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NSE & BSE / 2024-25 / 090

June 20, 2024

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

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

**Ref: Symbol: PERSISTENT**

**Ref: Scrip Code: 533179**

Dear Sir/Madam,

**Sub: Submission of Business Responsibility and Sustainability Report for FY 2023-24 under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Pursuant to Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and all other applicable regulations, if any, we are enclosing herewith a copy of the Business Responsibility and Sustainability Report ('BRSR') for the FY 2023-24, which also forms part of the Annual Report for FY 2024-25 is available on the website of the Company at

[Persistent Systems Business Responsibility and Sustainability Report 2023-24](#)

We request you to take the same on your records.

Please acknowledge the receipt.

Thanking you,

Yours Sincerely,  
For **Persistent Systems Limited**

Amit Atre  
Company Secretary  
ICSI Membership No.: A20507

Encl.: As above



# Business Responsibility and Sustainability Report



# Business Responsibility and Sustainability Report

## Section A: General Disclosures

### I. Details of the listed entity

- 1\ Corporate Identity Number (CIN) of the Listed Entity: L72300PN1990PLC056696
- 2\ Name of the Listed Entity: Persistent Systems Limited
- 3\ Year of incorporation: 1990
- 4\ Registered office address: 'Bhageerath', 402 Senapati Bapat Road, Pune, Maharashtra 411 016
- 5\ Corporate address: 'Bhageerath', 402 Senapati Bapat Road, Pune, Maharashtra 411 016
- 6\ E-mail: [corpsec@persistent.com](mailto:corpsec@persistent.com)
- 7\ Telephone: +91 (20) 6703 0000
- 8\ Website: [www.persistent.com](http://www.persistent.com)
- 9\ Financial year for which reporting is being done: April 1, 2023, to March 31, 2024
- 10\ Name of the Stock Exchange(s) where shares are listed:  
BSE Limited (BSE) | National Stock Exchange of India Limited (NSE)
- 11\ Paid-up Capital as on March 31, 2024  
154,050,000 No. of Equity Shares of ₹ 5 each amounting to INR 770,250,000
- 12\ Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report  
  
Name: Mr. Amit Atre, Company Secretary  
Telephone: +91 (20) 6703 0000  
E-mail: [investors@persistent.com](mailto:investors@persistent.com) or [companysecretary@persistent.com](mailto:companysecretary@persistent.com)
- 13\ Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).  
  
The BRSR report prepared on a Consolidated Basis unless defined in the respective Indicator. If BRSR asks for reporting only from India locations, the report mentions this in the relevant sections.
- 14\ Name of assurance provider: DNV Business Assurance India Private Limited ('DNV').
- 15\ Type of assurance obtained: Reasonable level of Assurance BRSR 9 core attributes. Refer to the [Independent assurance statement](#)

### II. Products / Services

#### 16\ Details of business activities (accounting for 90% of the turnover):

Persistent is a trusted Digital Engineering and Enterprise Modernization partner, combining deep technical expertise and industry experience to help our clients anticipate what's next, and answer questions before they're asked. Our offerings and proven solutions create unique competitive advantage for our clients by giving them the power to [see beyond and rise above](#).

Please refer to [Financial Performance Section](#) in Annual report.

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Software and IT consulting (GICS classification - Information Technology - Software and Services)	Software enabled product engineering and designing and R&D services	93%
2	IP products (IP LED Services)		7%

## 17\ Products / Services sold by the entity (accounting for 90% of the entity's Turnover)

Click for more details <https://www.persistent.com/services/>

S. No.	Product / Service	NIC Code	% of total Turnover contribute
1	Software enabled product engineering and designing and R&D services	620	93%
2	IP products	620	7%

## III. Operations

## 18\ Number of locations where plants and / or operations / offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	Not applicable	23	23
International	Not applicable	45	45

## 19\ Markets served by the entity:

## a. Number of locations

Locations	Number
National (No. of States)	11
International (No. of Countries)	18

## b. What is the contribution of exports as a percentage of the total turnover of the entity?

90%

## c. A brief on types of customers

Persistent works with leading fortune companies. Click here for more details and hyperlink <https://www.persistent.com/services/>

## IV. Employees

## 20\ Details as at the end of Financial Year:

## a. Employees and workers (including differently abled):

Employees and workers						
Employees						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	21,950	15,426	70.3%	6,524	29.7%
2	Other than Permanent (E)	1,900	1,397	73.5%	503	26.5%
3	<b>Total employees (D + E)</b>	<b>23,850</b>	<b>16,823</b>	<b>70.5%</b>	<b>7,027</b>	<b>29.5%</b>
<b>Workers - Not Applicable</b>						

Total Employees include Full-time employees (FTE), contractors and consultants. The Company does not have any workers, hence it is not applicable.

## b. Differently abled Employees and workers:

Differently Abled Employees						
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
1	Permanent (D)	45	39	85.7%	6	14.3%
2	Other than Permanent (E)	0	0	0%	0	0%
3	<b>Total employees (D + E)</b>	<b>45</b>	<b>39</b>	<b>85.7%</b>	<b>6</b>	<b>14.3%</b>
<b>Differently Abled Workers - Not Applicable</b>						

Numbers mentioned above are based on voluntary disclosures by employees.

**21\ Participation / Inclusion / Representation of women**

No. and percentage of Females			
	Total (A)	No. (B)	% (B / A)
Board of Directors	10	2	20%
Key Management Personnel	4	0	0%

Key Management Personnel (KMP) includes Chairman, Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Company Secretary (CS).

**22\ Turnover rate for permanent employees and workers**

(Disclose trends for the past 3 years)

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	11.6%	11.4%	11.5%	20.1%	19.1%	19.7%	26.9%	25.1%	26.6%
Permanent Workers	Not Applicable								

Turnover rate for permanent employees includes voluntary turnover.

**V. Holding, Subsidiary and Associate Companies (including joint ventures)****23\ Names of holding / subsidiary / associate companies / joint ventures**

Refer to [Corporate Governance Report](#) - subsidiaries section

**VI. CSR Details****24\ i. Whether CSR is applicable as per section 135 of Companies Act, 2013:**

Yes

ii. Turnover in ₹ 65,142.17 Million

iii. Net worth in ₹ 47,786.51 Million

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## VII. Transparency and Disclosures Compliances

## 25\ Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes / No) (If yes, then provide web-link for grievance redress policy)	FY 2023-24			FY 2022-23		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	The Company has a strong Whistle Blower Policy in place and has also established a toll free whistle blower number. Our Whistle Blower policy is available at <a href="#">Whistle Blower Policy</a> & <a href="#">Persistent Systems</a> .	0	0	All stakeholders of the Company are encouraged to report either orally or in writing to the Whistle Blower Administrator, evidence / s of activity by the Company, departments or Employee / s that may constitute Improper Activities affecting the business or reputation of the Company.	0	0	All stakeholders of the Company are encouraged to report either orally or in writing to the Whistle Blower Administrator, evidence / s of activity by the Company, departments or Employee / s that may constitute Improper Activities affecting the business or reputation of the Company.
Investors (other than shareholders)		0	0	Corporate Governance Report contains details of Investor Complaints.	0	0	
Shareholders*		1	0	Please refer to the 'Investors' Grievances' section of the Corporate Governance Report.	0	0	
Employees and workers		4	0		8	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	
Other (please specify)		0	0		0	0	

\*During FY24, we received a total of 67 other requests from shareholders, while during FY23, we received a total of 109 other requests. All the requests were resolved. Refer to [Corporate Governance section of Annual Report](#).

26\Overview of the entity’s material responsible business conduct issues

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1\	Cyber-Attack and Hacking Risk	External attacks, malware, compromised credentials, Business email compromise via Phishing and other cyber security risks may result in data loss and loss of reputation.	Risk	<ul style="list-style-type: none"> <li>\ Robust Information Security Management System (ISMS) centered around comprehensive Information Security policies based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity, and availability of information assets.</li> <li>\ Multi-layered governance process with executive and Board oversight.</li> <li>\ Third-party certifications such as ISO 27001, ISO 27017, ISO 27018, ISO 27701, and SOC 2 Type II attestations to demonstrate our commitment to cybersecurity.</li> <li>\ Continued investment and deployment of state-of-the-art technologies such as Zero Trust, Advanced endpoint protection solution, Dark / Deep web monitoring, etc., to secure corporate infra, data &amp; applications.</li> <li>\ Access controls including Multi Factor Authentication for secure access to enterprise applications / network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments.</li> <li>\ Mandatory training and adequate awareness measures across employee life cycle ensure a strong human firewall.</li> <li>\ Implementation of enhanced Data Leakage prevention platform to protect critical data.</li> <li>\ Quarterly Cyber-Risk related insights are shared with the Risk Management Committee (RMC) of the Board for their review and guidance</li> <li>\ Encryption of data, data back-up and recovery mechanisms for ensuring business continuity aligned to ISO 22301:2019</li> <li>\ Established threat intelligence, security monitoring and incident response processes to detect and respond to cybersecurity threats and incidents coordinated through a 24x7 Security Operations Center.</li> <li>\ Internal and external audits and red teaming to validate effectiveness of controls.</li> </ul>	Negative



S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2\	Data Privacy Risk	<ul style="list-style-type: none"> <li>\ Persistent operates globally, hence needs to be compliant with the data privacy laws across countries where we operate.</li> <li>\ Unauthorized use or disclosure of employee or company or customer data may lead to either breach of customer contract or fines / penalties from regulators and / or damage to the company's reputation.</li> </ul>	Risk	<ul style="list-style-type: none"> <li>\ Robust Privacy Information Management System (PIMS) to safeguard personal data and ensure compliance with applicable legal, regulatory, and contractual obligations pertaining to data privacy and protection.</li> <li>\ Global privacy policy covering all geographies, all areas of operations, and stakeholders.</li> <li>\ Data Loss Protection (DLP), Data Classification and Data Encryption technologies are deployed to protect personal information.</li> <li>\ Access controls including Multi Factor Authentication, Privileged administrator account management tools are deployed. All access provisioning is on a need-to-know basis and access reviews are performed on a regular basis.</li> <li>\ Dedicated Data Protection Officer and Privacy Team, which is aligned with the leading practices referred as per the DJSI.</li> <li>\ Quarterly Privacy Risk related insights are shared with the RMC of the Board for their review and guidance.</li> <li>\ Continuous strengthening of global privacy program through monitoring of regulatory mandates, revalidation of existing frameworks, policies and processes and ensuring applicability to customer contracts.</li> <li>\ Technical and organization measures such as PII Inventories, Privacy Impact Assessment, Incident Management Procedures and Systems, Breach Notification Management, Data Subject Rights Request Management, etc.</li> <li>\ Development of products &amp; applications, including change in processing of personal data go through appropriate privacy assessments and approval.</li> <li>\ Vendors and third parties subjected to due diligence, contracted with appropriate privacy obligations.</li> <li>\ Mandatory training on data protection, Privacy by Design, and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, and online events.</li> <li>\ Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem.</li> <li>\ Certified under ISO 27701:2019 – Privacy Information Management System, ISO 27018:2014 – Securing Personal Data in Cloud and SOC 2 Type 2 Attestation.</li> </ul>	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
3\	Foreign Exchange Risk	The Company operates in the global environment and has maximum business from US geography, hence currency fluctuations is a major risk.	Risk	<ul style="list-style-type: none"> <li>\ Net foreign exchange earnings are hedged on 12 months rolling basis to cover 45% to 70% of net open positions.</li> <li>\ Guidance from the Board members is obtained every quarter regarding hedging quantum.</li> <li>\ Close monitoring of exchange rate movement is done.</li> </ul>	Negative
4\	Geo-Political and Macro-Economic Risk	Changing geo-political landscape in multiple regions (war scenarios in Middle-East and Ukraine / Russia), Macroeconomic uncertainty around interest rate cuts may impact customer discretionary spends, leading to potential impact on growth opportunities.	Risk	<ul style="list-style-type: none"> <li>\ Conduct "Country Risk Assessments" based on PESTEL Framework.</li> <li>\ Engaged with geo-political consultants to get insights on the changing geopolitical landscape.</li> <li>\ Monitoring and reporting of geo-political risks to the RMC of the Board.</li> <li>\ Geo-Diversification for growth planned via Europe and other geographies.</li> <li>\ Pro-active cost takeout proposals to customers to improve their business efficiency.</li> <li>\ Enhanced focus on customer connects and relationships.</li> <li>\ Persistent is ISO 22301 certified and regular BCP testing is performed.</li> </ul>	Negative
5	Credit Risk	Delay in collection of customer dues as a result of the global economic situation	Risk	<ul style="list-style-type: none"> <li>\ The Company has adopted an effective receivables management system to monitor and control the outstanding receivables.</li> <li>\ Credit Risk is managed through policies, procedures, and controls as a part of customer credit risk assessment.</li> <li>\ The Company has adopted expected credit loss model, based on the profile of the customer and aging pattern, to assess the impairment loss or gain on trade receivables.</li> </ul>	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
6\	Talent Demand and Employee Attrition Risk	<ul style="list-style-type: none"> <li>\ Market forces – After the great resignation phase that the industry faced post COVID, the talent market has been stable for last year. However, it is hard to predict how long it will last. Any change in the market force may increase voluntary attrition.</li> <li>\ Limited talent pool in emerging technology areas – While larger talent demand has stabilized, demand for emerging technologies is still high. Talent pool for the same is limited. This will continue to impact attrition.</li> <li>\ Employee preferences – Hybrid working seems to be the employee’s preference.</li> </ul>	Risk	<ul style="list-style-type: none"> <li>\ Employee Grooming and Upskilling – Focus on employee development and upskilling, enabling them to build their careers has been a part of the ‘Persistent way’ of working. Persistent University offers an excellent platform for employee to acquire skills, stay relevant and enhance their skills and competencies. Persistent invests in upskilling of its associates in new age digital technologies and runs Persistent’s Digital Engineering Academy (PDEA). PDEA runs upskilling programs in Cloud, Data, Gen AI, etc.</li> <li>\ Employee engagement and all-round wellbeing – All round wellbeing of our employee has been central to our employee engagement approach, which covers physical, financial, and psychological wellbeing. We conduct regular surveys to seek input from the employees on various aspects of their work to understand their engagement and expectations. Input thus received is processed to make necessary improvements in processes and policies.</li> <li>\ Persistent brand – our consistent growth over the last several quarters, scale of operations, geographical presence, and initiatives such as GWR (Guinness World Records) has been helping us continue to position Persistent as a leading brand in the industry. We continue to invest in branding initiatives.</li> <li>\ Inclusive Workplace - Persistent provides a diverse and inclusive workplace which promotes creativity, diversity, inclusivity, and enhanced work culture.</li> <li>\ The attrition level has been controlled at 11.5%.</li> </ul>	Negative

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7\	Global Regulatory Risk (Emerging Risk)	<ul style="list-style-type: none"> <li>\ Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, employment laws, data privacy laws etc.) where the company operates globally, may have an impact.</li> <li>\ Persistent operates globally in major markets and industries. There is an inherent risk of non-compliance with the ever-evolving legal landscape resulting into frequent legal updates and changes in regulatory requirements / disclosures (including regulations related to ESG, ethical, and hygiene practices) that are applicable to our business.</li> </ul>	Risk	<ul style="list-style-type: none"> <li>\ The Company uses a professional Compliance Manager Tool to report and monitor the regulatory compliances applicable to the Company.</li> <li>\ The Company also updates the Tool on ongoing basis with the amendments in the existing regulations and inclusion of newly introduced legislations, if any.</li> <li>\ A framework is in place to assess the correctness of the compliances which have been reported in the Tool.</li> <li>\ The Compliance status is placed before the Audit Committee of the Board of Directors and the Board of Directors of the Company in their meetings at frequent intervals.</li> <li>\ The Company has also appointed the local consultants in various geographies to advise and help the Company to the ensure the compliances in respective geographies.</li> <li>\ The Company has a dedicated ESG function for the oversight of any ESG related regulatory compliance changes.</li> <li>\ Company has been certified in ISO14001:2015 Environmental Management System and ISO45001:2018 Occupational Health and Safety Management System.</li> </ul>	Negative
			Opportunity	Provide services to customers to enable them to meet their ESG related requirements.	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
8\	Sustainability Risk - Climate change	<ul style="list-style-type: none"> <li>\ Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tornadoes, tropical cyclones, floods, cases of seasonal diseases, epidemics, and pandemics.</li> <li>\ Extreme weather events may have an associated threat to human safety and business operations.</li> </ul>	Risk	<ul style="list-style-type: none"> <li>\ The Company's facilities across India have been certified to be ISO 14001:2015 compliant and this is monitored periodically at a Board level through assurance provided by the respective teams.</li> <li>\ The Company has distributed operations, enablement of remote working, agile delivery focus, and periodic testing of business continuity plans.</li> <li>\ Delivery centers designed to withstand extreme weather events.</li> <li>\ Employee awareness building around conservation of resources to strengthen our business resilience and aligning the resources to the Company.</li> <li>\ Quarterly Emissions and Energy related insights are shared with the SRC and ESG committee of the Board for their review and guidance.</li> <li>\ The CISO of the company and the team ensures implementation of business continuity at project, customer, region, location, and function level, and runs internal audit checks to verify the implementation of the controls.</li> <li>\ Persistent is certified ISO 27001 for information security and 22301 for business continuity.</li> </ul> <p>Climate action goals:</p> <ul style="list-style-type: none"> <li>a. Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025.</li> <li>b. To source 100% energy from Renewable energy sources by 2025.</li> <li>c. 30% reduction of Scope 3 emissions by 2028</li> </ul>	Negative
			Opportunity	<ul style="list-style-type: none"> <li>\ Proactive Climate risk assessment ensures we are equipped to deal with adversities.</li> <li>\ Focus on using technology that supports low carbon emissions and reduce carbon footprint.</li> </ul>	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9\	Water Scarcity Risk (Emerging Risk)	<ul style="list-style-type: none"> <li>\ Being a precious resource, water conservation is crucial for the sustainability of Earth.</li> <li>\ Reducing ground water levels and changing rain cycles is a risk leading to water crisis globally.</li> </ul>	Risk	<ul style="list-style-type: none"> <li>\ Water Resource analysis performed for all global locations and classified accordingly into categories as per 'Aqueduct Water Risk Atlas'.</li> <li>\ Vulnerability Identification and location level mitigation plans implemented to monitor water consumption.</li> <li>\ Conservation and efficiency measures through operational control and continuous awareness sessions with employees to ensure efficiency in water consumption. All our owned facilities are equipped with rainwater recharging facility enabling to recharge ground water.</li> <li>\ We consider locations of ground water sources as the last resort.</li> <li>\ We also conduct frequent awareness sessions on sustainable water management.</li> <li>\ We are engaged with CSR activities like the integrated watershed development program, open well for drinking, to create awareness and community development.</li> </ul>	Negative
			Opportunity	Proactive ESG measures and CSR initiatives taken by Persistent strengthen its brand, thus making it attractive to organizations seeking an IT Services partner with a shared vision. Additionally, it also helps attract and retain younger talent.	Positive

S. No.	Material issue identified	Rationale for identifying the risk / opportunity	Indicate whether risk or opportunity (R / O)	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10\	Energy Demand Risk (Emerging Risk)	With the advent of new emerging technologies, the level of energy consumption may increase globally, leading to a rise in carbon emissions	Risk	<p>Our Climate action goals:</p> <ul style="list-style-type: none"> <li>* Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025.</li> <li>* To source 100% energy from Renewable energy sources by 2025.</li> <li>* 30% reduction of Scope 3 emissions by 2028.</li> <li>\ Strategy to ensure carbon neutrality status by adopting innovation and regulatory changes to reduce emission and increase Renewable energy consumption.</li> <li>\ Persistent has committed to set near-and long-term company-wide emission reductions in line with science-based net-zero with the SBTi.</li> <li>\ Decarbonization Roadmap with strategies in line with SBTi guidelines enabling us to achieve in emissions.</li> <li>\ All owned campuses are enabled with roof top solar generation and 2 windmills connected through open access.</li> <li>\ Technology Assessment including potential benefits and energy consumption implications.</li> <li>\ Continuous improvement to monitor and evaluate the environmental performance of new technology, identify areas for improvement and implement corrective measures as a continuous process.</li> <li>\ Green procurement policy enabling buyers to evaluate the suppliers based on emissions from the purchase of goods and services.</li> </ul>	Negative
			Opportunity	<ul style="list-style-type: none"> <li>\ As corporations strive to reduce carbon footprints and focus on environment friendly products and services, it also opens up new business opportunities for Persistent to provide technology-led solutions and services to these organizations.</li> <li>\ We help our customers to migrate their workloads from data centres to the cloud, thus reducing their carbon footprints.</li> </ul>	Positive

Please refer to [Risk Management section of Annual Report](#) for further information related to Risk Management

### Section B: Management and Process Disclosures

- P1 Business should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the wellbeing of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
- P5 Businesses should respect and promote human rights.
- P6 Business should respect, protect, and make efforts to restore the environment.
- P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
- P8 Businesses should support inclusive growth and equitable development.
- P9 Businesses should engage with, and provide value to their customers and consumers in a responsible manner.

