

# Persistent Systems Limited

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## Audited consolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2018

## Segment wise Revenue, Results and Capital Employed

₹ in Million

The Group reorganised itself into three business units from April 1, 2018, which form the operating segments for segment reporting. The operating segments are:

- Technology Services
- Alliance
- Accelerite (Products)

Accordingly, the corresponding figures for the earlier reporting periods are restated in line with the above reorganization.

₹ in Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations (net)	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
2	Other income	229.93	232.21	192.76	592.59	897.01	1,191.01
3	<b>Total income</b>	<b>8,872.42</b>	<b>8,587.78</b>	<b>8,111.66</b>	<b>25,933.46</b>	<b>23,708.58</b>	<b>31,528.04</b>
4	<b>Expenses</b>						
	- Employee benefits expense	4,909.33	4,862.36	4,787.18	14,390.06	13,831.81	18,316.46
	- Cost of professionals	905.89	877.05	775.55	2,627.62	2,313.95	3,180.63
	- Finance costs	0.67	1.07	0.14	2.02	0.47	0.79
	- Depreciation and amortization expense	396.32	398.58	392.63	1,195.71	1,163.98	1,584.87
	- Other expenses	1,365.00	1,179.93	981.00	3,967.80	3,089.25	4,152.68
	<b>Total Expenses</b>	<b>7,577.21</b>	<b>7,318.99</b>	<b>6,936.50</b>	<b>22,183.21</b>	<b>20,399.46</b>	<b>27,235.43</b>
5	<b>Profit before exceptional items and tax</b>	<b>1,295.21</b>	<b>1,268.79</b>	<b>1,175.16</b>	<b>3,750.25</b>	<b>3,309.12</b>	<b>4,292.61</b>
6	Exceptional items	--	--	--	--	--	--
7	<b>Profit before tax</b>	<b>1,295.21</b>	<b>1,268.79</b>	<b>1,175.16</b>	<b>3,750.25</b>	<b>3,309.12</b>	<b>4,292.61</b>
8	<b>Tax expense</b>						
	- Current tax	266.03	422.37	300.69	1,044.45	929.25	1,203.99
	- Tax charge / (credit) in respect of earlier years	73.39	2.90	(33.66)	76.29	(45.90)	(71.19)
	- Deferred tax charge / (credit)	38.62	(37.89)	(8.57)	(42.55)	(68.05)	(71.07)
	<b>Total tax expense</b>	<b>378.04</b>	<b>387.38</b>	<b>258.46</b>	<b>1,078.19</b>	<b>815.30</b>	<b>1,061.73</b>
9	<b>Profit for the period / year from continuing operations</b>	<b>917.17</b>	<b>881.41</b>	<b>916.70</b>	<b>2,672.06</b>	<b>2,493.82</b>	<b>3,230.88</b>
10	<b>Profit / (Loss) for the period / year from discontinued operations</b>	--	--	--	--	--	--
11	<b>Tax expense of discontinued operations</b>	--	--	--	--	--	--
12	<b>Profit / (Loss) for the period/year from discontinued operations (After tax)</b>	--	--	--	--	--	--
13	<b>Profit for the period / year</b>	<b>917.17</b>	<b>881.41</b>	<b>916.70</b>	<b>2,672.06</b>	<b>2,493.82</b>	<b>3,230.88</b>
14	<b>Other comprehensive income</b>						
	<b>A. Items that will not be reclassified to profit and loss</b>						
	- Remeasurements of the defined benefit liabilities / (asset)	(33.50)	(12.79)	11.51	(59.34)	68.25	106.88
	<b>(33.50)</b>	<b>(12.79)</b>	<b>11.51</b>	<b>(59.34)</b>	<b>68.25</b>	<b>106.88</b>	
	<b>B. Items that may be reclassified to profit and loss</b>						
	- Effective portion of cash flow hedge	351.15	(139.16)	27.40	52.86	(131.70)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations	(165.47)	185.91	(91.04)	172.24	(18.95)	77.70
	<b>185.68</b>	<b>46.75</b>	<b>(63.64)</b>	<b>225.10</b>	<b>(150.65)</b>	<b>(114.11)</b>	
	<b>Total other comprehensive income for the period / year</b>	<b>152.18</b>	<b>33.96</b>	<b>(52.13)</b>	<b>165.76</b>	<b>(82.40)</b>	<b>(7.23)</b>
15	<b>Total comprehensive income for the period / year (Comprising Profit (Loss) and Other Comprehensive Income for the period / year)</b>	<b>1,069.35</b>	<b>915.37</b>	<b>864.57</b>	<b>2,837.82</b>	<b>2,411.42</b>	<b>3,223.65</b>
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						20,471.99
18	<b>Earnings per equity share (for continuing operations) in ₹</b>						
	- Basic	11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted	11.46	11.02	11.46	33.40	31.17	40.39
19	<b>Earnings per equity share (for discontinued operations) in ₹</b>						
	- Basic	--	--	--	--	--	--
	- Diluted	--	--	--	--	--	--
20	<b>Earnings per equity share (for discontinued and continuing operations) in ₹</b>						
	- Basic	11.46	11.02	11.46	33.40	31.17	40.39
	- Diluted	11.46	11.02	11.46	33.40	31.17	40.39
21	<b>Dividend per share (in ₹)</b>						
	Interim dividend	8	--	7	8	7	7
	Final dividend	--	--	--	--	--	3
	<b>Total dividend</b>	<b>8</b>	<b>-</b>	<b>7</b>	<b>8</b>	<b>7</b>	<b>10</b>

