

Persistent Systems Limited

Registered Office : Ghogseratti, 402, Senapati Bapat Road, Pune 411016, India
 Ph. No. +91(20)67030000; Fax +91(20)67030009; Email : info@persistent.com, www.persistent.com. CIN L72300PN1990IN.C056696



Audited consolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2020

Sl. No.	Particulars	Quarter ended			Year ended	
		Dec 31, 2020 (Audited)	Sept 30, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Dec 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)
1	Income					
1	Revenue from operations (net)	10,753.98	10,077.47	9,227.29	30,745.30	26,394.43
2	Other income	300.12	164.97	347.75	677.36	1,030.57
3	Total income	11,054.10	10,242.44	9,575.04	31,422.66	27,425.00
4	Expenses					
	- Employee benefits expense	6,422.18	6,096.84	5,594.47	18,304.09	15,880.43
	- Cost of professionals	1,318.68	1,351.40	998.71	4,020.55	2,755.71
	- Finance costs	13.75	14.20	14.76	42.11	51.64
	- Depreciation and amortization expense	461.05	439.79	428.44	1,336.45	1,239.82
	- Other expenses	1,188.34	965.10	1,398.91	3,473.81	4,104.41
	Total Expenses	9,404.00	8,867.33	8,435.29	27,177.01	24,032.01
5	Profit before exceptional items and tax	1,650.10	1,375.11	1,139.75	4,245.65	3,392.99
6	Exceptional items	-	-	-	-	-
7	Profit before tax	1,650.10	1,375.11	1,139.75	4,245.65	3,392.99
8	Tax expense					
	- Current tax	411.41	436.17	348.37	1,278.34	988.64
	- Tax charge / (credit) in respect of earlier years	(0.53)	(0.87)	47.34	6.90	45.97
	- Deferred tax charge / (credit)	29.98	(80.05)	(135.22)	(168.77)	(206.30)
	Total tax expense	440.86	355.25	260.49	1,116.47	828.31
9	Profit for the period / year	1,209.24	1,019.86	879.26	3,129.18	2,564.68
10	Other comprehensive income					
A.	Items that will not be reclassified to profit and loss					
	- Remeasurements of the defined benefit liabilities / assets (net of tax)	(32.22)	8.71	(0.77)	(14.27)	(37.17)
	Total	(32.22)	8.71	(0.77)	(14.27)	(37.17)
B.	Items that may be reclassified to profit and loss					
	- Effective portion of cash flow hedge (net of tax)	96.00	191.01	(31.11)	436.99	(179.01)
	- Exchange differences in translating the financial statements of foreign operations	314.59	(532.06)	(129.22)	(140.42)	(46.81)
	Total	410.59	(341.05)	(160.33)	296.57	(225.82)
	Total other comprehensive income for the period / year	378.37	(332.34)	(161.10)	282.30	(262.99)
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	1,587.61	687.52	718.16	3,411.48	2,301.69
12	Paid-up equity share capital (Face value of share ₹ 10 each)	764.25	764.25	764.25	764.25	764.25
13	Other equity excluding revaluation reserves	-	-	-	-	23,093.30
14	Earnings per equity share in ₹ (Face value of share ₹ 10 each)					
	- Basic	15.82	13.34	11.50	40.94	33.41
	- Diluted	15.82	13.34	11.50	40.94	33.41
15	Dividend per share (in ₹) (Nominal value per share ₹ 10)					
	- Interim dividend	14.00	-	9.00	14.00	9.00
	- Final dividend	-	-	-	-	-
	Total dividend	14.00	-	9.00	14.00	9.00

Audited unconsolidated financial information

Sl. No.	Particulars	Quarter ended			Year ended	
		Dec 31, 2020 (Audited)	Sept 30, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Dec 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)
1	Revenue from operations (net)	6,426.34	5,961.78	5,448.79	17,949.50	15,419.83
2	Profit before tax	1,609.47	1,594.29	1,206.76	4,779.24	3,664.85
3	Profit after tax	1,259.03	1,176.35	899.56	3,650.14	2,802.41

Segment-wise Revenue, Results and Capital Employed

Considering the focus on industry verticals, the Group has decided to reorganize its operating segments from April 1, 2020. The figures for the corresponding periods / year have been appropriately reclassified in line with the current period's classification.

- a. Banking, Financial Services and Insurance (BFSI)
- b. Healthcare & Life Sciences
- c. Technology Companies and Emerging Verticals