Sr. No.	Disclosure Question	P1	P2	P3	P4	P5	P6	P7	P8	P9
1\	Policy and management processes a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes / No) b. Has the policy been approved by the Board? (Yes / No) c. Web Link of the Policies, if available	Yes Yes Refer to our <a href="#">Code of Conduct</a> , <a href="#">Ethics Policy</a> , <a href="#">Whistleblower Policy</a> , <a href="#">Anti-Corruption</a>	Yes Yes Refer to our <a href="#">Vendor Code of Conduct</a> , <a href="#">EHS policy</a>	Yes Yes Refer to our <a href="#">EHS policy</a> , <a href="#">Anti-Harassment Policy</a> , <a href="#">Anti-Human Trafficking policy</a>	Yes Yes Refer to our <a href="#">CSR Policy</a>	Yes Yes Refer to our <a href="#">Anti-Human Trafficking policy</a> , <a href="#">Diversity and Inclusion Policy</a>	Yes Yes Refer to our <a href="#">EHS policy</a>	Yes Yes Refer to our <a href="#">Code of Conduct</a>	Yes Yes Refer to our <a href="#">Whistleblower Policy</a> , <a href="#">CSR Policy</a>	Yes Yes Refer to our <a href="#">Code of Conduct</a> , <a href="#">Privacy Policy</a> , <a href="#">Information Security Policy</a>
2\	Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3\	Do the enlisted policies extend to your value chain partners? (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4\	Name of the national and international codes / certifications / labels / standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustee) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	GRI standard, UNGC, Principles of Corporate Governance	GRI standard, ISO 14001:2015,, ISO 9001:2015, ISO 13485:2016, CMMI for Dev2.0 Maturity Level 5	GRI standard, ISO 45001: 2018	GRI standard	GRI standard, Principles of Corporate Governance ILO	ISO 45001:2018	Principles of Corporate Governance	GRI standard, CSR disclosures pursuant to Section 135 of the Companies Act, 2013	GRI Standards, ISO 27001
5\	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Refer to <a href="#">ESG report</a>								
6\	Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	Refer to <a href="#">ESG report</a>								



## Governance, leadership, and oversight

7\ Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure).

[FY24 ESG report](#) - Chairman and CEO Message

8\ Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).

Name of highest authority Dr. Anand Suresh Deshpande  
 Designation Chairman and Managing Director  
 DIN 00005721

9\ Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.

Yes, [The Stakeholder relationship and ESG Committee of the Board](#) oversees our commitment to environmental sustainability, social responsibility, and strong governance practices.

10\ Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against the above policies and follow up action	Stakeholders Relationship and ESG Committee Risk Management Committee CSR Committee Audit Committee								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	We comply with all applicable laws of the land at every location where we are present. Refer to <a href="#">Corporate Governance Report</a>								

Subject for Review	Frequency (Annually / Half yearly / Quarterly / Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Quarterly and Annually								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Annually								

11\ Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.

Yes, independent assessment of our policies has been carried out by an external agency, Ernst and Young LLP

12\ If answer to question (1) above is “No” i.e., not all Principles are covered by a policy, reasons to be stated.

Not Applicable

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.**

### Essential Indicators

1\ Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmed
Board of Directors	<b>Annual code of conduct declaration by BOD and KMP</b> The <a href="#">Code of Conduct (COC)</a> is a Policy of the Company which is circulated annually to all Directors and Employees as an annual declaration taken from the Directors.		COC – 100% Familiarization programs – 100%
Key Managerial Personnel	<b>Familiarization programs</b> Every Quarter, the board receives familiarization programs on topics like Risk management, Geo-Political risks, Various amendments to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.		COC – 100% Familiarization programme is conducted only for the Board. Hence, please delete this for KMP.
Employees other than BoD and KMPs	Annual Code of Conduct modules.	Annual Policies Compliance: The Persistent group is committed to following the highest standards of business conduct, integrity, responsibility, and ethics across its global locations. As a part of the compliance and awareness program at Persistent, all employees are required to go through the online module on the following and provide a sign off: <ul style="list-style-type: none"> <li>\ Code of Conduct</li> <li>\ Modern Slavery &amp; Human trafficking</li> <li>\ Safe Workplace</li> </ul>	99%*
Workers	Not Applicable		

\* % of employees who are not covered under Code of Conduct training are those who are on long leave or inactive status.

- 2\ **Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**  
None, we comply with all applicable laws of the land we operate in.
- 3\ **Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.**  
Not applicable
- 4\ **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**  
Yes, The Persistent Group is committed to the prevention of corrupt business practices such as fraud and bribery. This is in alignment with Persistent Group's principles to conduct its business activities with honesty, integrity and with the highest ethical standards across its global locations. It also enforces its business practice, of not engaging / being part of or supporting corrupt business practices in any form. Please refer to [Anti-Corruption Policy](#).
- 5\ **Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:**  
There have been no cases involving disciplinary action taken by any law enforcement agency for charges of bribery / corruption against directors / KMP / employees / workers that have been brought to our attention.

- 6\ Details of complaints with regard to conflict of interest:  
No Complaints received during the FY24
- 7\ Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest  
Not Applicable
- 8\ Number of days of accounts payables (Accounts payable \*365) / Cost of goods / services procured) in the following format:

	FY 2023-24	FY 2022-23
Number of days of accounts payables	36 days	29 Days

- 9\ Open-ness of business  
Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24	FY 2022-23
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	None	None
	b. Number of trading houses where purchases are made from	None	None
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	None	None
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	None	None
	b. Number of dealers / distributors to whom sales are made	None	None
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	None	None
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	None	None
	b. Sales (Sales to related parties / Total Sales)	None	None
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	None	None
	d. Investments( Investments in related parties / Total Investments made)	None	None

The details in the above table has been computed based on consolidated financial statements of the company.

## Leadership Indicators

- 1\ Awareness programmes conducted for value chain partners on any of the principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
6	1\ ESG Overview 2\ BRSR Core requirements for value chain reporting 3\ Carbon accounting and Scope1, 2 and 3 Reporting 4\ Responsible supply chain 5\ Environmental, Social and Governance principles such as Ethics and compliance 6\ Environmental, health and safety topics	77% of our supply chain partners who contribute to 75% of Persistent Systems' spending during FY24 were covered under the ESG awareness programs.

2\ Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes / No) If yes, provide details of the same.

Yes

The Company receives an annual declaration (or as per the frequency defined) from its Board members. Refer to [Corporate Governance](#) section within the Annual Report.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.**

We firmly believe in conducting affairs with the highest level of integrity and fairness. Our Vendor Code of Conduct ensures all Persistent Vendors shall conduct their business activities in full compliance with the applicable laws and regulations of their respective countries and in respect of their transactions while conducting business.

**Essential Indicators**

1\ Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2023-24	FY 2022-23	Details of improvements in environmental and social impacts
R&D	We continuously invest in R&D to enhance existing and develop new solutions that boost our clients' efficiency, generating positive environmental and social impact. Recognizing the growing importance of ESG goals, we're actively exploring ways to integrate them even deeper into our future offerings.		
Capex	1.64%	1.62%	Capital investments in infrastructure, plant and machinery, Eco-friendly furniture, energy efficiency, electric vehicle and other environmental initiatives.

We have restated the numbers as per FY2022-23 Consolidated Financial Statements.

2\ **Details on Sustainable Sourcing**

a. Does the entity have procedures in place for sustainable sourcing?

Yes

b. If yes, what percentage of inputs were sourced sustainably?

We are committed to extending our ethical practices beyond our organization, ensuring the highest level of fairness and integrity when operating with our vendors. Our [Vendor Code of Conduct](#) ensures adherence to legal and regulatory compliance practices across all vendors and suppliers in various countries. We actively engage with suppliers to identify green purchasing alternatives, and have purchased 100% eco-certified furniture for our new projects. Our purchase orders include EHS clauses focused on environmental protection, compliance with applicable environmental regulations, protection of human rights, and adherence to our Vendor Code of Conduct.

3\ Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging), (b) E-waste, (c) Hazardous waste, and (d) other waste.

Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

4\ Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Not Applicable

Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.

## Leadership Indicators

- 1\ **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format.**  
 Not Applicable  
 Persistent Systems is a Software and IT consulting organization and we do not produce any products. Life Cycle Perspective / Assessments (LCA) is not applicable for our services.
- 2\ **If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**  
 Not Applicable  
 Persistent Systems is a Software and IT consulting organization and we do not produce any products. Life Cycle Perspective / Assessments (LCA) is not applicable for our services. There are no social or environmental concerns and / or risks arising from our service offerings
- 3\ **Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**  
 Not Applicable.  
 Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.
- 4\ **Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**  
 Not Applicable.  
 Persistent Systems is a Software and IT consulting organization and we do not produce any products. Waste produced from facility operations is recycled and disposed of as per the applicable laws of the land.
- 5\ **Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**  
 Not Applicable. Persistent Systems is a Software and IT consulting organization and we do not produce any products.

## PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

We prioritize the well-being of our people by providing a safe, secure, and healthy workplace. Our Environmental Health & Safety (EHS) Policy underlines our dedication to creating a safe environment, encompassing regular safety trainings, and equipping our workforce with the necessary aids. With utmost empathy, we strive to foster a work culture that nurtures the physical and mental well-being of every individual. Our top priority at Persistent has always been to ensure the health and safety of our associates while safeguarding the interests of the communities in which we operate.

## Essential Indicators

### 1\ a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities <sup>2</sup>	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees <sup>1</sup>											
Male	15,426	15,426	100%	15,426	100%	NA	NA	15,426	100%	Persistent has location-wise tie-ups with third-party day care centres that all employees can avail. We offer a hybrid work environment which can assist our employees with childcare.	
Female	6,524	6,524	100%	6,524	100%	6,524	100%	NA	NA		
<b>Total</b>	<b>21,950</b>	<b>21,950</b>	<b>100%</b>	<b>21,950</b>	<b>100%</b>	<b>6,524</b>	<b>100%</b>	<b>15,426</b>	<b>100%</b>		
Other than Permanent employees. Our contractor employees are governed by their respective direct employers and are required to adhere to the necessary statutory compliance. Persistent, continuously monitors and tracks the adherence of our contractors to applicable local laws. We ensure that our contractors comply with all statutory requirements in the locations where they operate.											
Other than Permanent Employees - Not Applicable											

- The above table includes benefits offered to Permanent employees across global location
  - \ In few countries, accident insurance is a voluntary cover or part of social security.
  - \ In countries where group insurance cover is not applicable, reimbursement model applies.
- Persistent has location-wise tie-ups with third-party day care centres that all employees can avail. We offer a hybrid work environment which can assist our employees with childcare.

### b. Details of measures for the well-being of workers:

Not Applicable

### c. Spending on measures towards well-being of employees and workers(including permanent and other than permanent) in the following format:

Indicate input material	FY 2023-24	FY 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	1.91%*	1.28%

\*All expenditures related to staff welfare including Employee Insurance, Benefits, Rewards other staff related expenditures excluding salary / wages. Employee salary / wages during Parental benefits are included.

\*As a way of showing our dedication to the environment and employee health, we offered bicycles as Persistent achieved the \$1 billion yearly revenue milestone in FY23, and around 9,000 employees chose the bicycle.

## 2\ Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-24			FY 2022-23		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y / N / NA)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.64%	Not Applicable	Yes	99.54%	Not Applicable	Yes
Gratuity	100%		Yes	99.57%		Yes
ESI	0.45%		Yes	0.70%		Yes
Superannuation	3.90%		Yes	4.06%		Yes
National Pension Scheme	3.40%		Yes	2.42%		Yes

\ Above table is specific to India operations.

\ ESI is provided to Non-Permanent employees. 100% eligible employees are being covered under the ESI scheme.

## 3\ Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, all our owned premises are accessible to differently abled employees as per the requirements of the Rights of Persons with Disabilities Act, 2016.

## 4\ Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016?

If so, provide a web-link to the policy.

Yes, Persistent Systems Limited is committed to fostering, cultivating, and preserving a culture of diversity and inclusion within the organization and in larger communities which Persistent partners with. Persistent Systems believes in being an Equal Opportunity Employer as per the Rights of Persons with Disabilities Act, 2016.

Refer [Diversity and Inclusion Policy](#)

## 5\ Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	90.8%	Not Applicable	
Female	100%	95.3%		
Total	100%	92.0%		

The above data is for India Location.

## 6\ Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	(If yes, then give details of the mechanism in brief)
Permanent Workers	Not Applicable
Other than Permanent Workers	
Permanent Employees	Yes, All Employees and other stakeholders of the Company are encouraged to report either orally or in writing to the Whistle Blower Administrator. Please refer to <a href="#">Whistleblower Policy</a> Upon receipt of complaints, the Whistle-blower administrators office shall ensure further investigation as per the Company's investigation framework.
Other than Permanent Employees	

## 7\ Membership of employees and worker in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24			FY 2022-23		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (C / D)
Total Permanent Employees	23,850	0	0%	21,429	0	0%
Male	15,426	0	0%	14,829	0	0%
Female	6,524	0	0%	6,600	0	0%
Total Permanent Workers	Not Applicable					

We recognize the right to freedom of association through independent Trade Unions, Work Councils (WCs) or Collective Bargaining Agreements (CBAs) as per the regional laws where we operate. However, this is mostly voluntary through which our people participate and discuss.

## 8\ Details of training given to employees and workers:

Category	FY 2023-24					FY 2022-23				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
Male	Training coverage: 90% includes all technical and non-technical offerings.					Training coverage: 89% includes all technical and non-technical offerings.				
Female										
Total										
<b>Workers — Not Applicable</b>										

The above data represents average learning coverage across all employees. Training coverage includes all technical, non-technical offerings and mandatory trainings.

## 9\ Details of performance and career development reviews of employees and workers:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	14,115	13,582	96%	12,463	11,633	94%
Female	6,091	5,937	97%	5,691	5,375	93%
<b>Total</b>	<b>20,206</b>	<b>19,519</b>	<b>97%</b>	<b>18,154</b>	<b>17,008</b>	<b>94%</b>
<b>Workers — Not Applicable</b>						

\ The above data includes Permanent employees who were eligible for annual performance review.

\ FY2022-23 Performance review data has been corrected.

## 10\ Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes / No). If yes, the coverage of such system?

Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are



assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

Refer [EHS policy](#)

Refer to [ISO 45001:2018 certificates](#)

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Yes, Persistent Systems Health and Safety Management System has always prioritized Risk Management and Risk Assessment. We have a defined process for Hazard Identification & Risk Assessment, and all operations within our facility are covered under a detailed Risk Assessment checklist assessing routine and non-routine activities. Appropriate control measures are implemented to mitigate any identified risk or hazard. Our OHS targets and performance include Reporting of Health and Safety incidents, incident investigation and management, providing safe workplaces for all, Health and Safety awareness and job specific trainings for specific group of people who are involved in carrying our high risk activities, contractor safety and management. Our commitment to enhancing the health and safety of our people in the workplace is ongoing.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y / N)**

Yes, Persistent Systems has implemented a Safety incident and reporting process to ensure that all work-related incidents, including accidents, near misses, unsafe conditions, unsafe acts within office premises, are reported and resolved after necessary corrective action are taken. This process is facilitated through a location incident register managed by the EHS Officer, who monitors daily operations involving all employees, contractors and vendors working on our premises. Incident reporting is open for all including contractors and vendors. EHS Officers are also responsible for incident investigations and implementing corrective actions to eliminate hazards and future incidents. Work related incidents / accidents reporting awareness programs are covered in induction manual. OHS Target — ZERO accidents. During FY24 we had ZERO accidents.

**d. Do the employees / workers of the entity have access to non-occupational medical and healthcare services? (Yes / No)**

Yes, Persistent employees are covered under Group Personal Accidental (GPA) insurance policy. All types of accidents are covered in our GPA policy. “My Life At Persistent” initiative aims to create a harmonious work-life environment and promote the well-being and health of employees. We offer physical and mental wellbeing programs for our employees. Employees in India owned campuses have access to occupational health centres, gym, and recreational facilities. We also have visiting doctors and online consultations from health experts and master health check-up’s which employees can avail. To enhance physical well-being, we do conduct Persistent Run events across all our geographies.

11\ **Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2023-24	FY 2022-23
<b>Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)</b>	Employees	0	0
	Workers	0	0
<b>Total recordable work-related injuries</b>	Employees	0	0
	Workers	0	0
<b>No. of fatalities</b>	Employees	0	0
	Workers	0	0
<b>High consequence work-related injury or ill-health (excluding fatalities)</b>	Employees	0	0
	Workers	0	0

12\ Describe the measures taken by the entity to ensure a safe and healthy workplace.

We prioritize the well-being of our people by providing a safe, secure and healthy workplace. Our Environmental Health & Safety (EHS) Policy underlines our dedication to creating a safe environment, encompassing regular safety trainings and equipping our workforce with the necessary protective gear. With utmost empathy, we strive to foster a work culture that nurtures the physical and mental well-being of each individual. Our top priority at Persistent Systems has always been to ensure the health and safety of our associates while safeguarding the interests of the communities in which we operate.

\ The EHS policy is followed in letter and spirit by every individual including our partners and supply chain.

\ Our Environmental health and management system adheres to ISO14001:2015 and ISO 45001:2018 standards, covering all our locations in India.

\ Overseas, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

\ We conduct comprehensive environmental, health, and safety impact assessments for our business activities and incorporate OHS considerations into our business decisions.

\ Our people participate in various committees and hobby clubs under My Life at Persistent. Through these committees our people consult with the committee members to discuss well-being, fitness, health & safety, food, health benefits and other related matters.

\ We consult our stakeholders to provide necessary inputs to manage and mitigate EHS risks.

