

# Persistent Systems Limited

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## Audited consolidated financial results of Persistent Systems Limited for the quarter and half year ended September 30, 2018

₹ in Million

Sr. No.	Particulars	Quarter ended			Half year ended		Year ended
		Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Revenue from operations (net)	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
2	Other income	232.21	186.75	336.34	418.96	704.25	1,191.01
3	<b>Total income</b>	<b>8,587.78</b>	<b>8,529.56</b>	<b>7,948.86</b>	<b>17,117.34</b>	<b>15,596.92</b>	<b>31,528.04</b>
4	<b>Expenses</b>						
	- Employee benefits expense	4,862.36	4,618.37	4,668.13	9,480.73	9,044.63	18,316.46
	- Cost of professionals	877.05	844.68	809.27	1,721.73	1,538.40	3,180.63
	- Finance costs	1.07	0.28	0.16	1.35	0.33	0.79
	- Depreciation and amortization expense	398.58	400.81	379.44	799.39	771.35	1,584.87
	- Other expenses	1,179.93	1,479.17	977.30	2,659.10	2,108.25	4,152.68
	<b>Total Expenses</b>	<b>7,318.99</b>	<b>7,343.31</b>	<b>6,834.30</b>	<b>14,662.30</b>	<b>13,462.96</b>	<b>27,235.43</b>
5	<b>Profit before exceptional items and tax</b>	<b>1,268.79</b>	<b>1,186.25</b>	<b>1,114.56</b>	<b>2,455.04</b>	<b>2,133.96</b>	<b>4,292.61</b>
6	Exceptional items	--	--	--	--	--	--
7	<b>Profit before tax</b>	<b>1,268.79</b>	<b>1,186.25</b>	<b>1,114.56</b>	<b>2,455.04</b>	<b>2,133.96</b>	<b>4,292.61</b>
8	<b>Tax expense</b>						
	- Current tax	422.37	356.05	350.67	778.42	628.56	1,203.99
	- Tax credit in respect of earlier years	2.90	--	0.01	2.90	(12.24)	(71.19)
	- Deferred tax charge / (credit)	(37.89)	(43.28)	(62.35)	(81.17)	(59.48)	(71.07)
	<b>Total tax expense</b>	<b>387.38</b>	<b>312.77</b>	<b>288.33</b>	<b>700.15</b>	<b>556.84</b>	<b>1,061.73</b>
9	<b>Profit for the period / year from continuing operations</b>	<b>881.41</b>	<b>873.48</b>	<b>826.23</b>	<b>1,754.89</b>	<b>1,577.12</b>	<b>3,230.88</b>
10	Profit / (Loss) for the period / year from discontinued operations	--	--	--	--	--	--
11	Tax expense of discontinued operations	--	--	--	--	--	--
12	<b>Profit / (Loss) for the period / year from discontinued operations (After tax)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
13	<b>Profit for the period / year</b>	<b>881.41</b>	<b>873.48</b>	<b>826.23</b>	<b>1,754.89</b>	<b>1,577.12</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)	(12.79)	(13.05)	14.21	(25.84)	56.74	106.88
	<b>(12.79)</b>	<b>(13.05)</b>	<b>14.21</b>	<b>(25.84)</b>	<b>56.74</b>	<b>106.88</b>	
	<b>B. Items that may be reclassified to profit and loss</b>						
	- Effective portion of cash flow hedge	(139.16)	(159.13)	(92.32)	(298.29)	(159.10)	(191.81)
	- Exchange differences in translating the financial statements of foreign operations	185.91	151.80	50.42	337.71	72.09	77.70
	<b>46.75</b>	<b>(7.33)</b>	<b>(41.90)</b>	<b>39.42</b>	<b>(87.01)</b>	<b>(114.11)</b>	
	<b>33.96</b>	<b>(20.38)</b>	<b>(27.69)</b>	<b>13.58</b>	<b>(30.27)</b>	<b>(7.23)</b>	
15	<b>Total comprehensive income for the period / year</b>	<b>915.37</b>	<b>853.10</b>	<b>798.54</b>	<b>1,768.47</b>	<b>1,546.85</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	11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted	11.02	10.92	10.33	21.94	19.71	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	11.02	10.92	10.33	21.94	19.71	40.39
	- Diluted	11.02	10.92	10.33	21.94	19.71	40.39
21	<b>Dividend per share (in ₹)</b>						
	Interim dividend	--	--	--	--	--	7
	Final dividend	--	--	--	--	--	3
	<b>Total dividend</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10</b>

