

**Persistent Systems Limited**

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**Audited consolidated financial results of Persistent Systems Limited for the quarter and year ended March 31, 2020**

In ₹ Million

Sr. No.	Particulars		Quarter ended			Year ended	
			March 31, 2020 (Audited)	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
	<b>Income</b>						
1	Revenue from operations (net)		9,263.65	9,227.29	8,318.54	35,658.08	33,659.41
2	Other income		293.20	347.75	283.96	1,323.77	876.55
3	<b>Total income</b>	<b>(1+2)</b>	<b>9,556.85</b>	<b>9,575.04</b>	<b>8,602.50</b>	<b>36,981.85</b>	<b>34,535.96</b>
4	<b>Expenses</b>						
	- Employee benefits expense		5,675.97	5,594.47	4,859.47	21,556.40	19,249.53
	- Cost of professionals		1,163.23	998.71	862.83	3,918.94	3,490.45
	- Finance costs		11.68	14.76	1.03	63.32	3.05
	- Depreciation and amortization expense		420.25	428.30	376.80	1,659.62	1,572.51
	- Other expenses		1,155.29	1,399.05	1,389.23	5,260.15	5,357.03
	<b>Total Expenses</b>		<b>8,426.42</b>	<b>8,435.29</b>	<b>7,489.36</b>	<b>32,458.43</b>	<b>29,672.57</b>
5	<b>Profit before exceptional items and tax</b>	<b>(3-4)</b>	<b>1,130.43</b>	<b>1,139.75</b>	<b>1,113.14</b>	<b>4,523.42</b>	<b>4,863.39</b>
6	Exceptional items		-	-	-	-	-
7	<b>Profit before tax</b>	<b>(5-6)</b>	<b>1,130.43</b>	<b>1,139.75</b>	<b>1,113.14</b>	<b>4,523.42</b>	<b>4,863.39</b>
8	<b>Tax expense</b>						
	- Current tax		366.06	348.37	298.75	1,354.70	1,343.20
	- Tax charge in respect of earlier years		6.58	47.34	12.52	52.55	88.81
	- Deferred tax credit		(80.42)	(135.22)	(42.86)	(286.72)	(85.41)
	<b>Total tax expense</b>		<b>292.22</b>	<b>260.49</b>	<b>268.41</b>	<b>1,120.53</b>	<b>1,346.60</b>
9	<b>Profit for the period / year</b>	<b>(7-8)</b>	<b>838.21</b>	<b>879.26</b>	<b>844.73</b>	<b>3,402.89</b>	<b>3,516.79</b>
10	<b>Other comprehensive income</b>						
	<b>A. Items that will not be reclassified to profit and loss</b>						
	- Remeasurements of the defined benefit liabilities / assets (net of tax)		2.37	(0.77)	12.19	(34.80)	(47.15)
			<b>2.37</b>	<b>(0.77)</b>	<b>12.19</b>	<b>(34.80)</b>	<b>(47.15)</b>
	<b>B. Items that may be reclassified to profit and loss</b>						
	- Effective portion of cash flow hedge (net of tax)		(250.14)	(31.11)	115.57	(429.15)	168.43
	- Exchange differences in translating the financial statements of foreign operations		369.96	(129.22)	(58.42)	323.15	113.82
			<b>119.82</b>	<b>(160.33)</b>	<b>57.15</b>	<b>(106.00)</b>	<b>282.25</b>
	<b>Total other comprehensive income for the period / year</b>	<b>(A+B)</b>	<b>122.19</b>	<b>(161.10)</b>	<b>69.34</b>	<b>(140.80)</b>	<b>235.10</b>
11	<b>Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)</b>	<b>(9+10)</b>	<b>960.40</b>	<b>718.16</b>	<b>914.07</b>	<b>3,262.09</b>	<b>3,751.89</b>
12	Paid-up equity share capital (Face value of share ₹ 10 each)		764.25	764.25	791.19	764.25	791.19
13	Other equity excluding revaluation reserves					23,093.30	22,655.61
14	<b>Earnings per equity share in ₹ (Face value of share ₹ 10 each)</b>						
	- Basic		10.97	11.50	10.59	44.38	43.99
	- Diluted		10.97	11.50	10.59	44.38	43.99
15	<b>Dividend per share (in ₹) (Nominal value per share ₹ 10)</b>						
	Interim dividend		3.00	9.00	-	12.00	8.00
	Final dividend		-	-	3.00	-	3.00
	<b>Total dividend</b>		<b>3.00</b>	<b>9.00</b>	<b>3.00</b>	<b>12.00</b>	<b>11.00</b>