\ Hazard identification, risk assessment, and incident investigation process help us to identify work-related hazards, and assess risks on a routine and non-routine basis, and to apply the hierarchy of controls in order to eliminate hazards and minimize risks.

\ EHS trainings are provided to build awareness on environmental conservation, climate action and Health and safety aspects such as first-aid, fire safety, office safety, reporting of near-miss, accident and incidents are provided as and when necessary.

\ Job-specific training is regularly conducted for contractual staff during induction and later through refresher courses.

Refer [EHS Policy](#)

13\ Number of Complaints on the following made by employees and workers:

Category	FY 2023-24			FY 2022-23		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working conditions	0	0		0	0	
Health and safety	0	0		0	0	

During FY24, no complaints have been registered.

Our Employee engagement survey allows employees to share their opinions on health and safety issues and working conditions.

## 14\ Assessments for the year:

Assessments for the year:	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	93% Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.
Working conditions	Refer <a href="#">EHS Policy</a> Refer to <a href="#">ISO 45001:2018 certificates</a>

## 15\ Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health &amp; safety practices and working conditions.

Post assessments following mitigation practices have been implemented

1. Staircase wheelchair / stretcher introduced at Pan India facilities.
2. Resuscitation station (Medical Box) introduced at Pune, India.
3. Power fencing installed at Aryabhata-Pingala facility in Pune, India.

## Leadership Indicators

## 1\ Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y / N); (B) Workers (Y / N).

Employees	Yes
Workers	Not applicable

## 2\ Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

We conduct vendor audits wherever the supply of manpower is involved, to check and ensure that the statutory dues have been deducted and deposited appropriately by the vendors.

## 3\ Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

None.

## 4\ Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, we connect with employees before their retirement date to assist with planning for their retiral benefits, including PF, Gratuity, and Superannuation. We also provide support for continued medical insurance coverage. For those who are interested in continuing to work, we offer assistance in finding direct consulting assignments.

This support is offered to help ensure a smooth transition into retirement.

## 5\ Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	We ensure all vendors working at India locations follow site specific Health and Safety practices and adhere to working conditions as defined by EHS management systems. Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a certificate of conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.
Working conditions	Refer <a href="#">EHS policy</a> Refer to <a href="#">ISO 45001:2018 certificates</a>

6\ Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Persistent EHS team conducts regular H&S audits for high-risk vendors such as housekeeping service providers, security services, food and cafeteria vendors, transport vendors, drinking water suppliers etc. Findings observed during these audits are reported and tracked to closure.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

**Essential Indicators**

1\ Describe the processes for identifying key stakeholder groups of the entity.

The Company always strives for the betterment of its stakeholders which include society, clients, partners, our employees, the shareowners, the Board of Directors, vendors, and even the environment. Last year, as a part of our effort towards stakeholders’ advancement, the Company went one step ahead and presented the list of key stakeholders of the Company, and key initiatives taken and practices followed by the Company. The purpose of this was to maintain good relationships and to safeguard the rights and best interests of these stakeholders. As every stakeholder matters to us, we continued our dedicated efforts in the form of various initiatives for our stakeholders. The Company, at every meeting of the Stakeholder Relationship and ESG Committee, takes an update on initiatives taken towards the Company’s stakeholders. As every stakeholder matters to us, we continued our dedicated efforts in the form of various initiatives for our stakeholders. The Company at every meeting of the Stakeholder Relationship and ESG Committee takes an update on initiatives taken towards the Company’s stakeholder.

2\ List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others — please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	Emails, newspapers, website, stock exchange filings, answers to investor grievances, R&T agent communication	Annually / half yearly / quarterly / need basis	We communicate with shareholders for various activities such as sending TDS communication, dividend credit intimations, steps to claim unclaimed dividends, decisions taken at quarterly board meetings, other regulatory requirements, sending Annual Reports, notices of general meetings, postal ballots etc. Investor and analyst calls are conducted regularly.
Vendors and Consultants	No	Emails, one-on-one meetings, Annual Report	Ongoing basis	The Company ensured that all vendor payments are within the due date as per the agreed payment terms and there was not a single default. The Company also strives to strengthen the partnership framework further aligning to business and organizational objectives. The Company aims to undertake activities for onboard hiring, training, and knowledge partners with our vendors.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes / No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	Frequency of engagement (Annually / Half yearly / Quarterly / others — please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers and Partners	No	Client visit and meetings, customer satisfaction surveys, social media, e-mails	Ongoing basis	The Company focuses highly on customer satisfaction and feedback from customer in terms of project delivery, timeline commitments, challenges during execution and strives to deliver customer excellence, and help meet business objectives.
Directors	No	Quarterly meetings, emails, website	Ongoing basis	The Company communicates with Directors of the Company for sending notices, agenda, meeting invites, regulatory updates and other communication and information on an ongoing basis, which helps in decision-making and adopting various control mechanisms. The Company provided insights on management audits / process improvement initiatives that contribute to revenue growth, cost optimization, and other business objectives. While doing so, the Company studies peer processes / practices by reaching out to peer networks and available peer information, and identifies what can be implemented in the best interest of the Company.
Government Regulatory Authorities / Government Bodies / Chamber of Commerce	No	Press releases, surveys by the authorities (RBI and MCCIA), quarterly results, annual reports, sustainability / integrated reports, stock exchange and MCA filings, representations	Ongoing basis	The Company engages with Governments and regulatory authorities for various matters, initiatives, filings, and representations.
Society at Large	No	In-person meetings, site visits, website, surveys	Ongoing basis	The Company engages with the society at large to understand their needs, and through our CSR activities.
Employees	No	Notice board, website, emails	Ongoing basis	The Company engages with employees on a regular basis through employee surveys and Focused Group Discussions (FGDs) for providing various benefits such as trainings, providing world-class learning facilities etc.

## Leadership Indicators

- 1\ Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

Consultation with stakeholders on various topics is carried out by related departments of the Company who are responsible for stakeholders' engagement. The quarterly Stakeholders and ESG Committee meeting provides an opportunity to share feedback with the Board on these consultations.

- 2\ Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the input received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes

The Company is dedicated to working with our people, clients, partners, communities, and other stakeholders to build a more equitable, sustainable, and healthier world through the application of technology and engineering. We engage with our stakeholders regularly to understand their expectations, gather insights and identify issues that could materially impact our value creation abilities. Such engagement enables us to nurture long-term relationships based on trust and transparency. Our materiality assessment process ensures we are aligned not only with stakeholder priorities, but also with evolving regulatory requirements, global sustainability trends, and most importantly, our commitment to creating long-term value. Through this identification of key material topics, we translate these findings into actionable Key Performance Indicators (KPIs) that directly influence our strategic decision-making. This ensures our efforts are focused on areas of greatest impact, and that we are setting ambitious and measurable ESG targets for these material topics. These inputs shape our current policies and procedures.

- 3\ Provide details of instances of engagement with, and actions taken to address the concerns of vulnerable / marginalized stakeholder groups.

Persistent Foundation supports the underprivileged sections of society, creates opportunities, and strives towards a more equitable society. Please refer to the CSR section in the [FY24 ESG Report](#).

## PRINCIPLE 5: Businesses should respect and promote human rights

At Persistent Systems, we are committed to upholding the highest standards of human rights in our operations and supply chain. We recognize that our responsibilities go beyond our legal obligations and extend to the communities in which we operate and the environment we all share. We will continue to work diligently to ensure that we respect and protect the human rights of all individuals impacted by our business.

### Essential Indicators

- 1\ Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24			FY 2022-23		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
Employees						
Permanent	21,950	21,904	99%	21,429	21,175	99%
Other than Permanent	1,900	1,648	87%	1,460	1,102	75%
<b>Total Employees</b>	<b>23,850</b>	<b>23,552</b>	<b>99%</b>	<b>22,889</b>	<b>22,277</b>	<b>97%</b>
Workers	Not Applicable					

\*% of employees who are not covered under Code of Conduct training are those who are on long leave or inactive status

## 2\ Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24					FY 2022-23				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent	21,950	0	0%	21,950	100%	21,429	0	0%	21,429	100%
Male	15,426	0	0%	15,426	100%	14,829	0	0%	14,829	100%
Female	6,524	0	0%	6,524	100%	6,600	0	0%	6,600	100%
Non Permanent	1,900	0	0%	1,900	100%	1,460	0	0%	1,460	100%
Male	1,397	0	0%	1,397	100%	1,018	0	0%	1,018	100%
Female	503	0	0%	503	100%	442	0	0%	442	100%

All employees, regardless of their employment status (Permanent and other than Permanent), have been compensated more than the legal minimum wage requirements of the country where we operate.

## 3\ a. Details of remuneration / salary / wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	3	37,755,796	-	-
Key Managerial Personnel	4	17,055,490	-	-
Employees other than BoD and KMP	15,422	1,762,574	6,524	1,300,000
Workers	Not Applicable			

## b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24	FY 2022-23
Gross wages paid to females as % of total wages	24.68%	24.80%

## 4\ Do you have a focal point (Individual / Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes / No)

Yes, Please refer to [Whistleblower Policy](#)

## 5\ Describe the internal mechanisms in place to redress grievances related to human rights issues.

All employee/s and other stakeholders of the Company are encouraged to report either orally or in writing to the Whistleblower Administrator, evidence/s of activity by the Company, departments or employee/s that may constitute improper activities affecting the business or reputation of the Company. Please refer to the [Whistleblower Policy](#). Upon receipt of complaints, the Whistleblower Administrator's office shall ensure further investigation as per the Company's investigation framework.

6\ Number of complaints made, by employees and workers, on the following:

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	0	0	Not Applicable	2	0	All cases were reviewed and closed
Discrimination at the Workplace	0	0		0	0	
Child Labor	0	0		0	0	
Forced Labor/ Involuntary Labor	0	0		0	0	
Wages	0	0		0	0	
Other Human Rights Related Issues	0	0		8	0	All cases were reviewed and closed

Other human rights related issues include non-sexual, conscience and religion.

7\ Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format: new question

	FY 2023-24	FY 2022-23
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	2
Complaints on POSH as a % of female employees / workers	0	0.028%
Complaints on POSH upheld	0	0

The above data is for India operations.

8\ Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

Persistent Systems has a zero-tolerance policy. Refer to the protection of whistleblowers.

Please refer to [Anti-Harassment Policy](#)

9\ Do human rights requirements form part of your business agreements and contracts? (Yes / No).

Yes.

10\ Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labor	Our India operations have been assessed by Persistent Internal Audit Team and are also 100% ISO14001:2015 and ISO 45001:2018 certified. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations. Refer <a href="#">EHS Policy</a> Refer to <a href="#">ISO 45001:2018 certificates</a>
Forced / Involuntary Labor	
Sexual harassment	
Discrimination at the Workplace	
Wages	
Others — please specify	

11\ Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

These assessments did not report any issues.



## Leadership Indicators

**1\ Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.**

Persistent Systems Ltd and its subsidiaries are committed to follow the highest standards of business conduct, integrity, and ethics. The Ethics Policy of the Company is applicable to all the stakeholders of Persistent Systems Limited and its subsidiary companies, including permanent and temporary employees, employees on probation, consultants, contractors, contract labor, vendors, trainees, apprentice, and interns. With a view to promote stakeholders to report unethical action, the Policy provides for a threat free environment to submit a complaint under the Policy. More details are available at [Ethics Policy](#). Post addressing human rights grievances / complaints, if there is need for any process or policy change the same is modified to ensure that these incidents are not repeated.

**2\ Details of the scope and coverage of any Human Rights due diligence conducted.**

At Persistent Systems, we deeply honor and safeguard the human rights of our diverse workforce, fostering an environment free from discrimination based on race, 24% or any other defining trait. Our comprehensive Human Rights policies serve as a guiding compass, outlining our unwavering commitment to upholding these fundamental principles in all our operations. Persistent System has a Compliance Management tool. This tool has an all compliance checklist for the respective geographies. The Human Rights due diligence is conducted as per of ISO 45001 to assess the Human Rights compliances. Our vendor partners working in Persistent premises are assessed to ensure they are complying with the local statutory rules and law of the land. Our India operations are 100% ISO14001:2015 and ISO 45001:2018 certified, and our global operations are assessed based on local compliances. Our EHS management system covers all our locations in India, representing 93% of our global facility area, and assessments are conducted by a third-party with a Certificate of Conformance issued. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.

Refer [EHS Policy](#)

Refer to [ISO 45001:2018 certificates](#)

**3\ Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

All Persistent Systems owned premises are accessible to differently abled people including visitors as per the Rights of Persons with Disabilities Act, 2016

**4\ Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Our India operations have been assessed by Persistent Internal Audit Team and are also 100% ISO14001:2015 and ISO 45001:2018 certified. At our overseas locations, we have implemented processes aligned with legal requirements and ensure compliance across our global operations.  Our vendor partners working on our premises at India locations are assessed to ensure they are complying to the local statutory rules and law of the land.
Discrimination at the Workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Others — please specify	
	Refer <a href="#">EHS Policy</a> Refer to <a href="#">ISO 45001:2018 certificates</a>

**5\ Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

There were no significant risks / concerns reported from the assessments.

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

### Essential Indicators

#### 1\ Details of total energy consumption (in joules or multiples) and energy intensity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>From renewable sources</b>		
Total electricity consumption (A) — Wind Energy	23,239.58	20,003.19
Total fuel consumption (B) — Solar Energy	-	-
Energy consumption through other sources (C)	Not Applicable	Not Applicable
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>23,239.58</b>	<b>20,003.19</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D) — Grid Electricity	36,154.23	29,359.10
Total fuel consumption (E) — DG Electricity	292.6181	312.83
Energy consumption through other sources (F)	Not Applicable	Not Applicable
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>36,446.85</b>	<b>29,671.93</b>
<b>Total energy consumed (A+B+C+D+E+F)</b>	<b>59,686.43</b>	<b>49,675.12</b>
<b>Energy intensity per rupee of turnover</b> (Total energy consumption / turnover in rupees)	0.000000608	0.000000595
<b>Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)</b> (Total energy consumed / revenue from operations adjusted for PPP)	0.000013906	0.000013575
<b>Energy intensity in terms of physical output — per employee</b>	<b>2.50</b>	<b>2.17</b>
<b>Energy intensity (optional) — the relevant metric may be selected by the entity</b>	Not Applicable	Not Applicable

\*Boundary — Electricity consumption is reported for Global Location.

As employees resumed work and new offices opened in India, Energy consumption has increased.

The revenue from operations has been adjusted for PPP based on the latest PPP conversion factor published for the year 2022 by the World Bank for India which is 22.88.

**Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?**

(Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

#### 2\ Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y / N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any:

Not Applicable

#### 3\ Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	0	0
(ii) Groundwater	16,671.00	0
(iii) Third party water	72,970.27	46,376.00

Parameter	FY 2023-24	FY 2022-23
(iv) Seawater / desalinated water	Not Applicable	Not Applicable
(v) Others — Packed drinking water	13,253.85	0
Total volume of water withdrawal (in kiloliters) (i + ii + iii + iv + v)	102,895.12	46,376.00
Total volume of water consumption (in kiloliters)	87,798.81	29,131.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000089	0.00000035
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.0000205	0.0000080
Water intensity in terms of physical output KL/FTE (per year)	4.24	1.44
Water intensity (optional) — the relevant metric may be selected by the entity	Not Applicable	Not Applicable

\*Boundary — Water consumption and Withdrawal is reported for India locations.

As employees resumed work and new offices opened in India, Water consumption has increased.

**Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?**

(Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

4\ Provide the following details related to water discharged:

Parameter	FY 2023-24	FY 2022-23
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(ii) To Groundwater	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iii) To Seawater	0	0
No treatment	0	0
With treatment — please specify level of treatment	0	0
(iv) Sent to third parties	15,096.31	17,245.0
No treatment		
With treatment — send to public sewage treatment plant and the treated water was utilized for irrigation in a public park)	15,096.31	17,245.0
(v) Others		
No treatment	0	0
With treatment — please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>15,096.31</b>	<b>17,245.0</b>

\*Boundary — Water discharged is reported for India locations.

**Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?**

(Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

5\ Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes, wastewater generated from owned locations in India is treated in sewage treatment plants within the facility and common treatment plants within the vicinity.

## 6\ Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
NOx	micro gram / m3	12.77	15.09
SOx	micro gram / m3	15.16	18.30
Particulate matter (PM) (PM2.5)	micro gram / m3	34.17	45.15
Persistent organic pollutants (POP)	Units	NA	NA
Volatile organic compounds (VOC) CO	mg / m3	<50	<50
Hazardous air pollutants (HAP)	Units	NA	NA
Others — please specify (PM10)	micro gram / m3	58.15	64.50

- \ There are no continuous air emissions from our DG sets present in our owned locations at India. The DG sets are operated only during the power outages and while testing BCP scenarios.
- \ FY23 air emissions are corrected to report in respective UOM.

## 7\ Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) &amp; its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24	FY 2022-23
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	1,025.51	314.08
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	tCO <sub>2</sub> e	6,492.66	5,890.23
Total Scope 1 and Scope 2	tCO <sub>2</sub> e	7,518.18	6,204.31
Total Scope 1 and Scope 2 emissions per rupee of turnover	tCO <sub>2</sub> e / INR tCO <sub>2</sub> e per INR	0.000000077	0.000000074
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO <sub>2</sub> e per INR PPP	0.00000175	0.00000170
Total Scope 1 and Scope 2 emission intensity in terms of physical output — per employee	tCO <sub>2</sub> e / Employee	0.315	0.271
Total Scope 1 and Scope 2 emission intensity (optional) — the relevant metric may be selected by the entity	Units	Not Applicable	Not Applicable

\*Boundary — Scope 1 emissions reported for India geo locations with operational control.

\*Scope 1 emissions increased due to breakdown of ageing assets and release of refrigerant gases.

\*Scope 2 emissions (Electricity consumption) reported for global locations. As employees resumed work and new offices opened in India, energy consumption has increased as a result of which Scope 2 is increased.

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency?

(Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

## 8\ Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

Yes

Our climate action goals include:

- \ Carbon Neutral for Scope 1 and Scope 2 emissions by 2025
- \ Reduce 30% Scope 3 emissions from our global operations by 2028
- \ RE 100 (100% electricity sourced from renewable energy) by 2025
- \ Net-zero emissions aligned with Science-Based Target initiatives (SBTi) standards by 2050

To achieve the above goals, the following initiatives are taken to reduce GHG emissions. Refer [ESG report](#) for more details.

- \ Green Building Initiatives
- \ Energy Efficiency Initiatives
- \ Operational Efficiency
- \ Lighting Efficiency
- \ Adoption of Renewable Energy

9\ Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24	FY 2022-23
<b>Total waste generated in MT</b>		
Plastic waste (A)	22.98	3.15
E-waste (B)	16.45	8.42
Bio-medical waste (C)	Not Applicable	Not Applicable
Construction and demolition waste (D)	0	4.54
Battery waste (E)	6.28	0
Radioactive waste (F)	Not Applicable	Not Applicable
Hazardous waste. Please specify, if any. (G)	1.34	0.19
Other non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	83.12	46.06
\ Misc Waste	27.49	17.92
\ Glass Waste	0.06	1.26
\ Metal Waste	24.62	16.26
\ Wood Waste	2.05	10.26
\ Organic waste	28.90	0.26
<b>Total (A + B + C + D + E + F + G + H)</b>	<b>130.17</b>	<b>62.40</b>
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.0000000013	0.0000000007
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.0000000030	0.0000000017
Waste intensity in terms of physical output	Not Applicable	Not Applicable
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
Category of waste		
(i) Recycled	99.93	57.34
(ii) Re-used	28.90	0.26
(iii) Other recovery operations	-	-
<b>Total</b>	<b>128.83</b>	<b>57.60</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
Category of waste		
(i) Incineration	1.3	0.2
(ii) Landfilling	0	4.6
(iii) Other disposal operations	-	-
<b>Total</b>	<b>1.3</b>	<b>4.8</b>

\*Boundary — Waste generated in operations is reported for India geo location.

