

Persistent Systems Limited

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PERSISTENT

Audited consolidated financial results of Persistent Systems Limited for the quarter and year ended March 31, 2018

₹ in Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)
1	Revenue from operations	7,525.46	7,918.90	7,271.08	30,337.03	28,784.39
2	Other income	320.87	192.76	143.28	1,191.01	958.45
3	Total income	7,846.33	8,111.66	7,414.36	31,528.04	29,742.84
4	Expenses					
	- Employee benefits expense	4,484.65	4,787.18	4,225.54	18,316.46	17,648.97
	- Cost of professionals	866.68	775.55	656.06	3,180.63	2,177.66
	- Depreciation costs	0.32	0.14	0.17	0.79	0.91
	- Depreciation and amortization expense	420.89	392.63	394.12	1,584.87	1,490.17
	- Other expenses	1,090.30	981.00	1,087.86	4,152.68	4,304.29
	Total Expenses	6,862.84	6,936.50	6,363.75	27,235.43	25,622.00
5	Profit before exceptional items and tax	983.49	1,175.16	1,050.61	4,292.61	4,120.84
6	Exceptional items	--	--	(114.11)	--	(114.11)
7	Profit before tax	983.49	1,175.16	936.50	4,292.61	4,006.73
8	Tax expense					
	- Current tax	274.74	300.69	243.66	1,203.99	1,147.87
	- Tax credit in respect of earlier years	(25.29)	(33.66)	(8.36)	(71.19)	(19.67)
	- Deferred tax charge / (credit)	(3.02)	(8.57)	(26.75)	(71.07)	(136.12)
	Total tax expense	246.43	258.46	208.55	1,061.73	992.08
9	Profit for the period / year from continuing operations	737.06	916.70	727.95	3,230.88	3,014.65
10	Profit / (Loss) for the period / year from discontinued operations	--	--	--	--	--
11	Tax expense of discontinued operations	--	--	--	--	--
12	Profit / (Loss) for the period / year from discontinued operations (After tax)	--	--	--	--	--
13	Profit for the period / year	737.06	916.70	727.95	3,230.88	3,014.65
14	Other comprehensive income					
	A. Items that will not be reclassified to profit and loss					
	- Remeasurements of the defined benefit liabilities / (asset)	38.63	11.51	8.87	106.88	(39.13)
	B. Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge	(60.11)	27.40	155.58	(191.81)	116.95
	- Exchange differences in translating the financial statements of foreign operations	96.65	(91.04)	(133.96)	77.70	(110.48)
	Total other comprehensive income for the period / year	36.54	(63.64)	21.62	(114.11)	6.47
15	Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period / year)	812.23	864.57	758.44	3,223.65	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
17	Reserves excluding revaluation reserves					18,192.63
18	Earnings per equity share (for continuing operations) in ₹					
	- Basic	9.21	11.46	9.10	40.39	37.68
	- Diluted	9.21	11.46	9.10	40.39	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	9.21	11.46	9.10	40.39	37.68
	- Diluted	9.21	11.46	9.10	40.39	37.68
21	Dividend per share (in ₹)					
	Interim dividend	--	7	--	7	6
	Final dividend	3	--	3	3	3
	Total dividend	3	7	3	10	9

Audited unconsolidated financial information

₹ in Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)
1	Revenue from operations	4,380.05	4,300.09	4,305.48	17,327.49	17,329.64
2	Profit before tax	1,312.62	1,048.81	743.82	4,552.16	4,037.41
3	Profit after tax	1,028.61	777.32	537.99	3,421.17	2,940.32

Notes:

- The audited consolidated financial statements for the quarter and year ended March 31, 2018, have been taken on record by the Board of Directors at its meeting concluded on April 24, 2018 as recommended by the Audit Committee at its meeting held on April 23, 2018. 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 Board of Directors at its meeting concluded on April 24, 2018, recommended Final Dividend of ₹ 3.00 per share for Financial Year 2017-18. This Final Dividend is subject to the approval of Members at the ensuing 28th Annual General Meeting which will be held on or before September 30, 2018.
- The Board has appointed Prof. Deepak B. Phatak, recipient of Padma Shri Award and Mr. Guy Eiferman as Additional Directors (Independent Member) of the Company with immediate effect.
- The overall performance for the quarter ended March 31, 2018, has been impacted by the de-growth in IP-led revenue as compared to the earlier quarter. This arose due to the fact that the IP led business is affected by the seasonality of typical robust performance in the last quarter of the calendar year followed by a relatively lower performance in the immediate following quarter. This in turn has impacted EBITDA margin and performance of Alliance segment. The overall annual performance of IP-led business was however in line with the expectations.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's / year's presentation.

