

Persistent Systems Limited

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Audited consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2017

Audited consolidated statement of assets and liabilities

Sr. No.	Particulars	₹ in Million					
		Quarter ended			Half year ended		Year ended
		September 30, 2017 (Audited)	June 30, 2017 (Audited)	September 30, 2016 (Audited)	September 30, 2017 (Audited)	September 30, 2016 (Audited)	March 31, 2017 (Audited)
1	Revenue from operations	7,612.52	7,280.15	7,040.19	14,892.67	14,057.96	28,784.39
2	Other income	336.34	367.91	243.72	704.25	497.19	958.45
3	Total income	7,948.86	7,648.06	7,283.91	15,596.92	14,555.15	29,742.84
4	Expenses						
	- Employee benefits expense	4,668.13	4,376.50	4,399.20	9,044.63	8,719.69	17,648.97
	- Cost of professionals	809.27	729.13	519.19	1,538.40	1,043.14	2,177.66
	- Finance costs	0.16	0.17	0.37	0.33	0.56	0.91
	- Depreciation and amortization expense	379.44	391.91	366.71	771.35	709.52	1,490.17
	- Other expenses	977.30	1,130.95	1,014.00	2,108.25	2,129.80	4,304.29
	Total Expenses	6,834.30	6,628.66	6,299.47	13,462.96	12,602.71	25,622.00
5	Profit before exceptional items and tax	1,114.56	1,019.40	984.44	2,133.96	1,952.44	4,120.84
6	Exceptional items	--	--	--	--	(114.11)	--
7	Profit before tax	1,114.56	1,019.40	984.44	2,133.96	1,952.44	4,006.73
8	Tax expense						
	- Current tax	350.67	277.89	149.05	628.56	463.33	1,147.87
	- Tax credit in respect of earlier years	0.01	(12.25)	--	(12.24)	--	(19.67)
	- Deferred tax charge / (credit)	(62.35)	2.87	100.46	(59.48)	21.32	(136.12)
	Total tax expense	288.33	268.51	249.51	556.84	484.65	992.08
9	Profit for the period from continuing operations	826.23	750.89	734.93	1,577.12	1,467.79	3,014.65
10	Profit / (Loss) for the period from discontinued operations	--	--	--	--	--	--
11	Tax expense of discontinued operations	--	--	--	--	--	--
12	Profit / (Loss) for the period from discontinued operations (After tax)	--	--	--	--	--	--
13	Profit for the period	826.23	750.89	734.93	1,577.12	1,467.79	3,014.65
14	Other comprehensive income						
A.	Items that will not be reclassified profit and loss						
	- Remeasurements of the defined benefit liabilities / (asset)	14.21	42.53	(135.63)	56.74	(101.99)	(39.13)
		14.21	42.53	(135.63)	56.74	(101.99)	(39.13)
B.	Items that may be reclassified to profit and loss						
	- Effective portion of cash flow hedge	(92.32)	(66.78)	106.47	(159.10)	53.63	116.95
	- Exchange differences in translating the financial statements of foreign operations	50.42	21.67	(53.56)	72.09	31.36	(110.48)
		(41.90)	(45.11)	52.91	(87.01)	84.99	6.47
15	Total comprehensive income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	798.54	748.31	652.21	1,546.85	1,450.79	2,981.99
16	"Paid-up equity share capital (Face value of share ₹ 10 each)"	800.00	800.00	800.00	800.00	800.00	800.00
17	Reserves excluding revaluation reserves	--	--	--	--	--	18,192.63
18	Earnings per equity share (for continuing operations) in ₹						
	- Basic	10.33	9.39	9.19	19.71	18.35	37.68
	- Diluted	10.33	9.39	9.19	19.71	18.35	37.68
19	Earnings per equity share (for discontinued operations) in ₹						
	- Basic	--	--	--	--	--	--
	- Diluted	--	--	--	--	--	--
20	Earnings per equity share (for discontinued and continuing operations) in ₹						
	- Basic	10.33	9.39	9.19	19.71	18.35	37.68
	- Diluted	10.33	9.39	9.19	19.71	18.35	37.68
21	Dividend per share (in ₹)						
	Interim dividend	--	--	--	--	--	6
	Final dividend	--	--	--	--	--	3
	Total dividend	--	--	--	--	--	9

Particulars	₹ in Million		
	As at		
	Sept. 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	March 31, 2017 (Audited)
ASSETS			
Non-current assets			
Property, Plant and Equipment	2,669.23	2,812.50	2,768.36
Capital work-in-progress	29.14	93.98	48.47
Goodwill	76.80	78.29	76.23
Other Intangible assets	2,834.12	2,521.51	2,515.05
Intangible assets under development	157.51	338.46	241.13
Financial assets			
- Investments	2,547.30	1,929.05	2,339.44
- Loans	133.03	140.45	131.49
- Other non-current financial assets	317.41	936.68	922.36
Deferred tax assets (net)	559.51	133.70	306.39
Other non-current assets	56.63	81.47	71.85
Total non-current assets	9,380.68	9,066.09	9,420.77
Current assets			
Financial assets			
- Investments	4,810.64	4,205.14	4,499.66
- Trade receivables	4,838.28	4,178.44	4,753.83
- Cash and cash equivalents	1,754.18	1,236.18	1,461.38
- Other bank balances	681.97	45.82	48.25
- Loans	11.59	11.11	14.00
- Other current financial assets	2,041.38	2,359.53	2,316.03
Current tax assets (net)	--	169.05	94.42
Other current assets	1,398.31	722.30	855.39
Total current assets	15,536.35	12,927.57	14,042.96
TOTAL ASSETS	24,917.03	21,993.66	23,463.73
EQUITY AND LIABILITIES			
Equity			
Equity share capital	800.00	800.00	800.00
Other equity	19,457.62	17,215.62	18,192.63
Total Equity	20,257.62	18,015.62	18,992.63
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20.20	25.77	21.71
- Deferred payment liabilities	--	4.41	19.74
Provisions	167.96	156.94	146.14
Deferred tax liabilities (net)	217.40	--	110.75
Total Non-current liabilities	405.56	187.12	298.34
Current liabilities			
Financial liabilities			
- Trade payables	1,499.03	950.79	1,202.36
- Deferred payment liabilities	--	--	0.86
- Other financial liabilities	487.06	730.94	452.72
Other current liabilities	908.93	859.76	1,125.75
Provisions	1,354.36	1,249.43	1,391.07
Current tax liabilities (net)	4.47	--	--
Total current liabilities	4,253.85	3,790.92	4,172.76
TOTAL EQUITY AND LIABILITIES	24,917.03	21,993.66	23,463.73