Sr. No.	Particulars	Quarter ended			Nine months ended		Year ended March 31, 2020 (Audited)
		Dec 31, 2020 (Audited)	Sept 30, 2020 (Unaudited)	Dec 31, 2019 (Unaudited)	Dec 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	
1	Segment revenue						
	- BFSI	3,158.04	3,217.36	2,812.66	9,528.51	7,618.43	10,506.77
	- Healthcare & Life Sciences	2,054.64	1,941.90	1,741.05	5,954.01	4,942.37	6,719.15
	- Technology Companies and Emerging Verticals	5,541.30	4,918.21	4,673.58	15,262.78	13,833.63	18,432.16
	Total	10,753.98	10,077.47	9,227.29	30,745.30	26,394.43	35,658.08
2	Less: Inter segment revenue						
3	Net sales/income from operations	10,753.98	10,077.47	9,227.29	30,745.30	26,394.43	35,658.08
4	Segment results (i.e. profit/ (loss) before tax, interest and depreciation and amortization						
	- BFSI	1,360.54	1,157.13	914.10	3,566.72	2,549.31	3,598.15
	- Healthcare & Life Sciences	1,108.67	927.41	785.91	2,935.51	2,114.44	2,900.18
	- Technology Companies and Emerging Verticals	1,484.09	1,754.81	1,564.83	4,826.64	4,846.55	6,418.19
	Total	3,953.29	3,839.35	3,264.84	11,329.07	9,510.30	12,916.52
5	Less:						
	- Finance costs	13.75	14.20	14.76	42.11	51.64	63.32
	- Other un-allocable expenses	2,589.56	2,615.01	2,458.08	7,718.67	7,096.24	9,653.55
6	Un-allocable income	300.12	164.97	347.75	677.36	1,030.57	1,323.77
7	Profit before tax	1,650.10	1,375.11	1,139.75	4,245.65	3,392.99	4,523.42

8 Segment assets

	As at		
	Dec 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	March 31, 2020 (Audited)
- BFSI	1,647.23	1,893.49	2,227.74
- Healthcare & Life Sciences	1,473.10	1,375.64	1,614.60
- Technology Companies and Emerging Verticals	5,356.04	4,518.63	4,148.16
Total allocable segment assets	8,476.37	7,787.76	7,990.50
Unallocable assets	27,183.45	21,421.66	22,931.19
Total assets	35,659.82	29,209.42	30,921.69

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 Chairman & Managing Director.

Segment wise capital employed

Segregation of assets (other than trade receivables and unbilled revenue), 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:

- The audited interim condensed consolidated financial statements for the quarter and nine months ended December 31, 2020, have been taken on record by the Board of Directors at its meeting held on January 28, 2021 as recommended by the Audit Committee at its meeting held on January 25, 2021. The statutory auditors have expressed an unqualified audit opinion. The information presented above is extracted from the audited interim condensed consolidated financial statements.
- During the quarter, Persistent Systems Limited (the Company) acquired 100% shares of CAPIOI Software Private Limited, India ("CAPIOI India"). Consequently, CAPIOI India has become wholly owned subsidiary of the Company. Further, Persistent Systems Inc., USA ("PSI") acquired 100% shares of CAPIOI Software Inc., USA ("CAPIOI US"). Consequently to the above, CAPIOI US has become a wholly owned subsidiary of PSI and CAPIOI Software Pvt Ltd, Singapore and CAPIOI Software Pty Ltd, Australia which are the subsidiary companies of CAPIOI US have become step-down subsidiary companies of PSI.
- The Board of Directors of Persistent Systems Limited, at its meeting held on January 28, 2021, declared an interim dividend of INR 14 per equity share of face value of INR 10 each for the Financial Year 2020-21. The Record Date for the payment of the dividend will be Wednesday, February 10, 2021. The payment of the dividend will be made by Saturday, February 20, 2021.
- The Board of Directors approved the appointment of Mr. Sunil Sapre (DIN: 06475949) as an Additional Director (Executive Member) of the Company for the period from January 27, 2021 till September 30, 2024 subject to the approval of the members at the ensuing General Meeting.
- The Group has considered the possible effects that may result from COVID-19 in the preparation of these condensed interim consolidated financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of COVID-19, the Group has, at the date of approval of these condensed interim consolidated financial statements, used internal and external sources of information including internal credit evaluation report and related information and economic forecasts and expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's condensed interim consolidated financial statements may differ from that estimated as at the date of approval of these condensed interim consolidated financial statements.
- The Code on Social Security, 2020 (applicable to Companies incorporated in India) relating to employee benefits has been approved by the Parliament and has also been published in Official Gazette of India. However, the date on which it comes into effect has not been notified and the rules are yet to be framed. Group will complete its evaluation and will give appropriate impact in its financial results in the period in which, the Code becomes effective and the related rules are published.
- The unaudited interim consolidated financial results of the Group for the quarter and nine months ended December 31, 2019 were subjected to limited review by statutory auditors.
- The investors are requested to visit the following website of the Company and Stock Exchanges for further details:
 • Company's website: <https://www.persistent.com/investors> • BSE Ltd: www.bseindia.com • National Stock Exchange of India Ltd.: www.nseindia.com

By order of Board of Directors of Persistent Systems Limited

Dr. Anand Deshpande
 Chairman and Managing Director

Pune
 January 28, 2021

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

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Audited consolidated financial results of Persistent Systems Limited for the quarter and nine months ended December 31, 2020

Segment wise Revenue, Results and Capital Employed

Considering the focus on industry verticals, the Group has decided to reorganize its operating segments from April 1, 2020. The figures for the corresponding periods / year have been appropriately reclassified in line with the current period's classification.