## Segment wise Revenue, Results and Capital Employed

₹ in Million

Sr. No.	Particulars	Quarter ended			Half year ended		Year Ended
		Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
1	Segment revenue						
	- Technology Services	5,436.54	5,243.17	4,915.84	10,679.71	9,466.95	19,371.11
	- Alliance	2,466.94	2,690.68	2,081.76	5,157.62	4,205.64	8,725.06
	- Accelerite (Products)	452.09	408.96	614.92	861.05	1,220.08	2,240.86
	<b>Total</b>	<b>8,355.57</b>	<b>8,342.81</b>	<b>7,612.52</b>	<b>16,698.38</b>	<b>14,892.67</b>	<b>30,337.03</b>
2	Less: Inter segment revenue	--	--	--	--	--	--
3	Net sales/income from operations	8,355.57	8,342.81	7,612.52	16,698.38	14,892.67	30,337.03
4	Segment results profit/ (loss) before tax, interest and depreciation and amortization						
	- Technology Services	2,034.70	1,998.56	1,823.00	4,033.26	3,481.20	7,408.18
	- Alliance	826.50	860.37	657.09	1,686.87	1,356.02	2,699.89
	- Accelerite (Products)	241.80	162.27	283.03	404.07	537.35	1,054.29
	<b>Total</b>	<b>3,103.00</b>	<b>3,021.20</b>	<b>2,763.12</b>	<b>6,124.20</b>	<b>5,374.57</b>	<b>11,162.36</b>
5	Less:						
	- Finance costs	1.07	0.28	0.16	1.35	0.33	0.79
	- Other un-allocable expenses	2,065.35	2,021.42	1,984.74	4,086.77	3,944.53	8,059.97
6	Un-allocable income	232.21	186.75	336.34	418.96	704.25	1,191.01
7	<b>Total profit before tax</b>	<b>1,268.79</b>	<b>1,186.25</b>	<b>1,114.56</b>	<b>2,455.04</b>	<b>2,133.96</b>	<b>4,292.61</b>

₹ in Million

8	Segment assets	As at		
		Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
	- Technology Services	3,426.75	3,641.28	3,675.96
	- Alliance	1,100.09	667.79	740.27
	- Accelerite (Products)	251.24	529.21	431.17
	<b>Total allocable segment assets</b>	<b>4,778.08</b>	<b>4,838.28</b>	<b>4,847.40</b>
	Unallocable assets	24,019.19	20,270.22	21,860.73
	<b>Total assets</b>	<b>28,797.27</b>	<b>25,108.50</b>	<b>26,708.13</b>