## Audited consolidated statement of assets and liabilities

(In ₹ Million)

Particulars	March 31, 2020 (Audited)	March 31, 2019 (Audited)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	2,224.60	2,331.24
Capital work-in-progress	166.18	12.10
Right-of-use assets	566.81	-
Goodwill	88.94	81.24
Other Intangible assets	1,434.93	1,595.41
Intangible assets under development	137.20	303.54
Financial assets		
- Investments	4,620.97	4,345.71
- Loans	176.13	164.00
- Other non-current financial assets	358.93	344.33
Deferred tax assets (net)	960.08	405.05
Other non-current assets	331.31	68.31
<b>Total non-current assets</b>	<b>11,066.08</b>	<b>9,650.93</b>
<b>Current assets</b>		
Financial assets		
- Investments	5,164.77	3,295.53
- Trade receivables (net)	5,921.96	4,923.01
- Cash and cash equivalents	1,899.99	1,739.45
- Other bank balances	2,672.19	4,989.35
- Loans	13.71	7.87
- Other current financial assets	2,068.54	2,377.00
Current tax assets (net)	163.93	185.06
Other current assets	1,950.52	1,387.79
<b>Total current assets</b>	<b>19,855.61</b>	<b>18,905.06</b>
<b>TOTAL ASSETS</b>	<b>30,921.69</b>	<b>28,555.99</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Equity share capital	764.25	791.19
Other equity	23,093.30	22,655.61
<b>Total Equity</b>	<b>23,857.55</b>	<b>23,446.80</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
- Borrowings	46.22	11.97
- Other long-term financial liabilities	361.32	1.83
Provisions	182.79	174.94
<b>Total Non-current liabilities</b>	<b>590.33</b>	<b>188.74</b>
<b>Current liabilities</b>		
Financial liabilities		
- Trade payables	2,247.09	1,517.07
- Other financial liabilities	1,163.44	441.93
Other current liabilities	1,320.13	1,122.44
Provisions	1,610.99	1,764.21
Current tax liabilities (net)	132.16	74.80
<b>Total current liabilities</b>	<b>6,473.81</b>	<b>4,920.45</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>30,921.69</b>	<b>28,555.99</b>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For the year ended	
	March 31, 2020	March 31, 2019
	In ₹ Million	In ₹ Million
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>4,523.42</b>	<b>4,863.39</b>
Adjustments for:		
Interest income	(545.28)	(287.72)
Finance costs	63.32	3.05
Dividend income	(13.98)	(180.77)
Depreciation and amortization expense	1,659.62	1,572.51
Amortization of lease premium	-	0.58
Unrealised exchange (gain) / loss (net)	(131.29)	106.52
Change in foreign currency translation reserve	119.30	(86.85)
Exchange loss on derivative contracts	58.51	20.51
Exchange (gain) / loss on translation of foreign currency cash and cash equivalents	(46.77)	71.36
Donations in kind	-	1.40
Bad debts	-	71.18
Provision for doubtful receivables (net) / (provision written back)	83.86	(4.89)
Employee stock compensation expenses	236.79	-
Provision for doubtful deposits and advances	248.48	182.50
Provision for diminution in value of investments	-	13.98
Remeasurements of the defined benefit liabilities / asset (before tax effects)	(46.14)	(70.36)
Excess provision in respect of earlier years written (back)	(6.95)	(33.89)
(Gain)/ loss on fair valuation of assets designated at FVTPL	(119.02)	68.92
(Profit) on sale of investments (net)	(164.81)	(366.09)
Loss/ (Profit) on sale of property, plant and equipment (net)	5.96	(4.02)
<b>Operating profit before working capital changes</b>	<b>5,925.02</b>	<b>5,941.31</b>
<b>Movements in working capital :</b>		
(Increase) in non-current and current loans	(14.44)	(5.55)
(Increase) in other non current assets	(235.30)	(1.68)
(Increase) in other current financial assets	(232.15)	(135.26)
(Increase) / decrease in other current assets	(559.10)	175.62
(Increase) in trade receivables	(894.77)	(246.03)
Increase / (decrease) in trade payables, current liabilities and non current liabilities	712.56	(180.13)
(Decrease) / increase in provisions	(145.37)	179.91
<b>Operating profit after working capital changes</b>	<b>4,556.45</b>	<b>5,728.19</b>
Direct taxes paid (net of refunds)	(1,328.27)	(1,405.07)
<b>Net cash generated from operating activities</b>	<b>(A) 3,228.18</b>	<b>4,323.12</b>
<b>Cash flows from investing activities</b>		
Payment towards capital expenditure (including intangible assets)	(758.39)	(379.06)
Proceeds from sale of property, plant and equipment	12.68	5.04
Acquisition of step-down subsidiary including cash and cash equivalents of ₹ 37.35 million (previous year ₹ 0.35 million)	(435.48)	(148.15)
Purchase of bonds	(901.61)	(1,175.31)
Proceeds from sale/ maturity of bonds	819.87	199.43
Purchase of non-current investments	-	(144.96)
Proceeds from sale of non-current investments	25.22	-
Investments in mutual funds	(19,456.95)	(22,418.13)
Proceeds from sale / maturity of mutual funds	17,670.49	25,010.64
Maturity / (Investments) of bank deposits having original maturity over three months	2,108.15	(4,049.96)
Investments in deposits with financial institutions	-	(300.00)
Maturity of deposits with financial institutions	250.00	650.35
Non current loans placed	-	(16.96)
Interest received	503.60	327.33
Dividends received	13.98	180.77
<b>Net cash (used) in investing activities</b>	<b>(B) (148.44)</b>	<b>(2,258.97)</b>