As employees resumed work and new offices opened in India, waste generation has risen.

**Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency:** Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

- 10\ Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.  
Not applicable.
- 11\ If the entity has operations / offices in / around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:  
Not applicable. We don't operate in close proximity to ecologically sensitive areas.
- 12\ Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:  
Not applicable
- 13\ Is the entity compliant with the applicable environmental law / regulations / guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y / N). If not, provide details of all such non-compliances, in the following format:  
Yes, Persistent Systems is in adherence to all the applicable environmental laws / regulations / guidelines in India and has not incurred any fines / penalties.

## Leadership Indicators

- 1\ **Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):** For each facility / plant located in areas of water stress, provide the following information:
- Name of the area**  
During FY 2024, our offices located in following cities of India fall under water stress zones. These zones have been identified as per the Aqueduct report. Please refer to our water conservation efforts mentioned in the [FY24 ESG Report](#). Persistent offices located in Pune, Nagpur, Ahmedabad, Jaipur, Gurugram, Kochin, Noida, Hyderabad, Indore, Bengaluru
  - Nature of operations:**  
IT Services
  - Water withdrawal, consumption, and discharge in the following format:**

Parameter	FY 2023-24	FY 2022-23
<b>Water withdrawal by source (in kilolitres)</b>		
(i) To Surface water	0	0
(ii) To Groundwater	16,671.00	0
(iii) Third party water	72,970.27	46,376.00
(iv) Seawater / desalinated water	0	0
(v) Others — Packed drinking water	13,253.85	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	102,895.12	46,376.00
Total volume of water consumption (in kilolitres)	89,559.87	29,131.00
Water intensity per rupee of turnover (Water consumed / turnover)	0.00000091	0.00000035
Water intensity (per employee)	4.32	2.30
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To surface water		

Parameter	FY 2023-24	FY 2022-23
No treatment	0	0
With treatment — please specify level of treatment	0	0
<b>(ii) To Groundwater</b>		
No treatment	0	0
With treatment — please specify level of treatment	0	0
<b>(iii) To Seawater</b>		
No treatment	0	0
With treatment — please specify level of treatment	0	0
<b>(iv) Sent to third parties</b>	15,096.31	17,245.00
No treatment	0	0
With treatment — please specify level of treatment	15,096.31	17,245.00
<b>(v) Others</b>		
No treatment	0	0
With treatment — please specify level of treatment	0	0
<b>Total water discharged (in kiloliters)</b>	<b>1,509.63</b>	<b>1,724.50</b>

\*Boundary — Water discharged is reported for India owned locations.

**Note:** Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

2\ Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	9492.40	4,337.34
Total Scope 3 emissions per rupee of turnover	MT per INR	0.000000097	0.000000052
Total Scope 3 emission intensity (optional) — the relevant metric may be selected by the entity	MT per INR PPP	0.00000022	0.00000012

- \ Boundary — Global locations: Purchase of Goods and Services, Capital Goods, Business Travel, Fuel & other energy related activities; Upstream Transport related emissions were considered for Scope 3 emission calculation. India location: Waste generated from operations — Associate commute related emissions were considered for Scope 3 emission calculation.
- \ Scope 3 emissions are estimated in few categories.

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y / N) If yes, name of the external agency: Yes, our BRSR core disclosures are externally assured by an independent third party DNV Business Assurance India Private Limited ('DNV').

3\ With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable.

Persistent Systems does not operate in ecologically sensitive areas.

4\ If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S.No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Refurbishing old end-of-life	As part of our commitment to promote sustainability, we have initiated a program to refurbish end-of-life (EOL) laptops and donate them to NGOs and educational institutes. This initiative not only helps in reduction of e-waste but also creates employment opportunities for people who need it.	Reduction in e-waste generation
2	No Plastic Days	We have taken several steps in reducing plastic waste generation. We are minimizing the use of plastic bags and encouraging the use of cloth or paper bags. To promote awareness on the harmful effects of plastic, we organize a “No Plastic Day” and encourage our employees to adopt eco-friendly practices.	Reduction in plastic waste generation in Persistent Systems facilities
3	Green Energy	1\ Green Energy (solar + wind) generation of 64,55,439kWh in FY2023-24 for our own use. 2\ Purchase of EAC Certificates to convert our power consumption through grid into renewable energy. 3\ Persistent Systems uses 100% eco-certified furniture. All the furniture including sofas, chairs, tables etc., are BIFMA certified in their upcoming projects. 4\ Persistent Systems “Bhageerath” facility from Pune is an IGBC Platinum certified building. 5\ Optimum usage of daylight: 54% of the total regularly occupied areas achieve natural daylight of 300 lux or more. 6\ Our two buildings from Pune, “Bhageerath” BEE 2 Star & “Aryabhata-Pingala” BEE 3 Star rated building.	Increase of renewable energy usage
4	Chiller and AC replacement	1\ ACs of 1000 TR capacity in a 2600+ seating capacity building which were based on R-22 gas were replaced with energy efficient Inverter based ACs with energy efficient & environment friendly R-410 gas system. (15 % reduction in electricity consumption of air conditioning). 2\ Eco-friendly Refrigerants & Halons: Ductable ACs 80 TR which were based on R-22 gas were replaced with energy efficient inverter based ACs with environment friendly R-32 gas. (12 % reduction in electricity consumption of air conditioning). 3\ Replaced old chiller system in the corporate office building with a combination of high efficiency (lesser energy and water consumption) chiller system & by high efficiency VRV system.	15 % reduction in electricity consumption of air conditioning Emission reduction due to replacement of low emission refrigerant gas
5	CFL to LED replacement	Replaced CFLs by LED lamps: A total of 9,365 CFL-based light fittings replaced by LED lamps — indoor, outdoor & all common areas such as parking, lobbies, toilets etc. in our facilities.	15% reduction in electric consumption for lighting

5\ Does the entity have a business continuity and disaster management plan? Give details in 100 words / web link.

Persistent Systems is certified for ISO 22301:2019 and has a well-defined Business Continuity Management System in place. This includes business continuity and disaster recovery plans that are charted to ensure minimum impact to business and operation, in case of emergency or disaster, as well as regular testing including calls tree tests, data restoration tests, DR drills, etc. which ensure high level of readiness for handling business continuity impact related events.

Persistent Systems governance risk and compliance services have a structured BCP-DRP framework and methodology, which will assist the enterprise in overcoming all challenges by analyzing business impact, defining the recovery strategy, and documenting plans for our BCP / DRP. We can also test the BCP / DRP to ensure it is current and meets the RTO / RPO requirements.

<https://www.persistent.com/services/enterprise-it-security/governance-risk-and-compliance/business-continuity-and-disaster-recovery/>

6\ Disclose any significant adverse impact to the environment arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Persistent Systems is an IT / ITES company, there is no raw and finished physical goods supply / distribution or linked



manufacturing / transportation involved. We prioritize having a sustainable value chain that leads to a positive global impact. The generation of electronic waste is the only adverse impact that arises from our value chain. We take necessary actions to insist our suppliers minimize e-waste. We have global norms for vendors and are insisting on authorized vendors. No significant adverse impact to the environment arising from our value chain.

**7\ Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

No significant adverse impact to the environment arising from our value chain.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.**

**Essential Indicators**

**1a. Number of affiliations with trade and industry chambers / associations:**

8

**1b. List the top 10 trade and industry chambers / associations (detered based on the total members of such body) the entity is a member of / affiliated to.**

S. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State / National)
1	National Association for Software and Services Companies (NASSCOM)	National
2	Confederation of Indian Industry (CII)	National
3	Mahratta Chamber of Commerce Industries and Agriculture (MCCIA)	State
4	Indo-German Chamber of Commerce (IGCC)	International
5	Software Exporters Association of Pune (SEAP)	State
6	Hinjewadi Industries Association, Pune (HIA)	State
7	The German Chambers of Commerce Abroad (AHK)	International
8	Indo-Australian Chamber of Commerce (IACC)	International

**2\ Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.**

Not Applicable

Persistent Systems did not receive any complaints or registered for issues related to anti-competitive conduct from regulatory authorities for year FY 24. Persistent Systems is unwavering in its commitment to integrity and ethical business conduct. "Anti-trust" and "Anti-Competition" refers to actions that provide an unfair advantage in the marketplace and other practices which would monopolise competition in the market.

All employees are expected to adhere to all applicable anti-trust laws and to deal fairly with each other, and with the Company's customers, suppliers, competitors and third parties. Employees should not take undue advantage of anyone through collusion, price-fixing, market manipulation or any other practices that may compromise fair competition.

Please refer to [Code of Conduct Policy](#)

**Leadership Indicators**

**1\ Details of public policy positions advocated by the entity:**

The Persistent Systems Privacy Policy delineates the company's objectives concerning privacy management and underscores the management's unwavering commitment to privacy protection. The application of this policy is mandatory for all group companies, business lines, subsidiaries, and affiliates, including all operations performed on personal data. All employees and third-party entities (suppliers, vendors) associated with Persistent Systems are obligated to adhere to this policy. Furthermore, the policy encompasses all information systems and facilities involved in the processing and storage of personal data, encompassing not only internal systems owned by the company but also those employed in operations and projects executed on behalf of its customers.

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes / No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
Our active participation in trade and industry associations allows us to stay informed about industry developments, contribute to policy discussions, share our perspectives and insights to research undertaken and foster collaboration within the business community.					

## PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

### Essential Indicators

- 1\ Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Not Applicable

- 2\ Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

Not Applicable

- 3\ Describe the mechanisms to receive and redress grievances of the community.

The Company is committed to providing an open environment where employees, contractors and other stakeholders are comfortable speaking up whenever they have a question or concerns about our Code of Conduct or are of the opinion that laws, regulations, or the Code, may have been breached. All stakeholders are encouraged to raise concerns with the Company's management team or through the whistle-blower mechanisms set up for this purpose.

[Whistleblower Policy](#)

Upon receipt of complaints, the Whistleblower Administrator's office shall ensure further investigation as per the Company's investigation framework.

- 4\ Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	2.4%	Not Tracked
Sourced directly from within India	73.5%	Not Tracked

\*The above data is applicable to India operations.

- 5\ Job creation in smaller towns — Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.

Location	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Rural	0%	0%
Semi-urban	0.95%	0.5%
Urban	4.88%	3.9%
Metropolitan	94.17%	95.6%

\*The above data is applicable to India operations.

Classification is based on the RBI Guidelines and Census 2011. As per the latest census all urban would be classified as Metropolitan based on the population index.

### Leadership Indicators

- 1\ Provide details of actions taken to mitigate any negative social impact identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): None

- 2\ Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies: Not Applicable

- 3\ (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes / No):  
Yes, for Micro, Small & Medium Enterprises (MSME) suppliers we follow statutory requirements for making on-time payments as per the law of the land.
- (b) From which marginalized / vulnerable groups do you procure?  
MSMEs certified by Indian government.
- (c) What percentage of total procurement (by value) does it constitute?  
2.38% is from MSME.
- 4\ Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge: Not Applicable
- 5\ Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes where in usage of traditional knowledge is involved. Not Applicable
- 6\ Details of beneficiaries of CSR Projects:

S.No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1	Projects implemented to improve the quality of education and infrastructure development, skill development, and support for higher education	25,169	100%
2	Projects implemented in the area of curative health care focusing on geriatric and pediatric age group	7,739	100%
3	Tree plantation — 25,000 trees	Not Applicable	Not applicable
4	Support for livelihood	175	30%
5	Compressive watershed development program	935 farmers, 13 villages	Not applicable
6	Support for drinking water	450 villagers, 2 villages	-
7	Support for printing Kolami language book	2,000 students	100%
8	Support for procurement of translocation vehicle, animal ambulance and patrolling — 4 Vehicles	Not Applicable	Not applicable

Note: Women, children and people who are differently-abled are the main vulnerable groups identified.

## PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

### Essential Indicators

- 1\ Describe the mechanisms in place to receive and respond to consumer complaints and feedback.
- (a) **Client complaints:** We have robust mechanism to handle client complaints / escalation received through our dedicated client partners / delivery heads. These are logged into our delivery governance platform Persistent Integrated Quality (PiQ) to go through a formal client complaints / client escalation redressal process. The basic steps of client escalation process are given below.
- (b) **Analyze and Plan Actions:** The Delivery Partner & SQA will assess the business impact of the situation to identify the root causes of the escalation to prepare a Corrective and Preventive Action (CAPA) plan. We are also ensuring customer confirmation on CAPA as part of alignment.
- (c) **Implement and Track CAPA:** The CAPA plan will be implemented by the Project Manager, with support from the Delivery Excellence team. The progress of the CAPA will be tracked and periodically updated.
- (d) **Closure of Escalation:** Delivery Partner will get customer representative acknowledgement (any form) on the closure

of customer escalation and will inform the Delivery Head and SQA. SQA will review the overall completion, result and close the escalation in PIQ.

**2\ Turnover of products and / services as a percentage of turnover from all products / service that carry information about:**

Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and / or safe disposal	

**3\ Number of consumer complaints in respect of the following:**

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks			Remarks
Data privacy	None	None	There were no complaints registered under these heads during FY2024.	None	None	There were no complaints registered under any heads during FY2023.
Advertising	None	None		None	None	
Cyber-security	None	None		None	None	
Delivery of essential services	None	None		None	None	
Restrictive trade practices	None	None		None	None	
Unfair trade practices	None	None		None	None	

**4\ Details of instances of product recalls on account of safety issues:**

Not Applicable.

**5\ Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes / No) If available, provide a web-link of the policy. Yes**

Yes, Persistent Systems Limited (PSL) operates across multiple business verticals, each catering to distinct customer requirements. With a diverse portfolio spanning industries such as healthcare, financial services, technology, and manufacturing, PSL encounters a wide range of customer needs and expectations. From developing custom software solutions to providing consulting services, PSL's business activities are tailored to meet the unique demands of each vertical. This diversity in business verticals and customer requirements underscores the complexity of PSL's operations and highlights the need for agile and adaptable strategies to effectively serve its diverse clientele. Through a combination of innovative technologies and industry expertise, PSL strives to deliver tailored solutions that address the specific challenges and opportunities faced by its customers in various sectors.

Persistent is certified for ISO 27001, ISO 27017, ISO 27018 for Information Security. Further we are certified for ISO 227701 - Data Privacy and ISO 22301 - Business Continuity.

Web link: [Information Security at Persistent Systems](#)

**6\ Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

Not applicable

**7\ Provide the following information relating to data breaches:**

**(a) Number of instances of data breaches.**

None

**(b) Percentage of data breaches involving personally identifiable information of customers.**

0%

**(c) Impact, if any, of the data breaches**

Not applicable.

## Leadership Indicators

- 1\ **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**  
 Refer to the link given below.  
 We are a trusted Digital Engineering and Enterprise Modernization partner, combining deep technical expertise and industry experience to help our clients anticipate what's next and answer questions before they're asked. Our offerings and proven solutions create a unique competitive advantage for our clients by giving them the power to see beyond and rise above.  
<https://www.persistent.com/services/>
- 2\ **Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.**  
 Not Applicable
- 3\ **Mechanisms in place to inform consumers of any risk of disruption / discontinuation of essential services.**  
 We have a robust governance and escalation process to notify customers of any possible risk of disruption / termination of services.  
 We identify delivery risks for each project with the customer on a monthly basis and create mitigation plans that are discussed and approved with the senior delivery leaders as well as customers.  
  
 The risks are assessed based on risk project number (RPN) and aggregated by risk index at a project level. Beyond a certain threshold, the projects are termed as "high risk" or "critical risks". These are specifically discussed for mitigations and actions with senior delivery leadership as well as client relationship owners every fortnight.  
  
 There are multiple forums / channels through which we communicate with our customers on these risks of disruption / termination of services:  
 \ Weekly Status Reports  
 \ Monthly Business Reviews  
 \ Quarterly Business reviews  
 \ CXO to CXO leadership connections  
 \ Business continuity plans  
 We have been highly rated on delivery and project management by our clients in our recent annual client satisfaction (CSAT) survey. Other than the formal channels we also have the right connect for each program on the consumer side in case we need to reach out for any escalation.
- 4\ **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes / No / Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes / No)**  
 Not Applicable

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Independent  
Assurance Statement -  
Reasonable level of  
Assurance BRSR 9  
core attributes





## **INDEPENDENT ASSURANCE STATEMENT**

### **Introduction**

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Persistent Systems Limited (Corporate Identity Number L72300PN1990PLC056696, hereafter referred to as 'PSL' or 'the Company') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include Core indicators as per Annexure I of SEBI circular dated 12 July 2023 and rest non-financial disclosures in BRSR (Annexure II of SEBI circular dated 12 July 2023).

### **Reporting standard/framework**

The disclosures have been prepared by PSL in reference to:

- BRSR Core - Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*.
- ISO 14064-1:2018 - *Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals*

### **Assurance Methodology/Standard**

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's Verisustain Protocol has been developed in accordance with the most widely accepted reporting and assurance standards.

### **Intended User**

The intended user of this assurance statement is the Management of PSL ('the Management').

### **Level of Assurance**

- Reasonable Level of assurance for indicators under BRSR 9 Core Attributes (Ref: Annexure I of SEBI circular); and
- Limited Level of assurance for rest Non-Financial disclosures BRSR report (Ref: Annexure II of SEBI circular).

### **Responsibilities of the Management of PSL and of the Assurance Provider**

The Management of PSL has the sole responsibility for the preparation of the BRSR Report and is responsible for all information disclosed in the BRSR Core and BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. PSL is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of PSL; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

### **Scope, Boundary and Limitations**

#### **Scope**

The scope of our engagement includes independent Reasonable level of assurance of indicators under BRSR 9 Core attributes (Ref: Annexure I of SEBI Circular) and a Limited level of assurance for the non-financial disclosures in BRSR (Ref: Annexure II of SEBI circular) for the Financial Year (FY) 2023-24.

#### **Boundary of our assurance work:**

- *BRSR Core indicators:* Boundary covers the performance of PSL operations that fall under the direct operational control of the Company's legal structure. Based on the agreed scope with the Company, the boundary of reasonable assurance covers the operations of PSL across all global locations, unless otherwise stated in the table below.



BRSR Core Attribute	Boundary for reasonable Assurance
Attribute 1 GHG footprint: Scope 1 emissions	India Locations
Attribute 1 GHG footprint: Scope 2 emissions	All Global locations
Attribute 2 Water footprint	India Locations
Attribute 3 Energy footprint	All Global locations
Attribute 4 Waste Management	India Locations
Attribute 5 Enhancing Employee Wellbeing and Safety	All Global locations
Attribute 6 Gross wages paid to females as % of wages paid	All Global locations
Attribute 6 POSH	India Locations
Attribute 7 Enabling Inclusive Development	India Locations
Attribute 8 Fairness in Engaging with Customers and Suppliers	All Global locations
Attribute 9 Openness of business	All Global locations

- *Rest non-financial disclosures in BRSR report:* Boundary for the rest non-financial disclosures in BRSR covers the operations of PSL across all global locations, unless otherwise stated below.
  - Same as mentioned for the BRSR core attributes related cross references to the BRSR, and wherever specified in the BRSR report as applicable for India locations only.