## Audited consolidated statement of assets and liabilities

₹ in Million

Particulars	As at Sept. 30, 2018 (Audited)	As at Sept. 30, 2017 (Audited)	As at March 31, 2018 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2,450.98	2,669.23	2,581.30
Capital work-in-progress	3.15	29.14	7.71
Goodwill	85.20	76.80	76.61
Other Intangible assets	2,227.99	2,834.12	2,463.54
Intangible assets under development	243.96	157.51	44.72
<b>Financial assets</b>			
- Investments	3,460.35	2,547.30	2,881.04
- Loans	158.00	133.03	142.73
- Other non-current financial assets	25.40	317.41	37.43
Deferred tax assets (net)	647.26	559.51	642.01
Other non-current assets	78.74	56.63	91.57
<b>Total non-current assets</b>	<b>9,381.03</b>	<b>9,380.68</b>	<b>8,968.66</b>
<b>Current assets</b>			
<b>Financial assets</b>			
- Investments	7,382.85	4,810.64	5,916.31
- Trade receivables (net)	4,778.08	4,838.28	4,847.40
- Cash and cash equivalents	1,080.68	1,754.18	1,343.72
- Other bank balances	459.40	681.97	1,070.25
- Loans	8.05	11.59	6.63
- Other current financial assets	3,488.97	2,041.38	2,758.25
Current tax assets (net)	244.70	191.47	233.50
Other current assets	1,973.51	1,398.31	1,563.41
<b>Total current assets</b>	<b>19,416.24</b>	<b>15,727.82</b>	<b>17,739.47</b>
<b>TOTAL ASSETS</b>	<b>28,797.27</b>	<b>25,108.50</b>	<b>26,708.13</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	800.00	800.00	800.00
Other equity	22,029.11	19,457.62	20,471.99
<b>Total Equity</b>	<b>22,829.11</b>	<b>20,257.62</b>	<b>21,271.99</b>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
<b>Financial liabilities</b>			
- Borrowings	15.18	20.20	16.55
Provisions	181.81	167.96	159.75
Deferred tax liabilities (net)	--	217.40	270.41
<b>Total Non - current liabilities</b>	<b>196.99</b>	<b>405.56</b>	<b>446.71</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
- Trade payables	1,917.52	1,499.03	1,673.08
- Other financial liabilities	975.14	487.06	396.33
Other current liabilities	1,257.09	908.93	1,201.02
Provisions	1,512.13	1,354.36	1,599.49
Current tax liabilities (net)	109.29	195.94	119.51
<b>Total current liabilities</b>	<b>5,771.17</b>	<b>4,445.32</b>	<b>4,989.43</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>28,797.27</b>	<b>25,108.50</b>	<b>26,708.13</b>

## Audited unconsolidated financial information

₹ in Million

Particulars	Quarter ended			Half year ended		Year ended
	Sept. 30, 2018 (Audited)	June 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	Sept. 30, 2018 (Audited)	Sept. 30, 2017 (Audited)	March 31, 2018 (Audited)
Revenue from operations (net)	4,936.30	4,619.91	4,374.91	9,556.21	8,647.35	17,327.49
Profit before tax	1,306.23	1,205.40	1,159.94	2,511.63	2,190.73	4,552.16
Profit after tax	896.82	923.25	864.10	1,820.07	1,615.24	3,421.17

### 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 half year ended September 30, 2018, have been taken on record by the Board of Directors at its meeting concluded on October 21, 2018 as recommended by the Audit Committee at its meeting held on October 20, 2018. 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."
- Persistent Systems Inc., the wholly owned subsidiary of Persistent Systems Limited, has completed the acquisition of Herald Technologies Inc., a USA based healthcare startup on August 24, 2018. Accordingly, above results include the financial performance of Herald Technologies Inc.
- As of September 30, 2018, Persistent Systems Limited ("the Parent Company") had deposits of ₹ 430.00 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"). These are due for maturity from January 2019 to June 2019. In August 2018, credit rating agency - ICRA, has significantly downgraded the IL&FS Group's rating and subsequently it is noted that the Government of India and various regulators have intervened in the matter. As of September 30, 2018, there have been no defaults in payment of interest on the aforesaid deposits. Accordingly, the management of the Parent Company believes that there is no immediate need to recognize any impairment on the above deposits as of September 30, 2018. The Parent Company will continue to monitor the developments in this matter for the purpose of determining the financial reporting impact, if any.
- Figures for the previous periods/year have been regrouped wherever necessary to conform to current period's presentation for segment disclosure.

By order of Board of Directors of Persistent Systems Limited

Pune  
October 21, 2018

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

**Kiran Umrookar**  
Director

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