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

	For the year ended	
	March 31, 2020	March 31, 2019
	In ₹ Million	In ₹ Million
<b>Cash flows from financing activities</b>		
(Repayment) of long term borrowings	(4.62)	(4.58)
Shares bought back	(1,677.01)	(571.41)
Loan received as a part of COVID-19 relief measures	39.14	-
Specific project related grant received	3.00	-
Interest paid	(63.31)	(3.66)
Dividends paid	(1,146.38)	(881.41)
Tax on dividend paid	(154.14)	(137.41)
<b>Net cash (used in) financing activities</b>	<b>(C) (3,003.32)</b>	<b>(1,598.47)</b>

	For the year ended	
	March 31, 2020	March 31, 2019
	In ₹ Million	In ₹ Million
Net increase / (decrease) in cash and cash equivalents	(A + B + C) 76.42	465.68
Cash and cash equivalents at the beginning of the year	1,739.45	1,345.13
Cash and cash equivalents acquired on acquisition	37.35	-
Effect of exchange difference on translation of foreign currency cash and cash equivalents	46.77	(71.36)
<b>Cash and cash equivalents at the end of the year</b>	<b>1,899.99</b>	<b>1,739.45</b>
<b>Components of cash and cash equivalents</b>		
Cash on hand	0.24	0.22
Balances with banks		
On current accounts*	1,566.06	1,300.93
On saving accounts	0.36	0.91
On Exchange Earner's Foreign Currency accounts	261.86	114.91
On deposit accounts with original maturity less than three months	71.47	229.54
On Escrow accounts**	-	92.94
<b>Cash and cash equivalents</b>	<b>1,899.99</b>	<b>1,739.45</b>

\* Out of the cash and cash equivalent balance as at March 31, 2020, the Group can utilise ₹ 6.62 Million (Previous year: ₹ 2.15 Million) only towards research and development activities specified in the agreement.

\*\* The Parent Company concluded the buyback scheme on June 27, 2019 and minimum balance maintained in Escrow account was released on completion of statutory formalities.

**Audited unconsolidated financial information**

in ₹ Million

Particulars	Quarter ended			Year ended	
	March 31, 2020 (Audited)	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
Revenue from operations (net)	5,661.39	5,448.79	5,162.71	21,081.22	19,598.67
Profit before tax	1,664.21	1,206.76	961.69	5,329.06	4,383.76
Profit after tax	1,274.82	899.56	720.00	4,077.23	3,150.08

**Segment wise Revenue, Results and Capital Employed**

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)