- a. Banking, Financial Services and Insurance (BFSI)
b. Healthcare & Life Sciences
c. Technology Companies and Emerging Verticals

Sl. No.	Particulars	Quarter ended			Nine months ended		Year ended
		Dec 31, 2020 (Audited)	Sept 30, 2020 (Audited)	Dec 31, 2019 (Unaudited)	Dec 31, 2020 (Audited)	Dec 31, 2019 (Unaudited)	March 31, 2020 (Audited)
1	Income						
	Revenue from operations (net)	10,752.98	10,077.47	9,227.29	30,745.30	26,394.43	35,658.08
2	Other income	300.12	164.97	347.75	677.36	1,030.57	1,323.77
3	Total income	(1+2) 11,054.10	10,242.44	9,575.04	31,422.66	27,425.00	36,981.85
4	Expenses						
	- Employee benefits expense	6,422.16	6,096.84	5,594.47	18,304.09	15,880.43	21,556.40
	- Cost of professionals	1,316.68	1,351.40	998.71	4,020.55	2,755.71	3,918.94
	- Finance costs	13.75	14.20	14.76	42.11	51.64	63.32
	- Depreciation and amortization expense	461.05	439.79	428.44	1,336.45	1,239.82	1,659.62
	- Other expenses	1,186.34	965.10	1,398.91	3,473.81	4,104.41	5,260.15
	Total Expenses	9,404.00	8,867.33	8,435.29	27,177.01	24,032.01	32,458.43
5	Profit before exceptional items and tax	(3-4) 1,650.10	1,375.11	1,139.75	4,245.65	3,392.99	4,523.42
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax	(5-6) 1,650.10	1,375.11	1,139.75	4,245.65	3,392.99	4,523.42
8	Tax expense						
	- Current tax	411.41	436.17	348.37	1,278.34	988.64	1,354.70
	- Tax charge / (credit) in respect of earlier years	(0.53)	(0.87)	47.34	6.90	45.97	52.55
	- Deferred tax charge / (credit)	29.98	(80.05)	(135.22)	(168.77)	(206.30)	(286.72)
	Total tax expense	440.86	355.25	260.49	1,116.47	828.31	1,120.53
9	Profit for the period / year	(7-8) 1,209.24	1,019.86	879.26	3,129.18	2,564.68	3,402.89
10	Other comprehensive income						
	A. Items that will not be reclassified to profit and loss						
	- Remeasurements of the defined benefit liabilities / assets (net of tax)	(32.22)	8.71	(0.77)	(14.27)	(37.17)	(34.80)
	Total A	(32.22)	8.71	(0.77)	(14.27)	(37.17)	(34.80)
	B. Items that may be reclassified to profit and loss						
	- Effective portion of cash flow hedge (net of tax)	96.00	191.01	(31.11)	436.99	(179.01)	(429.15)
	- Exchange differences in translating the financial statements of foreign operations	314.59	(532.06)	(129.22)	(140.42)	(46.81)	323.15
	Total B	410.59	(341.05)	(160.33)	296.57	(225.82)	(106.00)
	Total other comprehensive income for the period / year	(A+B) 378.37	(332.34)	(161.10)	282.30	(262.99)	(140.80)
11	Total comprehensive income for the period / year (Comprising Profit / (Loss) and Other Comprehensive Income for the period / year)	(9+10) 1,587.61	687.52	718.16	3,411.48	2,301.69	3,262.09
12	Paid-up equity share capital (Face value of share ₹ 10 each)	764.25	764.25	764.25	764.25	764.25	764.25
13	Other equity excluding revaluation reserves	-	-	-	-	-	23,093.30
14	Earnings per equity share in ₹ (Face value of share ₹ 10 each)						
	- Basic	15.82	13.34	11.50	40.94	33.41	44.38
	- Diluted	15.82	13.34	11.50	40.94	33.41	44.38
15	Dividend per share (in ₹) (Nominal value per share ₹ 10)						
	- Interim dividend	14.00	-	9.00	14.00	9.00	12.00
	- Final dividend	-	-	-	-	-	-
	Total dividend	14.00	-	9.00	14.00	9.00	12.00

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1	Segment revenue						
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3	Net sales/income from operations	10,753.98	10,077.47	9,227.29	30,745.30	26,394.43	35,658.08
4	Segment results i.e. profit / (loss) before tax, interest and depreciation and amortization						
	- BFSI	1,360.54	1,157.13	914.10	3,566.72	2,549.31	3,598.15
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	Total assets	35,659.82	29,209.62	30,921.69

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• Company's website: <https://www.persistent.com/investors> • ISE Ltd: www.bseindia.com • National Stock Exchange of India Ltd.: www.nseindia.com

Audited unconsolidated financial information

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3	Profit after tax	1,259.03	1,176.35	899.56	3,650.14	2,802.41	4,077.23

Pune
January 28, 2021

By order of Board of Directors of Persistent Systems Limited
Dr. Anand Deshpande
Chairman and Managing Director

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