Segment wise Revenue, Results and Capital Employed

Sr. No.	Particulars	₹ in Million					
		Quarter ended			Half year ended		Year ended
		Sept. 30, 2017 (Audited)	June 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	March 31, 2017 (Audited)
1	Segment revenue						
	- Services	3,325.67	3,237.87	3,285.57	6,563.54	6,623.79	13,086.58
	- Digital	1,590.17	1,313.24	1,065.31	2,903.41	2,067.32	4,704.91
	- Alliance	2,081.76	2,123.88	2,069.98	4,205.64	4,180.59	8,466.11
	- Accelerite (Products)	614.92	605.16	619.33	1,220.08	1,186.26	2,526.79
	Total	7,612.52	7,280.15	7,040.19	14,892.67	14,057.96	28,784.39
2	Less: Inter segment revenue	--	--	--	--	--	--
3	Net sales/income from operations	7,612.52	7,280.15	7,040.19	14,892.67	14,057.96	28,784.39
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization						
	- Services	1,297.62	1,247.86	1,440.22	2,545.48	2,860.31	5,524.82
	- Digital	525.38	410.34	320.96	935.72	584.78	1,490.24
	- Alliance	657.09	698.93	543.23	1,356.02	1,201.00	2,559.79
	- Accelerite (Products)	283.03	254.32	250.01	537.35	488.25	1,103.11
	Total	2,763.12	2,611.45	2,554.42	5,374.57	5,134.34	10,677.96
5	Less:						
	- Finance cost	0.16	0.17	0.37	0.33	0.56	0.91
	- Other un-allocable expenses	1,984.74	1,959.79	1,813.33	3,944.53	3,678.53	7,628.77
6	Un-allocable income	336.34	367.91	243.72	704.25	497.19	958.45
7	Total profit before tax	1,114.56	1,019.40	984.44	2,133.96	1,952.44	4,006.73

Audited unconsolidated financial information

Particulars	₹ in Million					
	Quarter ended			Half year ended		Year ended
	Sept. 30, 2017 (Audited)	June 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	March 31, 2017 (Audited)
Revenue from operations	4,374.91	4,272.44	4,224.94	8,647.35	8,397.89	17,329.64
Profit before tax	1,159.94	1,030.79	957.74	2,190.73	1,998.69	4,037.41
Profit after tax	864.10	751.14	737.23	1,615.24	1,533.97	2,940.32

Notes for segment wise information:

- Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the CEO and Managing Director.
- Cost related to research and development are included under identifiable expenses for the purpose of segment reporting.

Segment wise capital employed

Segregation of assets (other than trade receivables), liabilities, depreciation and amortization and other non-cash expenses into various reportable segments have not been presented as the assets are used interchangeably between segments and the Group is of the view that it is not practical to reasonably allocate the other assets, liabilities and other non-cash expenses to individual segments and an ad-hoc allocation will not be meaningful.

Notes:

- The audited financial statements for the quarter and half year ended September 30, 2017, have been taken on record by the Board of Directors at its meeting concluded on October 16, 2017 as recommended by the Audit Committee at its meeting held on October 15, 2017. The statutory auditors have expressed an unqualified audit opinion.
- The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2016 and accordingly these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 - Interim Financial Reporting prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.
- The German subsidiary of the parent company has completed the acquisition of PARX Werks AG, a Salesforce Platinum Partner in the DACH region on July 31, 2017. Accordingly, above results include the financial performance of PARX Werks AG.
- The Agreement entered with Mr. Thomas Kendra, Non-Executive Non-Independent Director through his business concern, M/s. Azure Associates LLC, USA for providing business consultation, coaching, advisory and mentoring services to the Company's executives has been extended on the same terms for another period of 12 (Twelve) months with effect from October 1, 2017.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period presentation.

By order of Board of Directors of Persistent Systems Limited

Pune
October 16, 2017

Dr. Anand Deshpande
Chairman and Managing Director

Pradeep Bhargava
Director

"For risks and uncertainties relating to forward-looking statements, please visit our website :- www.persistent.com"

8	Segment assets	₹ in Million		
		As at		
		Sept. 30, 2017 (Audited)	Sept. 30, 2016 (Audited)	March 31, 2017 (Audited)
	- Services	2,230.45	2,213.15	2,109.80
	- Digital	1,410.83	949.38	1,318.83
	- Alliance	667.79	605.11	717.31
	- Accelerite (Products)	529.21	410.80	607.89
	Total allocable segment assets	4,838.28	4,178.44	4,753.83
	Unallocable assets	20,078.75	17,815.22	18,709.90
	Total assets	24,917.03	21,993.66	23,463.73