during the period / year	(381.77)	(225.71)	(343.05)
Closing balance	**1,605.83**	**1,640.90**	**1,555.59**

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19. Non current liabilities : Provisions

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits			
- Gratuity	75.22	-	-
- Long service awards	443.50	344.89	369.51
	518.72	**344.89**	**369.51**

20. Trade payables

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Trade payables for goods and services*			
-total outstanding dues of micro enterprises and small enterprises	27.08	14.68	38.04
-total outstanding dues of creditors other than micro enterprises and small enterprises	1,462.78	1,112.46	1,327.52
	1,489.86	**1,127.14**	**1,365.56**

*Includes dues payable to related parties (refer note 30)

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

21. Other current financial liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Capital creditors	46.56	125.96	338.67
Accrued employee liabilities	284.76	19.81	206.85
Unpaid dividend*	3.16	3.06	3.05
Other liabilities	8.40	8.41	8.40
Contingent consideration payable for acquisition of business	43.21	43.21	43.21
Derivative instruments at fair value through OCI			
Cash flow hedges			
Foreign exchange forward contracts	-	442.82	67.67
Advance from related parties (Unsecured, considered good)			
Persistent Systems Israel Ltd.	0.61	1.14	0.61
	0.61	**1.14**	**0.61**
	386.70	**644.41**	**668.46**

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

22. Other liabilities

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Unearned revenue	432.92	452.91	302.30
Advance from customers	52.49	65.52	54.48
Other payables			
- Statutory liabilities	1,118.24	700.03	668.55
-Current			
Others*	2,527.44	1,197.23	1,954.79
	4,131.09	**2,415.69**	**2,980.12**
-Non current			
Others	3.74	-	9.93
	4,134.83	**2,415.69**	**2,990.05**

*Includes balance of ₹ 169.19 Million (Corresponding period : ₹ 6.31 Million, Previous year : ₹ 125.39 Million) to be utilised against certain predefined activities specified in the agreement. There are no unfulfilled conditions or contingencies attached to these grants.
Further, includes dues payable to related parties and advance received from related parties (refer note 30).

23. Current liabilities : Provisions

	As at December 31, 2023 In ₹ Million	As at December 31, 2022 In ₹ Million	As at March 31, 2023 In ₹ Million
Provision for employee benefits			
- Leave encashment	750.93	505.52	587.47
- Long service awards	28.75	33.29	34.18
- Other employee benefits	1,190.90	1,813.42	1,976.29
	1,970.58	**2,352.23**	**2,597.94**

24. Revenue from operations (net) (refer note 30)

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Software services	16,506.29	12,965.88	48,239.77	35,993.95	50,623.78
Software licenses	187.84	106.41	593.38	346.76	551.75
	16,694.13	**13,072.29**	**48,833.15**	**36,340.71**	**51,175.53**

25. Other income

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Interest income					
- On deposits carried at amortised cost	57.76	81.28	200.62	204.86	281.55
- On Loan given to ESOP Trust	56.96	48.26	196.32	148.95	193.39
- On others	52.94	52.68	157.87	153.16	199.85
Dividend income from investments*	-	-	249.99	-	-
Other non-operating income					
Foreign exchange gain / (loss) (net)	84.64	38.52	166.41	(24.82)	(146.32)
Profit on sale of Property, plant and equipment (net)	2.51	1.50	7.74	2.66	2.99
Profit on sale of investments (net)	36.45	-	36.45	-	-
Net profit on sale / fair valuation of financial assets designated as FVTPL	86.11	48.31	180.58	99.72	145.23
Excess provision in respect of earlier periods / years written back	-	-	-	0.95	0.95
Miscellaneous income	18.94	12.48	97.06	42.48	61.07
	396.31	**283.03**	**1,293.04**	**627.96**	**738.71**

*includes dividend received from investment in wholly owned subsidiaries. (refer note 30)