**Limitation(s):**

We performed a reasonable Level of assurance for the BRSR Core indicators and a limited level of assurance for the BRSR reporting based on our assurance methodology VeriSustain, v06.

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of ±5% based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (ref: all sections of core indicators where currency; INR has been applied, attribute 8,9) relies on the third party audited financial reports of the Company. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy, or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

**Assurance process**

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of PSL. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

BRSR Core Indicators – Reasonable level of Assurance	Rest non-financial disclosures in BRSR Report – Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core used a basis of reasonable level of assurance	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial disclosures in BRSR report.



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Assessment of operational control and reporting boundaries	Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.	Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the %age contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annex-II.	DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.	Reviewed the process of reporting as defined in the assessment criteria.

In both the cases, DNV teams conducted the:

- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per VeriSustain™ for both reasonable level and limited level verification for the disclosures.

## Conclusion

### Reasonable level of Assurance- BRSR 9 Core Attributes

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, indicators under the BRSR 9 Core attributes (as listed in Annex I of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

### Limited Level of Assurance- BRSR Reporting Format

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the disclosures do not properly adhere to the reporting requirements as per BRSR reporting guidelines (Annexure II of SEBI Circular).

## Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct<sup>1</sup> during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest, DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of PSL. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. We did not provide any services to PSL in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

<sup>1</sup> DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

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**Purpose and Restriction on Distribution and Use**

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV’s work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and the PSL. DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Karthik Ramaswamy Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Chandan Sarkar (Verifier) Roshni Sarage (Verifier) Goutam Banik (Verifier)	

13/06/2024, Bengaluru, India.

*DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. [www.dnv.com](http://www.dnv.com)*



## Annex I

### Verified Data

Stipulated as per [BRSR Core](#) provided by the company.

Sr. No.	Attribute	Parameter	Unit of Measures	Values	Comments
1	Green-house gas (GHG) footprint	Total Scope 1 emissions	Total emissions (tCO <sub>2</sub> e)	1025.51	
		Total Scope 2 emissions	tCO <sub>2</sub> e (Location based)	6492.66	
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	tCO <sub>2</sub> e/INR	0.000000077	
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for PPP	tCO <sub>2</sub> e / PPP revenue	0.000001752	
		Total Scope 1 and Scope 2 emissions (MT) / Total Output of Product or Services	tCO <sub>2</sub> e/ Employee	0.315	
2	Water footprint	Total water consumption	KL	87798.8	
		Water consumption intensity	Water intensity per rupee of turnover (Water consumed / turnover)	0.00000089	
			Water intensity per rupee of turnover adjusted for PPP	0.0000205	
			Water intensity in terms of physical output KL/FTE (per year)	4.24	
		Water Discharge by destination and levels of Treatment	KL	15096.31	Tertiary level of treatment. Send to public STP for treatment (Pune-Hinjawadi site) and reused for Irrigation in public park
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	59686.43	
		% of energy consumed from renewable sources	In % terms	38.9%	
		Energy intensity	GJ/ Rupee of Turnover	0.000000608	
			GJ/ Rupee adjusted for PPP	0.000013906	
			GJ/ Employee	2.50	
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	22.98	
		E-waste (B)	MT	16.45	
		Bio-medical waste (C)	MT	Not Applicable	
		Construction and demolition waste (D)	MT	0	
		Battery waste (E)	MT	6.28	
		Radioactive waste (F)	MT	Not Applicable	

		<b>Other Hazardous waste (G)</b>		<b>1.34</b>	Oil-soaked Cotton Waste, Used Oil
		<b>Non-hazardous waste</b>			
		Misc Waste	MT	27.49	
		Glass Waste	MT	0.06	
		Metal Waste	MT	24.62	
		Wooden Scrap	MT	2.05	
		Organic Waste	MT	28.90	
		<b>Total Non-Hazardous Waste (H)</b>	MT	<b>83.12</b>	
		<b>Total (A+B + C + D + E + F + G+ H)</b>	MT	<b>130.17</b>	
		<b>Waste intensity per rupee of turnover from operations</b>	Metric tonnes /INR	0.0000000133	
		<b>Waste intensity per rupee of turnover adjusted for PPP</b>	(Total waste generated [kg] / Revenue from operations adjusted for PPP)	0.000000030	
		<b>Each category of waste generated, total waste recovered through recycling, re-using or other recovery operations</b>	Recycled	99.93	Metal waste, Glass waste, Plastic waste, Mixed paper waste, Wood waste
			Other Recovery	28.90	Food waste is composted
		<b>For each category of waste generated, total waste disposed by nature of disposal method</b>	Landfill	0.00	
			Incinerated	1.3	Used Oil, Used Oil filter
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms	1.91%	
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities	0	
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	0	
		No. of fatalities	0		
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	24.68%	Female associate Global wages calculated against overall employee Global Wages
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	0	No POSH Complains registered for FY24
			Complaints on POSH as a % of female employees / workers	0	
			Complaints on POSH upheld	0	

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7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	2.4%		
			Sourced directly from within the district and neighbouring districts	73.5%		
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	<b>Location</b>			
			Rural	0.0%		
			Semi-urban	1.0%		
			Urban	4.9%		
Metropolitan	94.2%					
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0%		
		Number of days of accounts payable	days	36 Days		
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	Not Applicable		
			Number of trading houses where purchases are made from	Not Applicable		
			Purchases from top 10 trading houses as % of total purchases from trading houses	Not Applicable		
			Sales to dealers / distributors as % of total sales	Not Applicable		
			Number of dealers / distributors to whom sales are made	Not Applicable		
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Not Applicable		
			Share of RPTs (as respective %age) in		Persistent does not have RPT related below categories	
			Purchases	Nil		
			Sales	Nil		
			Loans & advances	Nil		
Investments	Nil					

## Annex II

### Sites selected for audits

S.no	Site	Location
1.	Corporate office	Pune-Hinjawadi
2.	India Offices	Pune-Bhageerath Pune- AR-PG Hyderabad - WaveRock Nagpur-Gargi Maitreyi Goa-Charak Bhaskar Indore - Brilliant Centre Colombo - Bauddhaloka Mawatha California, Santa Clara, Laurelwood Bengaluru - RMZ PRITECH PARK, Shantiniketan

# Management Discussion and Analysis Report

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## Market Overview

The demand environment continues to remain challenging as high level of inflation continues to worry the central banks. Geopolitical conditions remain challenging with actual conflicts and serious risk scenarios creating uncertainty for the world economy. 2024 will also see a record number of elections in major countries of the world. While the immediate macroeconomic impact of these elections is expected to be limited, their outcome will influence the outlook for the coming year.

Growth outlook in advanced economies is likely to be feeble as high price level and tight monetary policies dampen new investment as well as consumption. Annual inflation rates are expected to stay above target in many major economies. Overall risks to the growth outlook are thus tilted to the downside. Geopolitics will remain an important risk factor for the world economy. In an environment of rather weak growth and falling inflation, major central banks are expected to lower bank rates towards later part of 2024.

During early pandemic years, as companies accelerated their digital transformation efforts, technology industry flourished. However during last year, high inflation and elevated interest rates softened global tech spending. It was a turbulent year for the tech sector with many leading tech companies announcing layoffs. Despite these challenges, there are hopes for tech comeback to be imminent. With economists lowering the assessment of recession risks, there are expectations for tech sector to return to modest growth. Tech companies have extended their reach into other industries using digital advancements. Artificial Intelligence (AI) is anticipated to lead the charge in growth as companies seek AI solutions to increase productivity and drive profitability.

No matter what the macroeconomic outlook looks like, Chief Information Officers must work through the various risks of technology and lead their teams to meet or exceed business objectives, and they still have to run efficient and cost effective operations that will navigate the Company through this phase.

## Company Overview

We are a global solutions company having technical expertise and industry experience of over 30 years. We imagine, design and deliver new digital experience, revenue streams and business models to meet rising customer expectations. We are focused on staying connected to our clients and employees while building technology solutions. Over last 30+ years, we have invested in establishing partnerships and getting our teams skilled to help our clients navigate through disruptive technology shifts and achieve business differentiation through innovative, yet resilient composition of technology. We are committed to unleashing full potential of every team member by helping them accelerate their professional growth while impacting the world in powerful and positive way by using the latest technology.

Digital adoption has accelerated dramatically, leading to the world in which software is everywhere. We are the digital engineering partner who can help win in this software driven world. Our digital engineering expertise is helping transform market leaders across industries.

With our impactful projects, ranging from groundbreaking IoT solutions to cutting edge advancements in cloud computing and artificial intelligence, we have been at the forefront of the technology wave that's shaping the digital landscape.

The Company emerged as one of India's fastest growing IT companies. We crossed \$ 1 Billion in revenue in FY 2022-23 and are working towards crossing \$ 2 Billion within next three years. The journey is being steered by dynamic group of professionals. Our client list consists of numerous industry leaders. We were awarded "Most Promising Company of the Year" by CNBC-TV18. We have delivered significant shareholder value, with shareholder returns of 1,152.9% over the last 5 years.

## Opportunities & Challenges

Technology industry is in the business of solving everyone else's problem but tech companies are facing its own issues. The IT sector has undergone significant changes since the onset of COVID-19 and technology companies need to prepare for the new challenges in the coming years. Firstly, tech businesses have to keep up with all the new lightning changes in the technology trends. Secondly, given the difficult economic situation, rising inflation curtails tech spending, which impacts demand scenario, though the demand to embrace technology to accelerate business growth has increased. However adopting technology comes with unprecedented challenges. In our digital world, adopting emerging technology is a MUST for companies to stay competitive. However, potential benefits and risks of new technology is difficult to predict. One way to



balance technology's potential risk and benefits is encouraging collaboration and promoting the culture of innovation.

While customer demand is volatile, one of the major challenges is the shortage of skilled talent in the new technologies. It's a significant problem in introduction of innovative technology. To retain existing talent, companies have been offering attractive pay packages which has resulted in the elevated salary levels. The global talent shortage has burdened the job market. With tech advancement accelerating by the day, it's possible the problem gets worse.

Problem in communication between remote workforce and office workforce can have a negative impact on the productivity of the entire company. For enhancing productivity, it is important to create a corporate culture where each employee would feel like a participant in the work process.

Another common problem in technology companies is the organisation of internal multicultural communication. When the team is made up of different nationalities, it is necessary to develop an inclusive corporate culture. At the same time, diversity of the workforce also helps improve productivity and competitiveness. Geographic spread of a business also brings in complexity in compliance requirements. Failure to comply with specific regulations result in fines and penalties that can paralyse the business.

Another important threat is of data breach. It affects the financial health and competitive advantage of a business.

Successful navigation through all these challenges may even open doors for new opportunities. Cyber security, multi-cloud operability, and its integration are some of the opportunities that can help drive growth.

Next year looks to be an exciting year for the technology industry. Not only the AI revolution is taking place but there is a transition going on from Web2 to Web3 which Goldman Sachs, Morgan Stanley and Citibank say is worth 8 to 12 trillion dollars. It will be common ground for companies to have digital first strategy where companies will build things digitally before they build it physically. There will be many complexities and regulatory compliances which leaders will have to look at as they attempt to execute their strategies for growth and innovation. To remain agile will be the key.

### **Business Strategy**

No matter what the company's size is, today's business landscape is throwing challenges and disruptions from every direction. After a difficult year in tech sector, everyone is hoping for a comeback. There is much less talk on the recession and hence, a renewed optimism that we could be entering the recovery stage prevails.

Economic uncertainty persists, inflation remains stubborn, talent shortage has not been solved. Technical debt is increasing. Under such circumstances, a report from Gartner suggest that IT services will be the largest segment of IT spend. Thus tech leaders should be prepared to shift strategies to meet these demands. It is expected that majority of the IT enterprise software and services companies will integrate Gen AI into their offerings. The fast-paced developments in the world of AI have led to much excitement as well as controversy.

Secondly, increasing data regulation and security standard require new governance standards. The growth of data privacy regulations has also elevated consumer expectations about data protection and security. Along with legislative data regulations, businesses must meet evolving industry specific compliance standards while also investing in technology strategy that implements modern security solutions to keep customer data safe.

A strategic plan needs to be developed that uses technology initiatives to drive business growth. Resource utilisation should be optimised to serve both – high priority business goals and technology ROI. There should be a method to mitigate potential risks, including data breach and technology failure and other unforeseen cybersecurity threats.

### **Talent Management**

Talent management has become a buzzword in the corporate world. Right talent is an important asset and retaining this talent is an important task. At Persistent, we make sure that employees with right skill stick with the Company for a longer time. Our Human Resource management takes care of recruiting, managing, assessing, developing and maintaining an Organisation's most important resource – i.e. people. Talent management brings together various management initiatives. Our growth mindset has also helped us to build a meaningful work culture.

In this fast-changing tech world, work culture is most important. At Persistent, we promote an environment where employees feel empowered to collaborate and contribute. All our policies and practices demonstrate our people-first approach. Our reflection of core mission and values have helped to find ways to continuously improve and grow putting people at the center. Empathy, communication and transparency are the basis of all our interactions with the team. The shift to remote work has also made it possible to hire people all around the world which helps to create a diverse environment.

## Internal Audit & Control

The Board is responsible for establishing and maintaining adequate internal financial control as per Section 134 of the Companies Act, 2013. Company has an Internal Control System in accordance with Section 134(5)(e) of the Act, commensurate with the size, scale and complexity of its operations.

The company has an independent in-house internal audit team. Company also takes help of specialized third-party consultants and professionals for specific reviews as and when deemed necessary in line with the audit plan. In order to maintain objectivity and independence, The head of internal audit team reports to the Chairperson of Audit Committee of the Board. The audits are conducted based on risk based internal audit plan, which is reviewed and approved by the Audit Committee.

An extensive program of internal audits and management reviews supplement the process of internal financial control framework. The Internal auditors perform an independent check of effectiveness of key controls in identified areas of internal financial control reporting along with operational controls and fraud risk controls. Significant audit observations and necessary corrective actions are presented to the Audit Committee in its quarterly meetings. Based on the internal auditor's report process owners undertake corrective action in their respective areas and thereby strengthen the controls.

## Financial Analysis

The following discussion is based on the audited consolidated financial statements of Persistent Systems Limited and its following wholly-owned subsidiaries, step-down subsidiaries and controlled trust:

- 1\ Persistent Systems Inc.
- 2\ Persistent Systems Pte. Ltd.
- 3\ Persistent Systems France SAS
- 4\ Persistent Systems Malaysia Sdn. Bhd.
- 5\ Persistent Systems Germany GmbH
- 6\ CAPIOT Software Private Limited
- 7\ Persistent Systems UK Limited (formerly known as Aepona Limited)
- 8\ Persistent Telecom Solutions Inc. (step-down subsidiary)
- 9\ Persistent Systems Lanka (Private) Limited (step-down subsidiary)
- 10\ Aepona Group Limited (step-down subsidiary)
- 11\ Persistent Systems Mexico S.A. de C.V. (step-down subsidiary)
- 12\ Persistent Systems Israel Ltd. (step-down subsidiary)
- 13\ Persistent Systems Switzerland AG (formerly known as PARX Werk AG) (step-down subsidiary)
- 14\ PARX Consulting GmbH (Merged w.e.f. August 25, 2023) (step-down subsidiary)
- 15\ Youperience GmbH (Merged w.e.f. August 21, 2023) (step-down subsidiary)
- 16\ Youperience Limited (Dissolved w.e.f. June 27, 2023) (step-down subsidiary)
- 17\ CAPIOT Software Inc. (Dissolved w.e.f. December 29, 2023) (step-down subsidiary)
- 18\ Persistent Systems Australia Pty Ltd (formerly known as CAPIOT Software Pty Ltd) (step-down subsidiary)
- 19\ CAPIOT Software Pte Limited (Dissolved w.e.f. April 6, 2023) (step-down subsidiary)
- 20\ Persistent Systems S.R.L. (Dissolved w.e.f. February 26, 2024) (step-down subsidiary)
- 21\ Software Corporation International (step-down subsidiary)
- 22\ SCI Fusion360 LLC (Dissolved w.e.f. May 31, 2023) (step-down subsidiary)
- 23\ Persistent Systems Costa Rica Limitada (formerly known as Data Glove IT Solutions Limitada) (step-down subsidiary)

- 24\ MediaAgility India Private Limited  
 25\ MediaAgility Inc. (step-down subsidiary)  
 26\ Digitalagility S de RL de CV (step-down subsidiary)  
 27\ MediaAgility UK Limited (step-down subsidiary)  
 28\ MediaAgility Pte Ltd (step-down subsidiary)  
 29\ Persistent Systems S.R.L. Romania (step-down subsidiary)  
 30\ Persistent Systems Poland sp z.o.o. (step-down subsidiary)  
 31\ PSPL ESOP Management Trust (controlled trust)

In this report, Persistent Systems and its subsidiaries, step-down subsidiaries and controlled trust collectively have been referred to as “the Company”, reflecting the financial position in the consolidated financial statements. The Financial Year 2023-24 has been referred to as “the year” and the Financial Year 2022-23 has been referred to as “the previous year”.

The consolidated financial statements have been prepared in accordance with Ind AS.

### Financial Position and Results of Operations

Persistent Systems Limited was listed on National Stock Exchange of India Limited (NSE) and the BSE Limited (BSE) on April 6, 2010.

The financial statements of the Company 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 Company during the year and are consistent with those used in previous year except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

### Financial performance summary

Particulars	Unit	Financial Year 2023-24	% to revenue	Financial Year 2022-23	% to revenue	Growth
Revenue	₹ Million	98,215.87		83,505.92		17.62%
Other Income		1,280.20		706.17		
Total Income		99,496.07		84,212.09		
Revenue	\$ Million	1,186.05		1,035.98		14.48%
Earnings before interest, depreciation, amortisation and taxes	₹ Million	18,037.06	18.36%	15,897.42	19.04%	10.31%
Profit Before Tax	₹ Million	14,476.06	14.74%	12,408.52	14.86%	16.66%
Profit After Tax	₹ Million	10,934.91	11.13%	9,210.93	11.03%	18.72%
Earnings Per Share (EPS)						
Basic	₹	72.44		61.87		17.08%
Basic (pre-split)	₹	144.88		123.73		
Diluted	₹	71.07		60.26		17.94%
Diluted (pre-split)	₹	142.14		120.52		

### Share Capital

The authorised share capital of the Company as of March 31, 2024 was ₹ 2,000.00 Million divided into 400 Million equity shares of ₹ 5 each. The paid-up share capital as of March 31, 2024 was ₹ 770.25 Million divided into 154.05 Million equity shares of ₹ 5 each. (Previous year ₹ 764.25 Million divided into 76.425 Million equity shares of ₹ 10 each). The Board of Directors of the Company at its meeting held on January 20, 2024, recommended the sub-division / split of 1 (One) fully paid-up equity share having a face value of ₹ 10 each into 2 (Two) fully paid-up equity shares having a face value of ₹ 5 each by alteration of capital clause of the Memorandum of Association (MOA) subject to the approval of Members of the Company. The Members of the Company approved the sub-division / Split of 1 (One) fully paid-up equity share of ₹10 each into 2 (Two) fully paid up equity shares of ₹5 each through a postal ballot with a requisite majority and the voting results were

declared on March 11, 2024.