in ₹ Million

Sr. No.	Particulars	Quarter ended			Year ended	
		March 31, 2020 (Audited)	December 31, 2019 (Unaudited)	March 31, 2019 (Audited)	March 31, 2020 (Audited)	March 31, 2019 (Audited)
1	Segment revenue					
	- Technology Services	6,803.83	6,434.28	5,741.15	24,922.47	22,018.03
	- Alliance	2,086.93	2,465.72	2,061.19	9,358.16	9,759.92
	- Accelerite (Products)	372.89	327.29	516.20	1,377.45	1,881.46
	<b>Total</b>	<b>9,263.65</b>	<b>9,227.29</b>	<b>8,318.54</b>	<b>35,658.08</b>	<b>33,659.41</b>
2	Less: Inter segment revenue	-	-	-	-	-
3	Net sales/ income from operations	9,263.65	9,227.29	8,318.54	35,658.08	33,659.41
4	Segment results i.e. profit/ (loss) before tax, interest and depreciation and amortization					
	- Technology Services	2,690.75	2,417.09	2,339.76	9,460.98	8,507.67
	- Alliance	517.10	696.79	549.88	2,812.11	3,298.01
	- Accelerite (Products)	198.37	150.96	304.15	643.43	992.14
	<b>Total</b>	<b>3,406.22</b>	<b>3,264.84</b>	<b>3,193.79</b>	<b>12,916.52</b>	<b>12,797.82</b>
5	Less:					
	- Finance costs	11.68	14.76	1.03	63.32	3.05
	- Other un-allocable expenses	2,557.31	2,458.08	2,363.58	9,653.55	8,807.93
6	Un-allocable income	293.20	347.75	283.96	1,323.77	876.55
7	<b>Profit before tax</b>	<b>1,130.43</b>	<b>1,139.75</b>	<b>1,113.14</b>	<b>4,523.42</b>	<b>4,863.39</b>
8	<b>Segment assets [Trade receivables (net)]</b>					
					<b>As on</b>	
					<b>March 31, 2020</b>	<b>March 31, 2019</b>
					<b>(Audited)</b>	<b>(Audited)</b>
	- Technology Services				4,780.49	3,547.07
	- Alliance				637.13	1,021.77
	- Accelerite (Products)				504.34	354.17
	<b>Total allocable segment assets</b>				<b>5,921.96</b>	<b>4,923.01</b>
	Unallocable assets				24,999.73	23,632.98
	<b>Total assets</b>				<b>30,921.69</b>	<b>28,555.99</b>

**Note 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 makers, in deciding how to allocate resources and assessing performance. The Group's chief operating decision makers are the Chief Executive Officer and the Chairman.

**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 and liabilities 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:**

- 1 The audited condensed consolidated financial statements for the quarter and year ended March 31, 2020, have been taken on record by the Board of Directors at its meeting concluded on May 5, 2020 as recommended by the Audit Committee. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited condensed interim consolidated financial statements.
- 2 Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", applied to all applicable lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, comparatives for the period / year have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right-of-Use asset (ROU) of ₹ 760.01 million and a lease liability of ₹ 811.10 million. The cumulative effect of applying the standard resulted in ₹ 123.60 million being debited to retained earnings, net of taxes. The effect of this adoption is insignificant on the profit for the period and earnings per share.
- 3 The Group has deposits of ₹ 430 million with the financial institutions viz. Infrastructure Leasing & Financial Services Ltd. (IL&FS) and IL&FS Financial Services Ltd. (referred to as "IL&FS Group") as on the balance sheet date. These were due for maturity from January 2019 to June 2019. In view of the uncertainty prevailing with respect to recovery of outstanding balances from IL&FS Group, Management of the Group has fully provided for these deposits along with interest accrued thereon till the date the deposits had become doubtful of recovery. The Management is hopeful of recovery though with a time lag. The Group continues to monitor developments in the matter and is committed to take steps including legal action that may be necessary to ensure full recovery of the said deposits.
- 4 In accordance with para 4 of Notified Indian Accounting Standard 108 (Ind AS-108) "Operating Segments", the Company has disclosed segment information only on the basis of consolidated financial results.
- 5 During the quarter, the Interim Dividends were paid as follows:
  - a. The Board at its meeting held in January 2020, had approved payment of Interim Dividend of ₹ 9.00 per Equity share of ₹ 10 each for FY 2019-20. Accordingly, during February 2020, ₹ 687,825,000 (excluding Dividend Distribution Tax) were paid towards the above Dividend and ₹ 87,477,815 towards the Dividend Distribution Tax.
  - b. The Board at its meeting held in March 2020, had approved payment of second Interim Dividend of ₹ 3.00 per Equity share of ₹ 10 each for FY 2019-20. Accordingly, during March 2020, the Second Interim dividend of ₹ 229,275,000 (excluding Dividend Distribution Tax) is being paid to 55,865 shareholders holding 76,425,000 Equity Shares of the Company. The Company has paid the Dividend Distribution Tax of ₹ 18,675,153.
- 6 The Board did not recommend any Final Dividend for FY 2019-20.
- 7 The Board has appointed Mr. Praveen Kadle as an Additional Director (Independent Member) of the Company with effect from April 23, 2020.

By order of Board of Directors of Persistent Systems Limited

Pune  
Date : May 5, 2020

**Dr. Anand Deshpande**  
Chairman and Managing Director

**Kiran Umrootkar**  
Director

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"For risks and uncertainties relating to forward-looking statements, please visit our website :- [www.persistent.com](http://www.persistent.com)"