26. Personnel expenses

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
26.1 Employee benefits expense					
Salaries, wages and bonus	8,904.12	7,439.58	25,515.14	20,591.75	28,190.17
Contribution to provident and other funds	452.77	368.92	1,356.98	1,069.91	1,443.48
Staff welfare expense	275.12	174.41	996.55	472.88	717.34
Share based payments to employees	167.12	247.07	557.50	809.31	1,066.31
	9,799.13	**8,229.98**	**28,426.17**	**22,943.85**	**31,417.30**
26.2 Cost of professionals					
- Related parties (refer note 30)	1,263.46	318.21	3,382.49	925.02	1,564.89
- Others	367.24	290.85	959.49	713.49	952.94
	1,630.70	**609.06**	**4,341.98**	**1,638.51**	**2,517.83**
	11,429.83	**8,839.04**	**32,768.15**	**24,582.36**	**33,935.13**

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27. Other expenses*

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million	In ₹ Million
Travelling and conveyance	81.78	161.32	467.88	425.84	602.33
Electricity expenses (net)	27.47	29.45	96.18	75.96	104.09
Internet link expenses	24.54	8.91	70.00	34.46	58.21
Communication expenses	9.78	18.58	39.98	51.93	66.76
Recruitment expenses	34.20	33.92	101.61	191.16	257.17
Training and seminars	36.17	20.77	107.48	83.69	108.60
Purchase of software licenses and support expenses	727.35	538.68	2,268.27	1,347.86	2,030.95
Bad debts	-	-	-	-	46.11
Reversal of allowance for expected credit loss (net)	4.86	0.42	46.11	12.03	(4.46)
Rent	22.82	26.93	75.10	78.33	103.10
Insurance	23.37	7.00	58.56	23.36	34.39
Rates and taxes	14.57	20.67	39.74	43.19	56.55
Legal and professional fees	75.33	75.80	274.80	227.91	310.64
Repairs and maintenance					
- Plant and machinery	58.14	26.65	120.59	76.68	110.07
- Buildings	7.59	7.08	19.91	26.29	32.41
- Others	7.82	5.31	19.48	15.64	21.84
Selling and marketing expenses	449.24	354.84	1,268.16	1,011.78	1,376.05
Advertisement, conference and sponsorship fees	7.10	3.71	15.38	10.41	12.63
Computer consumables	4.45	0.50	10.14	4.75	6.43
Auditors' remuneration	1.81	3.00	6.01	5.80	9.80
Corporate social responsibility expenditure	50.00	22.50	105.00	72.50	117.60
Books, memberships, subscriptions	0.98	1.45	2.51	2.72	3.40
Directors' sitting fees	1.32	1.40	5.35	5.55	8.00
Directors' commission	8.76	6.64	25.36	21.86	27.95
Miscellaneous expenses	43.18	50.09	174.36	136.46	203.38
	1,722.63	**1,425.62**	**5,417.96**	**3,986.16**	**5,704.00**

* Includes expenses incurred with related parties (refer note 30)

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28. Earnings per share

		For the quarter ended		For the nine months ended		For the year ended
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
Numerator for basic and diluted EPS						
Net profit after tax (In ₹ Million)	(A)	2,597.65	1,827.46	8,017.08	5,327.30	7,911.28
Denominator for basic and diluted EPS						
Weighted average number of equity shares	(B)	76,925,000	76,425,000	76,915,909	76,425,000	76,425,000
Basic and diluted earnings per share of face value of ₹ 10 each (In ₹)	(A/B)	**33.77**	**23.91**	**104.23**	**69.71**	**103.52**

	For the quarter ended		For the nine months ended		For the year ended
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022	March 31, 2023
Number of outstanding equity shares	76,425,000	76,425,000	76,425,000	76,425,000	76,425,000
Add: weighted average number of shares issued during the period / year	500,000	-	490,909	-	-
Number of outstanding equity shares considered for basic and diluted EPS	**76,925,000**	**76,425,000**	**76,915,909**	**76,425,000**	**76,425,000**

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29. Financial assets and liabilities

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

(In ₹ Million)