Audited consolidated statement of assets and liabilities

₹ in Million

Particulars	As on	
	March 31, 2018 (Audited)	March 31, 2017 (Audited)
ASSETS		
Non-current assets		
Property, Plant and Equipment	2,581.30	2,768.36
Capital work-in-progress	7.71	48.47
Goodwill	76.61	76.23
Other Intangible assets	2,463.54	2,515.05
Intangible assets under development	44.72	241.13
Financial assets		
- Investments	2,881.04	2,339.44
- Loans	142.73	135.71
- Other non-current financial assets	37.43	922.36
Deferred tax assets (net)	642.01	306.39
Other non-current assets	91.57	71.85
Total non-current assets	8,968.66	9,424.99
Current assets		
Financial assets		
- Investments	5,916.31	4,499.66
- Trade receivables	4,847.40	4,753.83
- Cash and cash equivalents	1,343.72	1,461.38
- Other bank balances	1,070.25	48.25
- Loans	6.63	9.78
- Other current financial assets	2,758.25	2,316.03
Current tax assets (net)	113.99	94.42
Other current assets	1,563.41	855.39
Total current assets	17,619.96	14,038.74
TOTAL ASSETS	26,588.62	23,463.73
EQUITY AND LIABILITIES		
Equity		
Equity share capital	800.00	800.00
Other equity	20,471.99	18,192.63
Total Equity	21,271.99	18,992.63
Liabilities		
Non-current liabilities		
Financial liabilities		
- Borrowings	16.55	21.71
- Deferred payment liabilities	--	19.74
Provisions	159.75	146.14
Deferred tax liabilities (net)	270.41	110.75
Total Non-current liabilities	446.71	298.34
Current liabilities		
Financial liabilities		
- Trade payables	1,673.08	1,209.36
- Deferred payment liabilities	--	0.86
- Other financial liabilities	396.33	452.72
Other current liabilities	1,201.02	1,118.75
Provisions	1,599.49	1,391.07
Total current liabilities	4,869.92	4,172.76
TOTAL EQUITY AND LIABILITIES	26,588.62	23,463.73

Segment wise Revenue, Results and Capital Employed

₹ in Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2018 (Audited)	December 31, 2017 (Audited)	March 31, 2017 (Audited)	March 31, 2018 (Audited)	March 31, 2017 (Audited)
1	Segment revenue					
	- Services	3,417.58	3,320.23	3,188.44	13,301.35	13,086.58
	- Digital	1,806.46	1,744.37	1,377.25	6,454.24	4,704.91
	- Alliance	1,832.06	2,341.49	2,003.65	8,379.19	8,466.11
	- Accelerite (Products)	469.36	512.81	701.74	2,202.25	2,526.79
	Total	7,525.46	7,918.90	7,271.08	30,337.03	28,784.39
2	Less: Inter segment revenue	--	--	--	--	--
3	Net sales/income from operations	7,525.46	7,918.90	7,271.08	30,337.03	28,784.39
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization					
	- Services	1,518.44	1,371.95	1,321.78	5,435.87	5,524.82
	- Digital	610.39	552.13	478.75	2,098.24	1,490.24
	- Alliance	490.53	926.01	580.84	2,772.56	2,559.79
	- Accelerite (Products)	141.48	176.86	328.11	855.69	1,103.11
	Total	2,760.84	3,026.95	2,709.48	11,162.36	10,677.96
5	Less:					
	- Finance costs	0.32	0.14	0.17	0.79	0.91
	- Other un-allocable expenses	2,097.90	2,044.41	1,916.09	8,059.97	7,628.77
6	Un-allocable income	320.87	192.76	143.28	1,191.01	958.45
7	Total profit before tax	983.49	1,175.16	936.50	4,292.61	4,006.73
8	Segment assets					
	- Services	2,415.72			2,109.80	
	- Digital	1,351.72			1,318.83	
	- Alliance	672.07			717.31	
	- Accelerite (Products)	407.89			607.89	
	Total allocable segment assets	4,847.40			4,753.83	
	Unallocable assets	21,741.22			18,709.90	
	Total assets	26,588.62			23,463.73	

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 Chairman and Managing Director.
- Costs 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.

By order of Board of Directors of Persistent Systems Limited

Pune
April 24, 2018

Dr. Anand Deshpande
Chairman and Managing Director

Kiran Umrootkar
Director

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