During the year, the Company has allotted to the ESOP Trust by way of fresh issue (Pre-split) 500,000 shares at a price of ₹ 2,789 in April 2023 and 100,000 shares at a price of ₹ 2,133 in February 2024.

### Other Equity

The Other Equity as at March 31, 2024 stood at ₹ 48,806.82 Million as against ₹ 38,886.53 Million as at March 31, 2023, showing a growth of 25.51%. The details of Other Equity are as below:

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
General Reserve	25,842.99	20,824.45
Share Options Outstanding Reserve	2,227.71	2,222.02
Gain on bargain purchases	63.61	62.67
Capital redemption reserve	35.75	35.75
Retained Earnings	19,346.09	16,607.36
Securities premium reserve	1,601.80	0.00
Treasury shares	(2,085.84)	(2,435.67)
PSPL ESOP Management Trust Reserve	140.64	70.31
Effective portion of cash flow hedges	23.85	(5.76)
Exchange differences on translating the financial statements of foreign operations	1,610.22	1,505.40
<b>Total</b>	<b>48,806.82</b>	<b>38,886.53</b>

### General Reserve

During the Financial Year 2023-24, the Company transferred ₹ 3,965.23 Million out of the profits of the year to General Reserve in accordance with the Company's Policy of Transfer of Profits to General Reserve. Further, there has been transfer of ₹ 1,087.56 Million from Share Options Outstanding Reserve on exercise/expiry of stock options by the employees. The balance in General Reserve stood at ₹ 25,842.99 Million as at March 31, 2024 as against ₹ 20,824.45 Million as at March 31, 2023.

Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

### Share Options Outstanding Reserve

In accordance with Ind AS 102 - "Share Based Payments", 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 following graded vesting method.

The amount of stock options outstanding as at March 31, 2024 was ₹ 2,227.71 Million for 0.94 Million options exercisable as on that date (The corresponding amount in stock options outstanding account as on March 31, 2023 was ₹ 2,222.02 Million for 1.66 Million options exercisable as on that date). Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

### Gain on Bargain Purchases

As per Ind AS 103 - "Business Combinations", if the net fair value of the identifiable assets, liabilities and contingent liabilities acquired exceeds the cost of business acquisition, a gain is recognised as Gain on bargain purchases under other comprehensive income. The Company has carried out the fair valuation of all identifiable assets, liabilities and contingent liabilities acquired under the business acquisitions after the date of transition to Ind AS (i.e. April 1, 2015). Based on this, the Gain on bargain purchases stood at ₹ 63.61 Million as at March 31, 2024 as compared to ₹ 62.67 Million as at March 31, 2023. Please refer "Other Equity" under Statement of Changes in Equity in the consolidated financials for details.

### Capital Redemption Reserve

Capital redemption reserve represents the nominal value of the shares bought back; and is created and to be utilised in accordance with Section 69 of the Companies Act, 2013. The Capital redemption reserve was unchanged and stood at ₹ 35.75 Million as at March 31, 2024 and March 31, 2023. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

### Retained Earnings

The balance retained in the Statement of Profit and Loss as at March 31, 2024 is ₹ 19,346.09 Million, after appropriation towards dividend of ₹ 4,153.95 Million and transfer to General Reserve of ₹ 3,965.23 Million.

The details of changes in Retained Earnings are as follows:

(In ₹ Million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening balance	16,607.36	13,553.90
Net profit for the year	10,934.91	9,210.93
Items recognised in / from other comprehensive income for the year	(77.00)	(12.38)
Dividend	(4,153.95)	(2,980.58)
Transfer to general reserve	(3,965.23)	(3,164.51)
Closing balance	19,346.09	16,607.36

Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of section 52 of the Companies Act, 2013. The securities premium reserve has a balance of ₹ 1,601.80 Million as at March 31, 2024. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

### Treasury shares

Treasury shares represent the numbers of shares held by PSPL ESOP Management Trust. The treasury shares has a balance of ₹ 2,085.84 Million as at March 31, 2024 as compared to ₹ 2,435.67 Million as at March 31, 2023. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

### PSPL ESOP Management Trust reserve

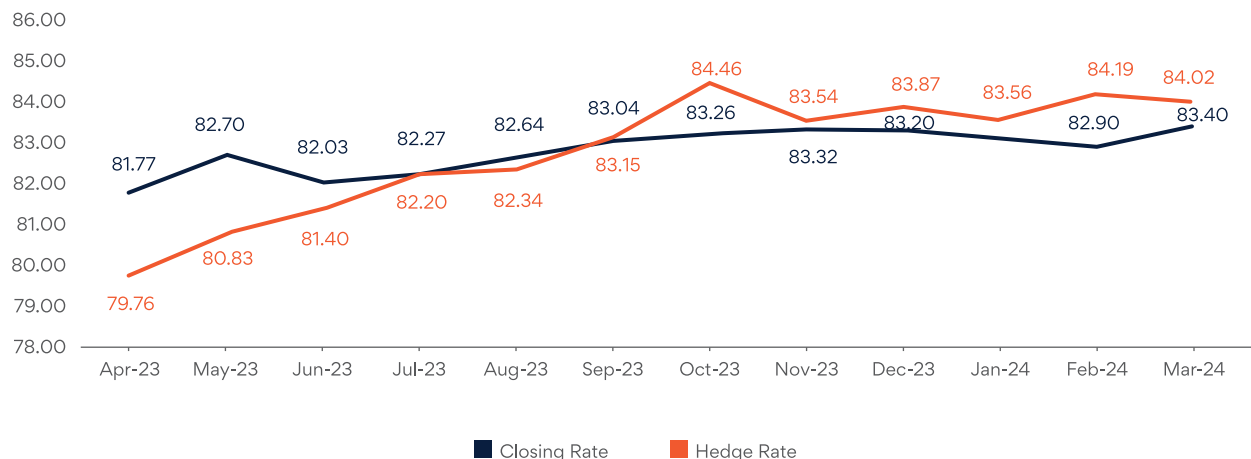
PSPL ESOP Management Trust reserve represents the dividend received by ESOP Management trust from the Company. The PSPL ESOP Management Trust reserve has balance of ₹ 140.64 Million as at March 31, 2024 as compared to ₹ 70.31 Million as at March 31, 2023. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

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### Effective Portion of Cash Flow Hedges

The Company derives a substantial part of its revenues in foreign currency while a major part of its expenses is incurred in Indian Rupees. This exposes the Company to the risk of loss due to fluctuations in foreign currency rates.

The following chart shows movement of monthly spot and forward rates of the Rupee against the USD in Financial year



2023-24, indicating the volatility that the currency faced throughout the year:

### ₹/\$ Currency Movement

The Company minimises the foreign currency fluctuation risk as per Company’s Foreign Exchange Risk Management Policy. The Company holds plain vanilla forward contracts against expected future receivables in USD to hedge the risk of changes in exchange rates.

As per the accounting principles laid down in Ind AS 109 – “Financial Instruments” relating to cash flow hedges, derivative financial instruments which qualify for cash flow hedge accounting are fair valued at the balance sheet date and the effective portion of the resultant loss/(gain) is debited/(credited) to the hedge reserve under other comprehensive income and the ineffective portion is recognised in the statement of profit and loss. Derivative financial instruments are carried as forward contract receivable when the fair value is positive and as forward contract payable when the fair value is negative.

Changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, or terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss on the hedging instrument recognised under other comprehensive income is transferred to the statement of profit and loss when the forecasted transaction occurs or affects profit or loss or when a hedged transaction is no longer expected to occur.

Accordingly, the Hedge Reserve (net of tax effects) as at March 31, 2024 stood at a credit balance of ₹ 23.85 Million as against a debit balance of ₹ (5.76) Million as at March 31, 2023. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

### Exchange Differences on Translating the Financial Statements of Foreign Operations

While consolidating the financial statements of subsidiaries (including step down subsidiaries) with the financial statements of the Parent Company, the assets and liabilities are stated in Indian Rupees by applying the closing exchange rates, equity is stated in Indian Rupees by applying the historical exchange rates and income and expenditure are stated in Indian Rupees by

applying the average exchange rates. This creates exchange difference on consolidation which is accumulated under foreign currency translation reserve.

The balance in the foreign currency translation reserve was ₹ 1,610.22 Million as at March 31, 2024 as against ₹ 1,505.40 Million as at March 31, 2023. Please refer “Other Equity” under Statement of Changes in Equity in the consolidated financials for details.

#### Non-current Assets (other than non-current financial assets)

The non-current assets (other than non-current financial assets) as at March 31, 2024 stood at ₹ 22,549.98 Million as against ₹ 23,574.67 Million as at March 31, 2023. The details are as below:

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
Property, Plant and Equipment	4,420.03	4,859.95
Capital work-in-progress	335.26	161.38
Right of use assets	2,307.18	2,198.21
Goodwill	10,912.56	7,183.71
Other Intangible assets	4,574.95	9,171.42
<b>Total</b>	<b>22,549.98</b>	<b>23,574.67</b>

The reduction in Other Intangible assets is mainly due to reclassification on purchase price allocation of business combination - ₹ 3,322.19 accounted as Goodwill in the current year.

#### Property, Plant and Equipment

The gross block of Property, Plant and Equipment amounted to ₹ 12,354.06 Million as at March 31, 2024 as against ₹ 11,936.12 Million as at March 31, 2023. The increase is primarily because of acquisition of computers during the year.

#### Capital Work-in-progress

Capital work-in-progress (Capital WIP) stood at ₹ 335.26 Million as at March 31, 2024 as against ₹ 161.38 Million as at March 31, 2023. The increase is partly attributable to the investment in software used for internal systems needed to support the increased scale of operations and partly to new office facilities.

#### Right of Use Assets

The gross block of Right of Use assets stood at ₹ 3,772.07 Million as at March 31, 2024 as against ₹ 3,126.27 Million as at March 31, 2023. Net additions of ₹ 645.80 Million have been made towards renewals/ additions of leased office premises.

#### Goodwill

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 acquired entities. The Goodwill as at March 31, 2024 was ₹ 10,912.56 Million as against ₹ 7,183.71 Million as at March 31, 2023. The increase is due to reclassification on purchase price allocation of Business Combination completed in the current year.

#### Other Intangible Assets

The gross block of intangible fixed assets amounted to ₹ 15,688.86 Million as at March 31, 2024 as against ₹ 18,644.66 Million as at March 31, 2023. This amount as at March 31, 2024 is after the reclassification on purchase price allocation of

Business Combinations.

Please refer [note no. 44](#) of the consolidated financial statements for details.

### Non-current Financial Assets

The non-current financial assets as at March 31, 2024 were ₹ 6,794.63 Million as against ₹ 6,145.05 Million as at March 31, 2023. The details of non-current financial assets are as follows:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivable	730.18	709.45
Investments	5,539.14	4,516.00
Other non-current financial assets	525.31	919.60
<b>Total</b>	<b>6,794.63</b>	<b>6,145.05</b>

### Non-current Financial Assets: Trade receivable

In some IP deals, we have deferred credit arrangement with certain large enterprise customers. These customer outstanding being realisable after 12 months, are shown as Non-current trade receivables. It was ₹ 730.18 Million as at March 31, 2024 as against ₹ 709.45 Million in the previous year.

### Non-current Financial Assets: Investments

The total non-current investments as on March 31, 2024, stood at ₹ 5,539.14 Million as against ₹ 4,516.00 Million in the previous year. The net increase in non-current investments is mainly due to increase in investment in mutual funds net of impairment of investment in Trunomi Inc. – the value of impairment being ₹ 20.85 Million.

Please refer [note no. 6](#) of the consolidated financials for details.

### Other Non-current Financial Assets

Other non-current financial assets consist of the non-current deposits with banks and the financial institutions including interest accrued on these deposits.

The Company has fully provided for the deposits of ₹ 130.00 Million with IL&FS Ltd and ₹ 300.00 Million with IL&FS Financial Services Ltd.

During the year, the Company has received proceeds from maturity of the deposits of HDFC Limited of ₹ 400 Million.

Please refer [note no. 8](#) of the consolidated financials for details.

### Deferred Tax Assets and Deferred Tax Liabilities

The net deferred tax assets on March 31, 2024 amounted to ₹ 1,340.88 Million as against ₹ 1,129.29 Million as on March 31, 2023

Please refer [note no. 9](#) of the consolidated financials for component-wise details of deferred tax balances.

### Other Non-current Assets (other than financial assets)

Other non-current assets other than financial assets includes Income tax assets (net) and other non-current assets. The amount of Income tax assets (net) was ₹ 387.05 Million as at March 31, 2024 as against ₹ 451.71 Million as at March 31, 2023 and Other non-current assets was ₹ 1,413.03 Million as at March 31, 2024 as against ₹ 959.29 Million as at March 31, 2023. The details for the Other non-current assets are given below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital advances	826.67	629.15
Simple Agreement for Future Equity (SAFE)*	165.75	-



Prepayments	420.61	330.14
<b>Total</b>	<b>1,413.03</b>	<b>959.29</b>

\*Investment in SAFE relates to a design firm in the area of semiconductors

### Current Financial Assets

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
Investments	2,726.54	1,879.66
Trade receivables (net)	16,761.13	15,253.22
Cash and cash equivalents	6,625.15	4,670.12
Bank balances other than cash and cash equivalents	3,603.71	4,362.68
Other current financial assets	6,621.83	4,882.17
<b>Total</b>	<b>36,338.36</b>	<b>31,047.85</b>

### Current Investments

As per the Investment Policy approved by the Board of Directors, the Company invests its surplus funds in liquid and debt schemes and fixed maturity plans of reputed mutual funds with a focus on capital preservation, liquidity and optimisation of returns.

Investment in mutual funds classified under current investments stood at ₹ 2,726.54 Million as at March 31, 2024 as compared to ₹ 1,879.66 Million as at March 31, 2023.

### Trade Receivables

Trade receivables (net of provision for doubtful debts) amounted to ₹ 16,761.13 Million as at March 31, 2024 as against ₹ 15,253.22 Million as at March 31, 2023.

The Company uses a provisioning policy approved by the Board of Directors to compute the expected credit loss allowance for trade receivables. The policy takes into account available external and internal credit risk factors and the historical payment track record of customers. Further, the policy incorporates the provisioning of all customer balances which are overdue for a period of more than 180 days.

Provision for doubtful debts stood at ₹ 398.64 Million as at March 31, 2024 as against ₹ 188.96 Million as at March 31, 2023.

Please refer Note 12 of the consolidated financials for details.

DSO as at March 31, 2024 was 63 days as against 68 days as at March 31, 2023.

### Cash and Cash Equivalents

Cash and cash equivalents include bank balances and cash on hand. Cash and cash equivalents increased to ₹ 6,625.15 Million as at March 31, 2024 from ₹ 4,670.12 Million as at March 31, 2023.

### Bank balances other than cash and cash equivalents

Deposits with banks having maturity of less than twelve months from the balance sheet date including interest thereon and the balances on unpaid dividend accounts are considered under other bank balances. These deposits amounted to ₹ 3,600.79 Million as at March 31, 2024 as compared to ₹ 4,359.63 Million as at March 31, 2023. The balances on unpaid dividend accounts was ₹ 2.92 Million as at March 31, 2024 as against ₹ 3.05 Million as at March 31, 2023.

Please refer Note 14 of the consolidated financials for details.

### Other Current Financial Assets

Other current financial assets were ₹ 6,621.83 Million as at March 31, 2024 as compared to ₹ 4,882.17 Million as at March 31, 2023. Following are the components of other current financial assets:

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
Security deposits	57.95	26.56
Forward contracts receivable	42.54	-

Other receivable	-	184.38
Unbilled revenue	6,521.34	4,671.23
<b>Total</b>	<b>6,621.83</b>	<b>4,882.17</b>

The amount of forward contracts receivable represented favourable position (i.e. Mark To Market gain) as at the Balance Sheet date in respect of the forward contracts entered by the Company. Unbilled revenue represents revenue recognised in relation to work done until the Balance Sheet date for which billing has not taken place.

Please refer Note 16 of the consolidated financials for details.

### Other Current Assets

Other current assets were ₹ 4,893.49 Million as at March 31, 2024 as compared to ₹ 3,418.26 Million as at March 31, 2023. Other current assets include advances recoverable in cash or kind within a period of twelve months from the Balance Sheet date and VAT and GST receivable.

Current ratio was 1.89 as at March 31, 2024 as against 1.71 as at March 31, 2023.

### Non-current Liabilities

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
<b>Financial liabilities</b>		
Borrowings (non-current portion)	99.15	2,057.59
Lease liabilities	1,608.09	1,592.20
Provisions	546.96	373.03
Other financial liabilities (Liability towards contingent consideration)	-	2,888.92
Other non-current liabilities	44.44	34.83
<b>Total</b>	<b>2,298.64</b>	<b>6,946.57</b>

### Non-current Financial Liabilities- Borrowings

Under the scheme of New Millennium India Technology Leadership Initiative (NMITLI), the Company has undertaken a project on the 'System based Computational Model of Skin'. As a part of this scheme, Council for Scientific and Industrial Research (CSIR) has granted a financial help in the form of a loan at a nominal rate of interest of 3% p.a. Based on the project costs, an amount of ₹ 40.71 Million had been sanctioned as a long-term loan. The loan is repayable in ten equal annual instalments commencing from October 2015. Loan amount outstanding under this scheme amounted to ₹ 1.85 Million as on March 31, 2024 as against ₹ 3.69 Million as on March 31, 2023.

Under the COVID-19 scheme for medium and small scale industries by the Government of Switzerland, the step-down subsidiary company has received an interest free loan in March 2020 for a term of 5 years for an amount of CHF 500,000. Loan amount outstanding amounted to Nil as on March 31, 2024 as against ₹ 33.61 Million as on March 31, 2023.

The Company has obtained three loans from HSBC for funding the business acquisitions of SCI Fusion, Data Glove and MediaAgility. The Parent Company has provided a Letter of Comfort to the Lender.

Following are the key terms of loans outstanding as on March 31, 2024:

Repayment terms	₹ Million	Interest rate
Loan 1: Repayable over a period of 3 years in equal monthly instalments commencing from November 2021	405.42	SOFR + 155 bps
Loan 2: Repayable over a period of 3 years in equal monthly instalments commencing from April 2022	973.00	SOFR + 155 bps
Loan 3: Repayable over a period of 3 years in equal monthly instalments commencing from May 2022	681.10	SOFR + 155 bps
<b>Total</b>	<b>2,059.52</b>	

The overall break-up of total borrowings is summarized below:

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
<b>Term Loans</b>		
Indian Rupee loan	1.85	3.69
Interest accrued but not due	0.02	0.06
<b>Foreign Currency loan from others</b>		
Loan from Govt. of Switzerland	-	33.61
Loan from HSBC	2,059.52	4,247.73
Interest accrued on loan from HSBC	11.80	21.85
<b>Total</b>	<b>2,073.19</b>	<b>4,306.95</b>

Out of the total outstanding balance of ₹ 2,073.19 Million, the balance of ₹ 1,974.04 Million is repayable within twelve months from the Balance Sheet date and hence, reclassified to Other Current Financial Liabilities.