Financial assets / Financial liabilities	December 31, 2023				December 31, 2022				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial assets:									
Investments in subsidiaries and associates	-	-	-	8,119.52	-	-	-	7,666.03	
Investments in equity instruments	6.00	-	-	-	6.00	-	-	-	Level 3
Investments in bonds#	-	-	3,046.53	-	-	-	3,100.87	-	
Investments in mutual funds	7,233.33	-	-	-	3,000.07	-	-	-	Level 2
Loans	-	-	3,060.00	-	-	-	3,716.27	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	3,217.94	-	-	-	5,007.55	-	
Cash and cash equivalents (including unpaid dividend)	-	-	1,676.62	-	-	-	1,176.40	-	
Trade receivables (net)	-	-	14,517.51	-	-	-	9,478.59	-	
Forward contracts receivable	-	47.27	-	-	-	-	-	-	Level 2
Unbilled revenue	-	-	5,038.98	-	-	-	3,291.22	-	
Other non current financial assets	-	-	320.34	-	-	-	270.68	-	
Other current financial assets	-	-	834.51	-	-	-	82.62	-	
Total financial assets	**7,239.33**	**47.27**	**31,712.43**	**8,119.52**	**3,006.07**	**-**	**26,124.20**	**7,666.03**	
Financial liabilities:									
Borrowings (including accrued interest)	-	-	1.86	-	-	-	3.72	-	
Trade payables	-	-	1,489.86	-	-	-	1,127.14	-	
Lease liabilities	-	-	1,605.83	-	-	-	1,640.90	-	
Forward contracts payables	-	-	-	-	-	442.82	-	-	
Other financial liabilities (excluding borrowings)	-	-	386.70	-	-	-	201.59	-	
Total financial liabilities	**-**	**-**	**3,484.25**	**-**	**-**	**442.82**	**2,973.35**	**-**	

(In ₹ Million)

Financial assets / Financial liabilities	March 31, 2023				Fair value hierarchy*
	FVTPL	FVTOCI	Amortised Cost	Cost	
Financial assets:					
Investments in subsidiaries and associates	-	-	-	8,119.52	
Investments in equity instruments	6.00	-	-	-	Level 3
Investments in bonds#	-	-	3,085.59	-	
Investments in mutual funds	2,814.11	-	-	-	Level 2
Loans	-	-	2,870.00	-	
Deposit with banks and financial institutions (including interest accrued but not due on deposits with banks)	-	-	4,733.10	-	
Cash and cash equivalents (including unpaid dividend)	-	-	1,239.50	-	
Trade receivables (net)	-	-	10,605.98	-	
Forward contracts receivable	-	-	-	-	Level 2
Share application money pending allotment	-	-	-	-	
Unbilled revenue	-	-	4,138.95	-	
Other non current financial assets	-	-	274.29	-	
Other current financial assets	-	-	201.54	-	
Total financial assets	**2,820.11**	**-**	**27,148.95**	**8,119.52**	
Financial liabilities:					
Borrowings (including accrued interest)	-	-	3.75	-	
Trade payables	-	-	1,365.56	-	
Lease liabilities	-	-	1,555.59	-	
Forward contracts payables	-	67.67	-	-	
Other financial liabilities (excluding borrowings)	-	-	600.79	-	
Total financial liabilities	**-**	**67.67**	**3,525.69**	**-**	

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

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

 # Investments in bonds: **(In ₹ million)**

Particulars	December 31, 2023			December 31, 2022			March 31, 2023		
	Face Value	No. of Units	Cost	Face Value	No. of Units	Cost	Face Value	No. of Units	Cost
Bonds carried at amortised cost	1,000	1,355,898	1,627.80	1,000	1,405,898	1,681.82	1,000	1,405,898	1,681.82
	5,000	53,000	361.87	5,000	53,000	361.87	5,000	53,000	361.87
	1,000,000	906	961.47	1,000,000	906	961.47	1,000,000	906	961.47
Total Cost			2,951.14			3,005.16			3,005.16
Add: Interest accrued on bonds			95.39			95.71			80.43
Total investments carried at amortised cost			**3,046.53**			**3,100.87**			**3,085.59**

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30. Related Party Transactions

Refer to the Company's annual financial statements for the year ended March 31, 2023 for the full names and other details of the Company's related parties.