## Audited unconsolidated financial information

₹ in Million

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations	4,879.75	4,936.30	4,300.09	14,435.96	12,947.44	17,327.49
2	Profit before tax	910.44	1,306.23	1,048.81	3,422.07	3,239.54	4,552.16
3	Profit after tax	610.01	896.82	777.32	2,430.08	2,392.56	3,421.17

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2018 (Audited)	Sept 30, 2018 (Audited)	Dec 31, 2017 (Audited)	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	March 31, 2018 (Audited)
1	Segment revenue						
	- Technology Services	5,597.18	5,436.54	4,883.17	16,276.88	14,267.68	19,371.11
	- Alliance	2,541.10	2,466.94	2,509.14	7,698.73	6,797.33	8,725.06
	- Accelerite (Products)	504.21	452.09	526.59	1,365.26	1,746.56	2,240.86
	<b>Total</b>	<b>8,642.49</b>	<b>8,355.57</b>	<b>7,918.90</b>	<b>25,340.87</b>	<b>22,811.57</b>	<b>30,337.03</b>
2	Less: Inter segment revenue	--	--	--	--	--	--
3	Net sales/income from operations	8,642.49	8,355.57	7,918.90	25,340.87	22,811.57	30,337.03
4	Segment profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,134.66	2,034.70	1,877.60	6,167.91	5,335.22	7,408.18
	- Alliance	1,061.25	826.50	877.09	2,748.13	2,217.69	2,699.89
	- Accelerite (Products)	283.92	241.80	272.26	687.99	848.61	1,054.29
	<b>Total</b>	<b>3,479.83</b>	<b>3,103.00</b>	<b>3,026.95</b>	<b>9,604.03</b>	<b>8,401.52</b>	<b>11,162.36</b>
5	Less:						
	- Finance costs	0.67	1.07	0.14	2.02	0.47	0.79
	- Other un-allocable expenses	2,413.88	2,065.35	2,044.41	6,444.35	5,988.94	8,059.97
6	Un-allocable income	229.93	232.21	192.76	592.59	897.01	1,191.01
7	<b>Total profit before tax</b>	<b>1,295.21</b>	<b>1,268.79</b>	<b>1,175.16</b>	<b>3,750.25</b>	<b>3,309.12</b>	<b>4,292.61</b>

₹ in Million

8 Segment assets	As at		
	Dec 31, 2018 (Audited)	Dec 31, 2017 (Audited)	March 31, 2018 (Audited)
- Technology Services	3,194.52	3,498.40	3,675.96
- Alliance	1,035.20	846.55	740.27
- Accelerite (Products)	496.94	660.12	431.17
<b>Total allocable segment assets</b>	<b>4,726.66</b>	<b>5,005.07</b>	<b>4,847.40</b>
Unallocable assets	24,773.97	20,926.48	21,860.73
<b>Total assets</b>	<b>29,500.63</b>	<b>25,931.55</b>	<b>26,708.13</b>

## 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.

## Notes:

- The audited condensed consolidated financial statements for the quarter and nine months ended December 31, 2018, have been taken on record by the Board of Directors at its meeting concluded on January 28, 2019 as recommended by the Audit Committee at its meeting held on January 27, 2019. The statutory auditors have expressed an unqualified audit opinion.
- Adoption of Ind AS 115 - Revenue from contracts with customers : Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial statements.
- As reported in the previous quarter, Persistent Systems Limited ("the Parent Company") had deposits of ₹ 430 million with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These are due for maturity from January 2019 to June 2019, the first deposit being due on 28th January 2019. In August 2018, credit rating agency, has significantly downgraded the IL&FS Group's rating. As of December 31, 2018, there have been no defaults in payment of interest on the aforesaid deposits. At this stage, it is difficult to estimate the ultimate probable loss if any. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of December 31, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- The Board of Directors of Persistent Systems Limited ("the Parent Company"), considered and approved the Buyback of fully paid-up Equity Shares of face value of ₹ 10 each under "open market" route through the stock exchanges, for an aggregate amount not exceeding ₹ 2,250 million (Maximum Buyback Size) at a price not exceeding ₹ 750 per share (Maximum Buyback Price) at the Board Meeting.
- The Board of Directors of Persistent Systems Limited ("the Parent Company"), at its meeting commenced on January 27, 2019 and concluded on January 28, 2019 declared an interim dividend of ₹ 8 per share on the face value of ₹ 10 each for the Financial Year 2018-19.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation.

By order of Board of Directors of Persistent Systems Limited

Pune  
January 28, 2019

**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"