Please refer [Note 19](#) of the consolidated financials for details.

Debt-equity ratio as at March 31, 2024 was 0.04:1 as against 0.11:1 as at March 31, 2023.

#### Non-current Liabilities- Lease liabilities

The balance of ₹ 1,608.09 Million represents the non-current portion of Lease Liability as at March 31, 2024 as against previous year balance of ₹ 1,592.20 Million.

#### Non-current Liabilities- Provisions

The long-term provisions are those provisions which are not expected to be settled within twelve months from the date of the Balance Sheet. Long term provisions include the liability towards long service award. The total long-term provisions have increased to ₹ 546.96 Million as at March 31, 2024 as compared to ₹ 373.03 Million as at March 31, 2023 mainly due to an increase in the number of employees.

#### Non-current Liabilities- Other financial liabilities

The balance of ₹ 44.44 Million represents the non-current portion of Unearned revenue as at March 31, 2024 as against previous year balance of ₹ 34.83 Million.

#### Current Liabilities

Particulars	(In ₹ Million)	
	As at March 31, 2024	As at March 31, 2023
<b>Financial liabilities</b>		
- Trade payables	8,138.62	5,689.08
- Lease liabilities	830.01	676.39
- Borrowings	1,974.04	2,249.36
- Other financial liabilities	3,718.27	3,922.85
Other current liabilities	3,302.82	2,647.71
Provisions	3,330.66	4,649.24
Income tax liabilities (net)	547.29	294.14
<b>Total</b>	<b>21,841.71</b>	<b>20,128.77</b>

#### Trade Payables

Trade payables increased to ₹ 8,138.62 Million as at March 31, 2024 from ₹ 5,689.08 Million as at March 31, 2023 essentially on account of the growth in operations of the Company.

#### Lease Liability

The balance of ₹ 830.01 Million represents the current portion of Lease Liability as at March 31, 2024 as against previous year balance of ₹ 676.39 Million.

### Other Current Financial Liabilities

Other current financial liabilities include capital creditors, accrued employee liabilities, unpaid dividend and other contractual liabilities. Other current financial liabilities have decreased to ₹ 3,718.27 Million as at March 31, 2024 from ₹ 3,922.85 Million as at March 31, 2023 due to reduction in capital creditors.

During the year, the Company has done the fair valuation of contingent consideration payable towards the acquisitions of business to the erstwhile shareholders of Data Glove Inc., Software Corporation International and SCI Fusion 360, LLC and Shree Partners. Based on the fair valuation, the liability has been adjusted by ₹ 743.03 Million and the effect of the same has been taken to Other expenses in Profit & Loss account.

The details of major components of other current financial liabilities are shown below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Capital creditors	79.97	583.07
Accrued employee liabilities	1,092.42	840.04
Unpaid dividend	2.92	3.05
Other liabilities	78.41	12.11
Foreign exchange forward contracts	-	67.67
Liability towards contingent consideration	2,464.55	2,416.91
<b>Total</b>	<b>3,718.27</b>	<b>3,922.85</b>

### Other Current liabilities

Other current liabilities include unearned revenue, advances from customers and statutory and other liabilities. Unearned revenue represents the billing in respect of contracts for which the revenue is not recognised. The other current liabilities have increased to ₹ 3,302.82 Million as at March 31, 2024 from ₹ 2,647.71 Million as at March 31, 2023.

Please refer Note 24 of the consolidated financials for details.

### Current Liabilities - Provisions

The short term provisions denote the employee liabilities and other provisions expected to be settled within a period of twelve months from the date of the Balance Sheet. The short term provisions were ₹ 3,330.66 Million as at March 31, 2024 as against ₹ 4,649.24 Million as at March 31, 2023. The details of the components of short term provisions are given below:

(In ₹ Million)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee Benefits		
Gratuity	0.13	0.09
Leave encashment	1,651.87	1,167.97
Long service awards	34.02	34.18
Other Employee benefits	1,644.64	3,447.00
<b>Total</b>	<b>3,330.66</b>	<b>4,649.24</b>

### Income Tax Liabilities (Net)

Current tax liabilities were ₹ 547.29 Million as at March 31, 2024 as against ₹ 294.14 Million as at March 31, 2023.

### Revenue from Operations (Net)

The Company provides product engineering services, platform-based solutions and IP-based software products for global customers.

The revenue for the year in USD terms was up by 14.48% at USD 1,186.05 Million as against USD 1,035.98 Million in the previous year. In Rupee terms the revenue was ₹ 98,215.87 Million against ₹ 83,505.92 Million representing a growth of

17.62% over the previous year. The average rate of rupee depreciated by 2.72% during the year against US Dollar.

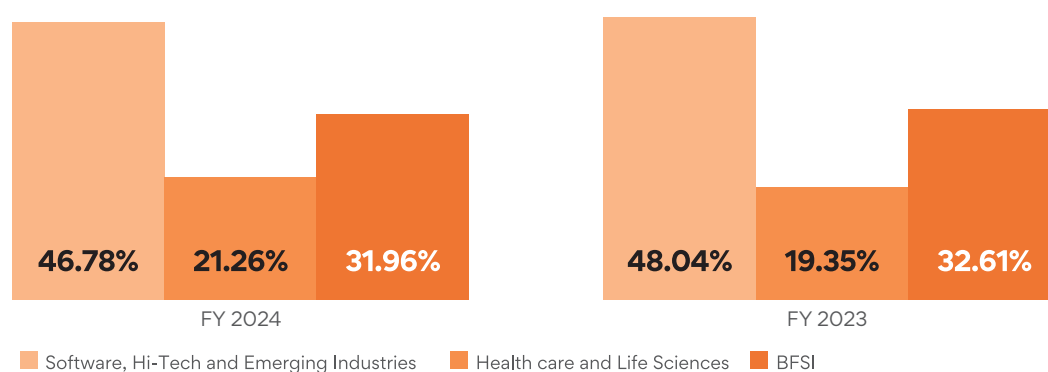
The operating segments of the Group are:

- \ Banking, Financial Services and Insurance (BFSI)
- \ Healthcare & Life Sciences
- \ Software, Hi-Tech and Emerging Industries

Following is the graphical presentation of the contribution of the segments in the total revenue:

#### Revenue Shares by Segments

Particulars	FY24	FY23
- Software, Hi-Tech and Emerging Industries	46.78%	48.04%
- Healthcare & Life Sciences	21.26%	19.35%
- BFSI	31.96%	32.61%



(In ₹ Million)

Particulars	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Growth
<b>Segmental revenue</b>			
- BFSI	31,385.58	27,231.45	15.25%
- Healthcare & Life Sciences	20,880.32	16,161.07	29.20%
- Software, Hi-Tech and Emerging Industries	45,949.97	40,113.40	14.55%
<b>Total</b>	<b>98,215.87</b>	<b>83,505.92</b>	<b>17.62%</b>
<b>Segmental Operating Income</b>			
- BFSI	11,523.86	10,004.47	15.19%
- Healthcare & Life Sciences	8,671.22	8,013.54	8.21%
- Software, Hi-Tech and Emerging Industries	11,804.66	12,282.50	(3.89%)
<b>Total</b>	<b>31,999.74</b>	<b>30,300.51</b>	<b>5.61%</b>
<b>Segmental Operating margin %</b>			
- BFSI	36.72%	36.74%	
- Healthcare & Life Sciences	41.53%	49.59%	
- Software, Hi-Tech and Emerging Industries	25.69%	30.62%	

The segment operating margins for Healthcare and Software and Hi-Tech segments decreased, as the growth was led by onsite business, which has structurally lower margin.

In terms of geographical mix of revenue, North America continued to dominate by contributing 79.6% of the total revenue.

Contribution from Europe was 9.0%, from India it was 9.9% while Rest of the World contributed 1.5% of total revenue.

The details in respect of percentage of revenues generated from top customer, top 5 customers and top 10 customers are as under:

Revenue Concentration	2023-24	2022-23
Top 1	9.40%	9.22%
Top 5	27.70%	27.00%
Top 10	39.00%	36.74%

### Other Income

As explained in [Note 27](#) of the consolidated financials, Other Income consists of income from investment of surplus funds in the form of dividend from mutual funds, profit on sale of investments, interest on deposits and bonds, foreign exchange gain and miscellaneous income. Other income has increased to ₹ 1,280.20 Million for the year ended March 31, 2024 from ₹ 706.17 Million for the year ended March 31, 2023. The increase in Other Income is attributable to higher investment income on surplus funds, Foreign Exchange Gain of ₹ 84.97 Million as against an Exchange Loss of ₹ 133.24 Million in the previous year and increase in Miscellaneous Income to ₹ 343.67 Million as against ₹ 130.26 Million in the previous year.

The details of other income are given below:

Particulars	(In ₹ Million)		
	For the Year ended March 31, 2024	For the Year ended March 31, 2023	Change
Investment income (including interest, dividend, fair value gain/loss and profit on sale of investments)	851.56	709.15	20.08%
Foreign exchange gain	84.97	(133.24)	(163.77%)
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	343.67	130.26	163.83%
<b>Total</b>	<b>1,280.20</b>	<b>706.17</b>	<b>81.29%</b>

### Personnel Expenses

Personnel Expenses for the year amounted to ₹ 71,102.40 Million against ₹ 60,121.66 Million for the previous year, showing an increase of 18.26%. As a percentage of revenue, these expenses were 72.39% during the year as compared to 72.00% in the previous year.

Please refer [Note 28](#) of the consolidated financials for details.

### Other Expenses

Operating and other expenses for the year amounted to ₹ 10,356.61 Million against ₹ 8,193.01 Million in the previous year. As a percentage of revenue, the expenses increased to 10.54% from 9.81%.

The main reasons for variations in Operating and other expenses are as below:

- \ Travelling and conveyance costs went up by ₹ 273.47 Million due to increased travel post pandemic and increase in tariffs
- \ Purchase of software licenses went up by ₹ 2,196.46 Million mainly due to increased headcount and an increase in the cost of sale for few partner IP transactions as part of managed services contracts.
- \ Legal and professional fees have increased by ₹ 137.69 Million on account of due diligence and other legal fees incurred for acquired businesses.

Please refer [Note 29](#) of the consolidated financials for more details.

### Profit Before Interest, Tax, Depreciation and Amortisation

During the year, the Company reported Profit before interest, tax, depreciation and amortisation of ₹ 18,037.06 Million representing an increase of 13.46% over Profit before interest, tax, depreciation and amortisation of ₹ 15,897.42 Million during the previous year. The margin of Profit before interest, tax, depreciation and amortisation decreased to 18.36% during the year as compared to 19.04% in the previous year. The decrease in margin is mainly due to increased cost of operations,

investments made in sales and marketing and in building capabilities to adapt to changes in the market.

### Depreciation and Amortisation

The depreciation and amortisation for the year amounted to ₹ 3,093.73 Million as against ₹ 2,718.95 Million in the previous year. Increase is mainly on account of amortisation of intangibles acquired under business combinations and new addition during the year in Property, Plant and Equipment.

Depreciation and amortisation as a percentage of revenue was 3.15% for the year against 3.26% for the previous year.

The details on depreciation and amortisation is as given below:

(In ₹ Million)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
On Property, Plant and Equipment	1,187.51	1,008.93
On Other Intangible assets	651.50	484.08
On Right of Use assets	1,254.72	1,225.94
<b>Total</b>	<b>3,093.73</b>	<b>2,718.95</b>

### Exceptional item

In respect of export incentives pertaining to previous periods amounting to ₹ 255.52 Million, which have been refunded under protest with interest of ₹ 41.03 Million, aggregating to ₹ 296.55 Million, the Company had filed an application with Directorate General of Foreign Trade (DGFT). The Company believes that its services were eligible for the export incentives and the dispute is purely an interpretational 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 recognised 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 year, 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.

### Tax Expense

Tax expense consists of current tax and deferred tax.

The Company’s two major tax jurisdictions are India and the United States, though the Company also files tax returns in other overseas jurisdictions.

The tax expense for the year amounted to ₹ 3,752.84 Million (including tax charge in respect of earlier years of ₹ 73.19 Million) against ₹ 3,111.77 Million [including tax charge in respect of earlier years of ₹ (3.54) Million] in the previous year. The deferred tax credit for the year was ₹ 211.69 Million against deferred tax debit of ₹ 85.82 Million in the previous year.

The total tax expense for the year amounted to ₹ 3,541.15 Million against ₹ 3,197.59 Million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 24.46% as compared to 25.77% in the previous year.

Please refer Note 33 for reconciliation of estimated income tax expense at Indian statutory income tax rate to income tax expense reported in statement of profit and loss.

### Net Profit after Tax

The Net Profit for the year amounted to ₹ 10,934.91 Million against ₹ 9,210.93 Million for the previous year, an increase of 18.72%. The Net Profit margin for the year was 11.13% as compared to 11.03% in the previous year.

### Dividend

The interim dividend per share for the year was ₹ 32 per share of ₹ 10 each. The proposed final dividend is ₹ 10 per share of ₹ 5 each (post sub-division). For a like-to-like comparison, pre-split, comparable numbers are ₹ 52 for this year as compared

to ₹ 50 for the previous year and on post-split basis, comparable amount of dividend is ₹ 26 per share for this year as compared to ₹ 25 per share in the previous year.

The total appropriation towards interim dividend for the year was ₹ 2,461.60 Million as against ₹ 2,139.90 Million for the previous year.

On approval of final dividend of ₹ 10 per share of ₹ 5 each which was recommended by the Board in its meeting held in April 2024, the amount of ₹ 1,540.50 Million will be appropriated from reserves. Subject to approval in the AGM, dividend will be paid on the basis of outstanding shares as on the date of distribution.

#### Summary of dividends declared

Type of Dividend	Financial Year 2023-24		Financial Year 2022-23	
	Interim	Final	Interim	Final
Month of Declaration/recommendation	Jan-24	Apr-24	Jan-23	Apr-23
Amount of Dividend Per Equity Share				
of ₹ 5 each	(In ₹)	16	10*	14
% of Dividend		160%	100%	140%
Total Dividend*	(In ₹ Million)	2,461.60	1,540.50	2,139.90
<b>Total Dividend Outflow for the Year (In ₹ Million)</b>			<b>4,002.10</b>	<b>3,832.25</b>

The dividend payout ratio (including proposed final dividend) for the year was 36.60% as compared to 41.61% for the previous year which included special dividend on the occasion of the Company crossing \$1B in revenues. Without considering special dividend the dividend payout ratio was 33.25%.

All numbers are after considering impact of share split.

\*Subject to approval in the AGM, dividend will be paid on the basis of outstanding shares as on the date of distribution..

#### Earnings Per Share (EPS)

Basic and Diluted earnings per share went up to ₹ 72.44 per share (₹ 144.88 pre-split) and ₹ 71.07 per share (₹ 142.14 pre-split) respectively, compared to ₹ 61.87 per share (₹ 123.73 pre-split) and ₹ 60.26 per share (₹ 120.52 pre-split) respectively in the previous year, recording an increase of 17.08% and 17.94% respectively. The impact of share split is considered for calculation of EPS.

#### Ratio Analysis and its Elements

Sr. No	Ratio	March 31, 2024	March 31, 2023	% change	Reason for variance (If more than 25%)
1\	Current ratio	1.89	1.71	10.53%	
2\	Debt-Equity ratio	4.18%	10.86%	(6.68)%	-
3\	Debt Service Coverage ratio	8.49	6.51	30.41%	The increase in interest rates and incremental borrowings during the year ended March 31, 2024, primarily resulted in higher finance expense.
4\	Return on Equity ratio	24.94%	25.66%	(0.72)%	-
5\	Trade Receivables turnover ratio	5.51	5.13	7.29%	-
6\	Trade payables turnover ratio	2.73	3.23	(15.62)%	-
7\	Net capital turnover ratio	5.07	5.82	(13.03)%	-
8\	Net profit ratio	11.13%	11.03%	0.10%	-
9\	Return on Capital employed	28.58%	30.43%	(1.85)%	-
10\	Return on investment	6.86%	5.28%	1.60%	-

\*\* Earnings available for debt service = Profit Before Tax + Finance cost + Depreciation & Amortisation - Other income - Lease payments



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# Report on Risk Management

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## Persistent's Approach to Risk Management

Persistent has a well-defined Risk Management framework that includes a risk management policy, risk management processes, governance, and awareness programmes. Our Enterprise Risk Management (ERM) function aims to strengthen and embed proactive risk management culture across the organisation.

The ERM function works closely with the various organisational units and their leadership to facilitate the risk management process.

### ERM Objectives

- \ Promote an effective risk management system that supports the Company's growth strategy, business objectives and ensure resilience to the business dynamics.
- \ Improve institutional decision-making by giving senior management and Board of Directors timely and accurate information that helps them better comprehend the risks and possibilities at the enterprise level, and then propose mitigation plans to achieve the desired objectives.
- \ Enhance the company's capacity to achieve its legal, regulatory, and policy compliance obligations.
- \ Strengthen the business's capacity to recognise its most important resources and put strategies in place to protect and strengthen them.
- \ Establish a process to identify and assess risks that may impact the business continuity of the Company and define response and recovery plans for such risks.
- \ Proactively identify potential opportunities and risks to prepare for future breakthroughs and obstacles.
- \ Strengthen the organisation's capacity to comprehend and control risk exposures and establish a culture of responsible risk-taking.
- \ Integrate opportunity and risk assessment analysis into the company's periodic planning procedures (for example, strategic planning, annual budget cycle, etc.).

### ERM Framework

The Enterprise Risk Management (ERM) framework adopted by Persistent is mapped as per the ISO Standard 31000:2018 Risk Management — Guidelines, COSO: ERM — Integrating Strategy and Performance (2017), and the requirements of various applicable regulations in India. Our ERM framework is a holistic approach to managing the full range of risks the Company faces, especially risks that are critical to its strategic success. The framework provides guidance for identifying, assessing, measuring, monitoring, and responding to risks across the enterprise in a way that is aligned with its strategic objectives and risk appetite. ERM function reports the risks to the executive leadership and Risk Management Committee (RMC) of the Board for their regular oversight.

The responsibility for risk management is shared across the organisation for an effective and consistent process. There are dedicated forums involving leadership and ERM function to address operational and contractual risks.

Below is the risk management process followed at Persistent:

### ERM Process Flow

- \ Identifying plausible uncertainties or risks that may impact the successful achievement of functional, organisational, and business objectives or threaten the business continuity of the Company. The risks are categorised into financial, operational, reputational, regulatory, extended enterprise, strategic, sustainability, and technology for further assessment.
- \ Analyzing and assessing the potential impact, likelihood and velocity of existing and newly identified risks and determining the readiness to manage them.
- \ Evaluating the results of the risk analysis with the established risk criteria and prioritizing them based on criticality to help decide on the appropriate risk management strategy.

- \ Formulating risk response strategies to evade / prevent / eliminate the root causes of the risks and the occurrence of risk event, especially in case of key risks.
- \ Integrating mitigation plans devised by the risk owners in the day-to-day activities and monitoring them closely.
- \ Monitoring and reviewing risks on a periodic basis for continuous risk assessment.
- \ Re-evaluating the risk environment and the risk events and updating the mitigation plans if necessary.
- \ Reporting relevant risk information to Risk Management Committee of the Board in a timely manner to provide the necessary basis for risk-informed decision-making.