The Company's significant related party transactions during the period ended and outstanding balances as at December 31, 2023, December 31, 2022 and March 31, 2023 are with its related parties with whom the Company generally enters into transactions which are at arms length and in the ordinary course of business.

31. Contingent liabilities

(In ₹ Million)

Sr. No	Particulars	As at		
		December 31, 2023	December 31, 2022	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 Company has filed an appeal against the order passed by Learned Principal Commissioner of Service Tax, Pune with the Hon'ble Central Excise and Service Tax Appellate Tribunal (CESTAT) on September 23, 2017. The Company has paid ₹ 165.58 Million under protest towards the demand and the same forms part of the GST receivable balance. If the appeal filed as mentioned above results in a demand, there will be no impact on the profitability as the Company will be eligible to claim credit / refund for the amount paid.	173.78	173.78	173.78
	(ii) Other pending litigations in respect of indirect taxes.	7.77	8.20	8.20
2	**Income tax demands disputed in appellate proceedings.**	1,102.72	1,023.34	1,023.34
b)	**Guarantees and Letter of comfort on behalf of subsidiaries**			
1	Guarantees given on behalf of subsidiaries	846.14	841.36	835.67
2	Letters of comfort on behalf of subsidiaries (USD 31.44 Million (Corresponding period: USD 58.4 Million , Previous year : USD 51.69 Million))	2,615.81	4,831.43	4,247.37

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

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32 **Business Combination**

Pursuant to a share purchase agreement, the Company acquired 100% equity interest in MediaAgility India Private Limited on April 29, 2022 for a consideration of ₹ 971.45 Million. During the year ended March 31, 2023 the acquisition of the said business was accounted by applying the acquisition method on provisional basis in the consolidated financial statements of the Company.

During the period, the purchase price allocation was completed and the purchase price is allocated to identifiable assets acquired and liabilities assumed (including contingent consideration) based on the fair values at the date of acquisition in the condensed interim consolidated financial statements of the Company.

33 The 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 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 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.

34 During the period Persistent Systems Limited, Australia branch has entered into business transfer agreement and accordingly business of the Australia branchhas 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.

35 The Company has recognised notional interest on lease liability of ₹ 110.74 Million (Corresponding period: ₹ 76.95 Million / Previous year: ₹ 119.73 Million) under finance cost as required by Ind AS 116: Leases.

36 The Company has working capital facilities from banks on the basis of security of trade receivables. The quarterly statements of trade receivables filed by the Company with banks are in complete agreement with the books of accounts.

37 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 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 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 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.

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

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

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

SHASHI TADWALKAR Digitally signed by SHASHI TADWALKAR Date: 2024.01.20 16:28:29 +05'30'

Shashi Tadwalkar

Partner
Membership No.: 101797

Place: Pune
Date : January 20, 2024

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

Anand Deshpande
Anand Deshpande (Jan 20, 2024 13:29 GMT+5.5)

Dr. Anand Deshpande
Chairman and Managing Director
DIN: 00005721
Place: Pune
Date : January 20, 2024

Sandeep Kalra
Sandeep Kalra (Jan 20, 2024 13:28 GMT+5.5)

Sandeep Kalra
Executive Director and Chief Executive Officer
DIN: 02506494
Place: Pune
Date : January 20, 2024

PRAVEEN PURUSHOTTAM KADLE Digitally signed by PRAVEEN PURUSHOTTAM KADLE Date: 2024.01.20 15:55:42 +05'30'

Praveen Kadle
Independent Director
DIN: 00016814
Place: Pune
Date : January 20, 2024

Sunil Sapre
Sunil Sapre (Jan 20, 2024 14:12 GMT+5.5)

Sunil Sapre
Executive Director and Chief Financial Officer
DIN: 06475949
Place: Pune
Date : January 20, 2024

Amit Atre
Amit Atre (Jan 20, 2024 14:32 GMT+5.5)

Amit Atre
Company Secretary
Membership No. A20507
Place: Pune
Date : January 20, 2024