### Risk Categorisation

Risk categorisation at Persistent follows the “FORRESSSTT” model which has been derived from the “PESTEL\*” model. Details are provided below:

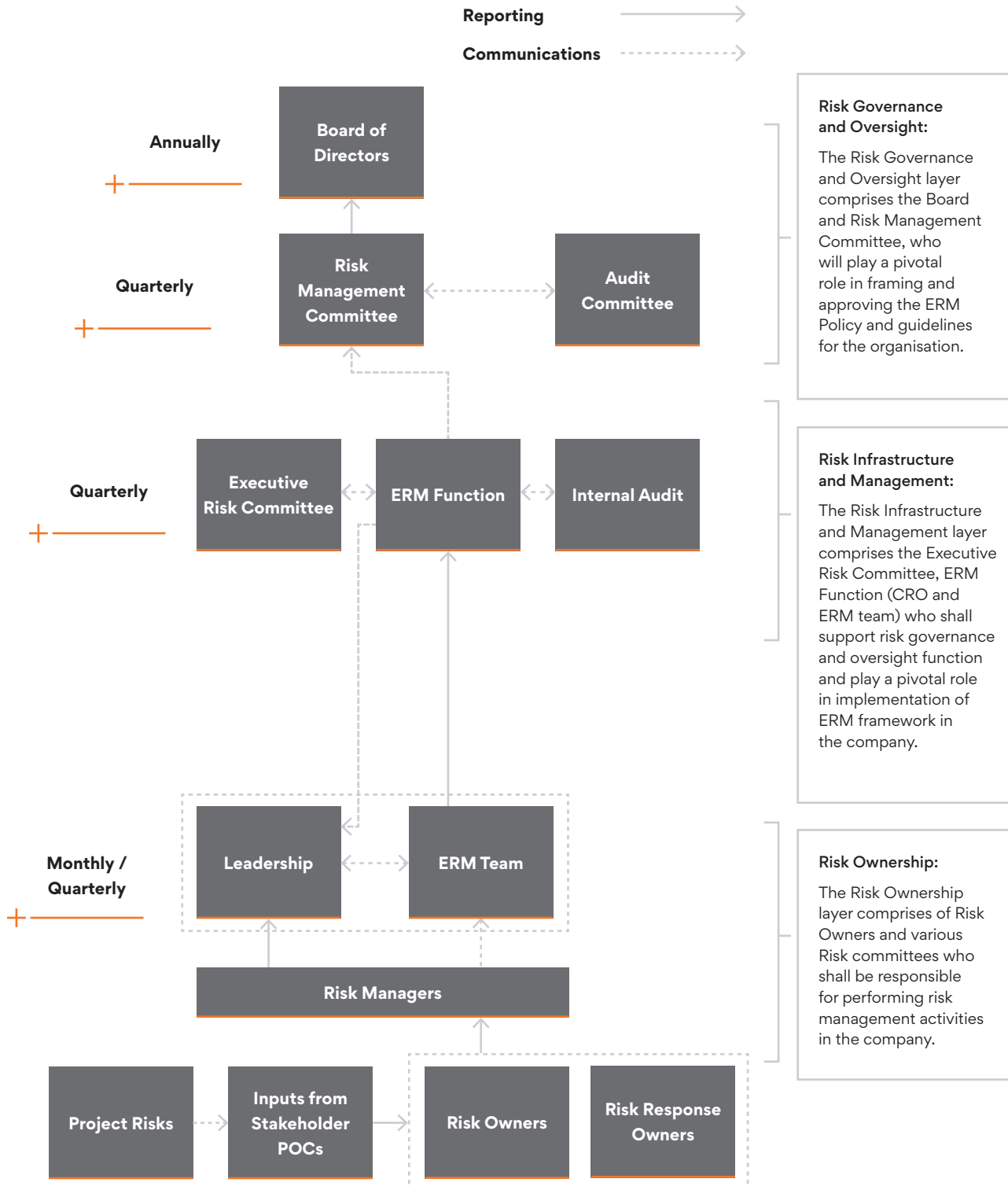
Risk Domains	Definition
Financial	Risk of potential financial loss resulting from breach of key risk indicators, ineffective or inefficient processes and controls.
Operational	Risk of potential breakdowns/deficiencies in process effectiveness or efficiency resulting from controls and / or process design weakness which may cause material exposure.
Reputational	Risk of a potential tarnished reputation, loss of marketplace or investor confidence caused by a breach in risk management requirements, Operational breakdown, legal/regulatory breach, unsuccessful product launch or other reputational-impacting event.
Regulatory	Potential fines, litigation costs or enforcement actions from regulators resulting from changes in the legal and regulatory environment, perceived or actual conflicts of interest, and potential actions or breaches of compliance and / or risk management requirements.
Extended Enterprise	Risk of potential disruption caused by a failure to identify, measure, and mitigate risks at key third-party organisations.
Sectoral	Industry risks pertaining to the sector of business.
Strategic	Potential risk(s) that could disrupt the assumptions at the core of an organisation’s business strategy, including risks to strategic positioning, strategic execution and strategic choices and consequences — impeding the organisation’s ability to achieve its strategic objectives.
Sustainability – ESG	Risks associated to manage corporate responsibility and sustainable development issues that deliver top and bottom-line growth for the long term and create maximum impact for beneficiaries.
Talent	Risk arising from increase in staff turnover and well below the industry / market trend, Resignations of staff members, Employee attrition rate more than target rate.
Technology & Cyber	Risk arising from system defects, such as failures, faults, or incompleteness in computer operations, or illegal or unauthorised use of computer systems.

\*PESTEL stands for Political, Economic, Social, Technological, Environmental, Legal

### Risk Governance Structure

The Company has established three pillars of risk management responsibilities in its Governance structure as Risk Oversight, Risk Infrastructure and Management, and Risk Ownership, that cascades the scope of activities to senior management and all employees, across the subsidiaries of the Company.

The risk management governance structure at Persistent is as follows:



## Highlights of FY24

As the Company continues its growth journey beyond \$1B in revenues, there is continued focus to embed risk management in Persistent culture. Effective change management has led to adoption and enhancement of our Enterprise Risk Management program to proactively identify and report risks. We evaluate emerging risks, risks emanating from changing economic, geopolitical and ESG landscape, rapidly evolving technological disruptions with the guidance from the RMC of the Board. This will help the Company to have a holistic understanding and better management of key risks as it plans to achieve its strategic goals and objectives.

At Persistent, successful governance of critical risks is a strategic investment for sustainable growth. It is meant to prepare the Company for a wide range of possible challenges in its growth journey.

Some of the key risks in the current business environment are given below:

Sr. No.	Key risks	Risk category (FORRESSSTT)	Risk triggers	Measures for risk mitigation
1	Cyber-Attack and Hacking Risk	Technology & Cyber / Extended Enterprise	External attacks, malware, compromised credentials, Business email compromise via. phishing and other cyber security risks may result in data loss and loss of reputation	<ul style="list-style-type: none"> <li>\ Robust Information Security Management System (ISMS) centred around comprehensive Information Security policies based on industry best practices and leading security frameworks, with a continuous reinforcement of security controls to ensure the confidentiality, integrity, and availability of information assets</li> <li>\ Multi-layered governance process with executive and Board oversight</li> <li>\ Third-party certifications such as ISO 27001, ISO 27017, ISO 27018, ISO 27701, and SOC 2 Type II attestations to demonstrate our commitment to cybersecurity</li> <li>\ Continued investment and deployment of state-of-the-art technologies such as Zero Trust, Advanced endpoint protection solution, Dark / Deep web monitoring, etc. to secure corporate infra, data &amp; applications</li> <li>\ Access controls including Multi Factor Authentication for secure access to enterprise applications/network, special handling of privileged administrator accounts, rigorous access management on all cloud deployments</li> <li>\ Mandatory training and adequate awareness measures across employee life cycle ensure a strong human firewall</li> <li>\ Implementation of enhanced Data Leakage prevention platform to protect critical data</li> <li>\ Encryption of data, data back-up and recovery mechanisms for ensuring business continuity aligned to ISO 22301:2019</li> <li>\ Established threat intelligence, security monitoring and incident response processes to detect and respond to cybersecurity threats and incidents coordinated through a 24x7 Security Operations Centre</li> <li>\ Internal and external audits and red teaming to validate effectiveness of controls</li> </ul>
2	Data Privacy Risk	Regulatory / Reputational	\ Persistent operates globally and hence needs to be compliant with the data privacy laws across countries where we operate	<ul style="list-style-type: none"> <li>\ Robust Privacy Information Management System (PIMS) to safeguard personal data and ensure compliance with applicable legal, regulatory, and contractual obligations pertaining to data privacy and protection</li> <li>\ Global privacy policy covering all geographies, all areas of operations, and stakeholders</li> <li>\ Data Loss Protection (DLP), Data Classification and Data Encryption technologies are deployed to protect personal information</li> </ul>

Sr. No.	Key risks	Risk category (FORRESSTT)	Risk triggers	Measures for risk mitigation
2	Data Privacy Risk	Regulatory / Reputational	<ul style="list-style-type: none"> <li>\ Unauthorised use or disclosure of employee or company or customer data may lead to either breach of customer contract or fines / penalties from regulators and / or damage to the company's reputation</li> </ul>	<ul style="list-style-type: none"> <li>\ Access controls including Multi Factor Authentication, Privileged administrator account management tools are deployed. All access provisioning is on a need-to-know basis and access reviews are performed on a regular basis</li> <li>\ Dedicated Data Protection Officer and Privacy team</li> <li>\ Continuous strengthening of global privacy program through monitoring of regulatory mandates, revalidation of existing frameworks, policies and processes and ensuring applicability to customer contracts</li> <li>\ Technical and organisation measures such as PII Inventories, Privacy Impact Assessment, Incident Management Procedures and Systems, Breach Notification Management, Data Subject Rights Request Management, etc.</li> <li>\ Development of products &amp; applications, including change in processing of personal data go through appropriate privacy assessments and approval</li> <li>\ Vendors and third parties subjected to due diligence, contracted with appropriate privacy obligations</li> <li>\ Mandatory training on data protection, Privacy by Design, and global privacy regulations. Continuous awareness campaigns through blog posts, email broadcasts, and online events</li> <li>\ Periodic reviews and audits by independent audit firm to verify compliance to obligations in addition to internal audits across the ecosystem</li> <li>\ Certified under ISO 27701:2019 — Privacy Information Management System, ISO 27018:2014 — Securing Personal Data in Cloud and SOC 2 Type 2 Attestation</li> </ul>
3	Foreign Exchange Risk	Financial	<ul style="list-style-type: none"> <li>The Company operates in the global environment and has maximum business from US geography hence Currency fluctuations is a major risk</li> </ul>	<ul style="list-style-type: none"> <li>\ Net foreign exchange earnings are hedged on 12 months rolling basis to cover 45% to 70% of net open positions</li> <li>\ Guidance from the Board members is obtained every quarter regarding hedging quantum</li> <li>\ Close monitoring of exchange rate movement is done</li> </ul>
4	Geo-Political and Macro-Economic Risk	Strategic / Sectoral	<ul style="list-style-type: none"> <li>Changing Geo-political landscape in multiple regions (war scenarios in Middle-East and Ukraine / Russia), Macroeconomic uncertainty around interest rate cuts may impact customer discretionary spends, leading to potential impact on growth opportunities</li> </ul>	<ul style="list-style-type: none"> <li>\ Conduct "Country Risk Assessments" based on PESTEL Framework</li> <li>\ Engaged with geo-political consultants to get insights on the changing geopolitical landscape</li> <li>\ Monitoring and reporting of geo-political risks to the RMC of the Board</li> <li>\ Geo-Diversification for growth planned via Europe and other geographies</li> <li>\ Pro-active cost takeout proposals to customers to improve their business efficiency</li> <li>\ Enhanced focus on customer connects and relationships</li> <li>\ Persistent is ISO 22301 certified and regular BCP testing is performed</li> </ul>
5	Credit Risk	Financial	<ul style="list-style-type: none"> <li>Delay in collection of customer dues as a result of the global economic situation</li> </ul>	<ul style="list-style-type: none"> <li>\ The Company has adopted an effective receivables management system to monitor and control the outstanding receivables</li> <li>\ Credit Risk is managed through policies, procedures, and controls as a part of customer credit risk assessment</li> <li>\ The Company has adopted expected credit loss model, based on profile of the customer and aging pattern, to assess the impairment loss or gain on trade receivables</li> </ul>

Sr. No.	Key risks	Risk category (FORRESSTT)	Risk triggers	Measures for risk mitigation
6	Talent Demand and Employee Attrition Risk	Talent / Operational	<ul style="list-style-type: none"> <li>\ Market forces – After great resignation phase that industry faced post COVID, talent market has been stable for last year. However, it is hard to predict how long it will last. Any change in the market force may increase voluntary attrition</li> <li>\ Limited talent pool in emerging technology areas — While larger talent demand has stabilised, demand for emerging technologies is still high. Talent pool for the same is limited. This will continue to impact attrition</li> <li>\ Employee preferences — Hybrid working seems to be employee's preference</li> </ul>	<ul style="list-style-type: none"> <li>\ Employee Grooming and Upskilling — Focus on employee development and upskilling, enabling them to build their careers has been a part of the 'Persistent way' of working. Persistent University offers an excellent platform for employee to acquire skills, stay relevant and enhance their skills and competencies. Persistent invests in up-skilling of its associates in new age digital technologies and runs Persistent's Digital Engineering Academy (PDEA). PDEA runs upskilling programs in Cloud, Data, Gen AI etc.</li> <li>\ Employee engagement and all-round wellbeing — All round wellbeing of our employee, has been central to our employee engagement approach, which covers physical, financial, and psychological wellbeing. We conduct regular surveys to seek input from employee on various aspects of their work to understand their engagement and expectations. Input thus received is processed to make necessary improvements in processes and policies</li> <li>\ Persistent brand — our consistent growth over last several quarters, scale of operations, geographical presence, and initiatives such as GWR (Guinness World Records) has been helping us continue to position Persistent as a leading brand in the industry. We continue to invest in branding initiatives</li> <li>\ Inclusive Workplace — Persistent provides a diverse and inclusive workplace which promotes creativity, diversity, inclusivity, and enhanced work culture</li> <li>\ The attrition level has been controlled at 11.5%</li> </ul>
7	Global Regulatory Risk (Emerging Risk)	Regulatory / Reputational	<ul style="list-style-type: none"> <li>\ Failure to comply with existing statutory regulations, new regulations, or amendments to existing regulations (e.g., immigration, payroll and social security, taxation, employment laws, data privacy laws etc.) where the company operates globally, may have an impact</li> <li>\ Persistent operates globally in major markets and industries. There is an inherent risk of non-compliance with the ever-evolving legal landscape resulting into frequent legal updates and changes in regulatory requirements / disclosures (including regulations related to ESG, ethical, and hygiene practices) that are applicable to our business</li> </ul>	<ul style="list-style-type: none"> <li>\ The Company uses a professional Compliance Manager Tool to report and monitor the regulatory compliances applicable to the Company</li> <li>\ The Company also updates the Tool on ongoing basis with the amendments in the existing regulations and inclusion of newly introduced legislations, if any</li> <li>\ A framework is in place to assess the correctness of the compliances which have been reported in the Tool</li> <li>\ The Compliance status is placed before the Audit Committee of the Board of Directors and the Board of Directors of the Company in their meetings at frequent intervals</li> <li>\ The Company has also appointed local consultants in various geographies to advise and help the Company to the ensure the compliances in respective geographies</li> <li>\ The Company has a dedicated ESG function for the oversight of any ESG related regulatory compliance changes. Company has been certified in- ISO14001:2015 Environmental Management System and ISO45001:2018 Occupational Health and Safety Management System</li> </ul>

Sr. No.	Key risks	Risk category (FORRESSTT)	Risk triggers	Measures for risk mitigation
8	Sustainability Risk — Climate change	Sustainability — ESG / Operational	<ul style="list-style-type: none"> <li>\ Climate change is increasing the periodicity and intensity of some extreme weather events such as heat waves, cold waves, tornadoes, tropical cyclones, floods, cases of seasonal diseases, epidemics, and pandemics</li> <li>\ Extreme weather events may have an associated threat to human safety and business operations</li> </ul>	<ul style="list-style-type: none"> <li>\ The Company's facilities across India have been certified to be ISO 14001:2015 compliant</li> <li>\ The Company has distributed operations, enablement of remote working, agile delivery focus and periodic testing of business continuity plans</li> <li>\ Delivery centres designed to withstand extreme weather events</li> <li>\ Employee awareness building around conservation of resources to strengthen our business resilience</li> <li>\ The CISO of the company and the team ensures implementation of business continuity at project, customer, region, location, function level. And runs internal audit checks to verify the implementation of the controls</li> <li>\ Persistent is certified- ISO 27001 for information security and 22301 for business continuity</li> </ul>
9	Water Scarcity Risk (Emerging Risk)	Sustainability — ESG / Operational	<ul style="list-style-type: none"> <li>\ Being a precious resource, water conservation is crucial for the sustainability of Earth</li> <li>\ Reducing ground water levels and changing rain cycles is a risk leading to water crisis globally</li> </ul>	<ul style="list-style-type: none"> <li>\ Water Resource analysis performed for all global location and classified accordingly into categories as per 'Aqueduct Water Risk Atlas'</li> <li>\ Vulnerability Identification and location level mitigation plans implemented to monitor water consumption</li> <li>\ Conservation and efficiency measures through operational control and continuous awareness sessions with employees to ensure efficiency in water consumption. All our owned facilities are equipped with Rainwater recharging facility enabling to recharge ground water</li> <li>\ We consider ground water sources of locations as the last resort</li> <li>\ We also conduct frequent awareness sessions on sustainable water management</li> <li>\ We are engaged with CSR activities like Integrated watershed development program, open well for drinking to create awareness and community development</li> </ul>
10	Energy Demand Risk (Emerging Risk)	Sustainability — ESG	With advent of new emerging technologies, the level of energy consumption may increase globally leading to rise in carbon emissions	<p>Our Climate action goals:</p> <ul style="list-style-type: none"> <li>* Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by 2025</li> <li>* To source 100% energy from Renewable energy sources by 2025</li> <li>* 30% reduction of Scope 3 emissions by 2028</li> <li>\ Strategy to ensure carbon neutrality status by adopting innovation and regulatory changes to reduce emission and increase Renewable energy consumption</li> <li>\ Persistent has committed to set near- and long-term company-wide emission reductions in line with science-based net-zero with the SBTi</li> <li>\ Decarbonisation Roadmap with strategies in line with SBTi guidelines enabling to achieve reduction in emissions</li> <li>\ All owned campuses are enabled with roof top solar generation and 2 windmills connected through open access</li> </ul>



Sr. No.	Key risks	Risk category (FORRESSTT)	Risk triggers	Measures for risk mitigation
10	Energy Demand Risk (Emerging Risk)	Sustainability — ESG		<ul style="list-style-type: none"> <li>\ Technology Assessment including potential benefits and energy consumption implications</li> <li>\ Continuous improvement to monitor and evaluate the environmental performance of new technology, identify areas for improvement and implement corrective measures as a continuous process</li> <li>\ Green procurement policy enabling buyers to evaluate the suppliers based on emissions from Purchase of goods and services</li> </ul>

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**Persistent**

See Beyond, Rise Above

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